

# Business activity and results

January-March

# 2022



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**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 the Group's directors, 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 IFRS 4 and subsequent reviews, the Group has decided to apply temporary exemption from applying IFRS 9 to the financial investments of the Group's insurance firms for all periods that come before 1 January 2023, aligning its first application with the entry into force of the new IFRS 17: Insurance Contracts (expected on 1 January 2023), which will govern the presentation and measurement of insurance contracts (including technical provisions). Accordingly, these investments are measured in accordance with IAS 39 and grouped under the heading "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 corresponding to Unit Link and Flexible Investment Life Annuity (the part managed), which are now reported jointly under 'Liabilities under the insurance business'.

## Commercial positioning

### CLIENTS

**20.4**  
million

### BUSINESS ACTIVITY

**689,217**  
in total assets (€ million)

**619,892**  
in customer funds (€ million)

**353,404**  
in loans and advances to  
customers (€ million)

## Balance sheet indicators

### RISK MANAGEMENT

**3.5%**  
NPL ratio

**65%**  
NPL  
coverage ratio

**0.23%**  
Cost of risk (12 months)

### CAPITAL ADEQUACY

**13.4%**  
CET1

**17.9%**  
Total capital

**26.5%**  
proforma MREL

### LIQUIDITY

**171,202**  
in total liquid assets (€ million)

**325%**  
liquidity coverage ratio (LCR),  
trailing 12 months

**154%**  
NSFR

## Results, profitability and cost-to-income

### ATTRIBUTABLE PROFIT/(LOSS)

**707**  
million euros

### COST-TO-INCOME

**57.4%**  
cost-to-income ratio stripping out  
extraordinary expenses  
(12 months)

### PROFITABILITY

**7.6%**  
12-month ROTE  
ex M&A impacts

## Key Group figures

€ million / %	January - March		Change
	2022	2021	
<b>PROFIT/(LOSS)</b>			
Net interest income	1,550	1,191	30.1%
Net fee and commission income	969	659	47.0%
Core income	2,761	2,066	33.6%
Gross income	2,775	2,063	34.6%
Recurring administrative expenses, depreciation and amortisation	(1,523)	(1,149)	32.6%
Pre-impairment income	1,244	874	42.5%
Pre-impairment income stripping out extraordinary expenses	1,252	914	37.0%
Profit/(loss) attributable to the Group	707	4,786	(85.2%)
Profit/(loss) attributable to the Group ex M&A impacts in 2021	707	514	37.6%
<b>MAIN RATIOS (last 12 months)</b>			
Cost-to-income ratio	76.4%	54.0%	22.4
Cost-to-income ratio stripping out extraordinary expenses	57.4%	53.5%	3.9
Cost of risk <sup>1</sup> (last 12 months)	0.23%	0.61%	(0.38)
ROE <sup>1</sup>	6.5%	6.6%	(0.2)
ROTE <sup>1</sup>	7.6%	8.0%	(0.5)
ROA <sup>1</sup>	0.3%	0.4%	(0.0)
RORWA <sup>1</sup>	1.0%	1.1%	(0.1)
<b>BALANCE SHEET</b>			
Total assets	689,217	680,036	1.4%
Equity	35,916	35,425	1.4%
<b>BUSINESS ACTIVITY</b>			
Customer funds	619,892	619,971	-
Loans and advances to customers, gross	353,404	352,951	0.1%
<b>RISK MANAGEMENT</b>			
Non-performing loans (NPL)	13,361	13,634	(272)
Non-performing loan ratio	3.5%	3.6%	(0.1)
Provisions for insolvency risk	8,648	8,625	23
NPL coverage ratio	65%	63%	2
Net foreclosed available for sale real estate assets	2,223	2,279	(56)
<b>LIQUIDITY</b>			
Total Liquid Assets	171,202	168,349	2,854
Liquidity Coverage Ratio (last 12 months)	325%	320%	5
Net Stable Funding Ratio (NSFR)	154%	154%	-
Loan to deposits	89%	89%	-
<b>CAPITAL ADEQUACY</b>			
Common Equity Tier 1 (CET1)	13.4%	13.1%	0.3
Tier 1	15.7%	15.5%	0.2
Total capital	17.9%	17.9%	-
MREL <sup>2</sup>	26.5%	25.7%	0.8
Risk-weighted assets (RWAs)	214,004	215,651	(1,647)
Leverage ratio	5.2%	5.3%	(0.1)
<b>SHARE INFORMATION</b>			
Share price (€/share)	3.077	2.414	0.663
Market capitalisation	24,779	19,441	5,338
Book value per share (€/share)	4.46	4.39	0.06
Tangible book value per share (€/share)	3.80	3.73	0.06
Net income (ex M&A impacts) attributable per share (€/share) (12 months)	0.28	0.28	0.00
PER (Price/Profit, ex M&A impacts; times)	10.85	8.65	2.21
Tangible PBV (Market value/ book value of tangible assets)	0.81	0.65	0.16
<b>OTHER DATA (units)</b>			
Employees	46,480	49,762	(3,282)
Branches	4,824	5,317	(493)
Of which: retail branches in Spain	4,213	4,615	(402)
ATMs <sup>3</sup>	13,568	14,426	(858)

(1) The 2021 ratios do not include in the numerator the results generated by Bankia before 31 March 2021, which is the recognition date of the merger for accounting purposes or, for consistency, the contribution of the incorporated RWAs or balance items in the denominator. They neither consider the extraordinary impacts associated with the merger.

(2) The March 2022 ratio includes issues of Senior non-preferred debt for €1,000 million and £500 million in April 2022 (25.8% without considering this).

(3) Data for December 2021 has been restated.

# Key information

## Our Bank

CaixaBank serves over 20.4 million customers through a network close to 5,000 branches in Spain and Portugal and has around €700,000 million in assets.

CaixaBank's vision is to be a **leading and innovative financial group** with the **best customer service**, while making it a **benchmark for socially responsible banking**.

CaixaBank was named "**Best Bank in Spain**" for the eight consecutive year and "**Best Bank in Western Europe**" for the fourth time at the *Best Bank Awards* handed out each year by the magazine *Global Finance*.

## Customer experience

- CaixaBank provides a unique omnichannel distribution platform with multi-product capabilities that continuously evolves to anticipate our customers' needs and preferences.

Our service vocation helps us establish solid market shares<sup>1</sup>:

Loans to individuals and business	Consumer lending	Deposits by individuals and business	Investment funds	Pension plans	Long-term saving	Card turnover
24.0%	20.1%	25.2%	24.6%	33.9%	29.6%	32.4%

(1) Latest available information. Market shares in Spain. 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.

(2) Private individual customers, with at least one access to CaixaBank Digital Banking in the last 6 months, in Spain.

## Digital transformation

- CaixaBank continues to strengthen its **leadership of the digital banking market**, with a base of 11 million digital customers<sup>2</sup>, maintaining a firm commitment towards digital transformation and supporting innovative companies with a potential for growth.
- The magazine *Global Finance* named CaixaBank the "**Most Innovative Private Bank in Western Europe**" at the *World's Best Private Banks Awards 2022* for its digital transformation strategy and continuous innovation.
- CaixaBank has been recognised with the "**Best shareholder service for a listed company 2021**" at the *Rankia de Bolsa* awards, thanks to its online Shareholders' area and the financial disclosure activities carried out in person and online and made available on its corporate website.

## Sustainable banking and social commitment

- CaixaBank launched in 2022 various initiatives aimed at sustainable business development, including:

A new ESG advisory service to help its corporate and institutional customers to analyse and set up a sustainability strategy and stance, as a way to drive the transition of customers to carbon neutrality and support them in the establishment of sustainable objectives.

The granting of various green loans and sustainable financing, evidencing its leadership in different sectors, e.g. financing to develop and build wind farms and sustainable financing in the maritime sector.

The issuance of 6 million cards 100% recycled in Spain, made from materials with a lower environmental impact, such as recycled or biodegradable plastic.



- CaixaBank has shown its commitment with the people affected by the war in Ukraine, offering fee-free transfers and the use of CaixaBank ATMs by customers of Ukrainian banks free of charge, as well as offering a Social Account, which includes a checking account, a bank card and access to online banking with no service fees. Furthermore, the bank has put in place a platform for donations in collaboration with various NGOs, and CaixaBank's network of volunteers has launched different human aid initiatives.

- In its commitment to financial inclusion, CaixaBank has enhanced the personalised services it provides to the senior group, with the aim of offering a high quality service and maintaining its leading position in the sector, by creating a team of 2,000 senior advisers specialising in personalised services to the elderly.

In addition, CaixaBank provides its services in 420 towns and villages in which it is the only bank present. The Ofibús mobile branches also provide service in 426 rural municipalities, 77% of which are at risk of financial exclusion and where approximately 250,000 inhabitants reside.

- CaixaBank has been certified with distinction in Good Corporate Governance by AENOR, becoming one of the first companies to obtain this certification.

## People-centric culture

- CaixaBank is included in the **Bloomberg Gender-Equality Index**, which acknowledges the companies that are most committed to gender equality, through their policies, and transparency in disseminating their related programmes and information.

CaixaBank is among the **world's top five companies** in the 2022 Bloomberg Gender- Equality Index.

## Attractive return and solid financials

### Results and business activity

- **Attributable profit in the first quarter of 2022 reached €707 million**, versus €4,786 million recognised in the same period of 2021, including the one-off impacts related to the merger with Bankia.

The **2022 result grows 21.9%** when compared to the comparative proforma Profit/(loss) of **€580 million** in the first quarter of 2021 (stripping out the extraordinary aspects related to the merger and including Bankia's result before its materialisation).

- The **lending activity and customer funds indicators remain stable in the quarter**, where **total loans and advances to customers, gross stand at €353,404 million** and **customer funds amount to €619,892 million**.

### Risk management

- The **NPL ratio stands at 3.5%** (3.6% at 2021 year-end), following the drop of €272 million of non-performing loans in the quarter.
- Robust **coverage ratio at 65%** (63% at 2021 year-end).
- The **cost of risk (last 12 months)** came to **0.23%**.

### Liquidity management

- **Total liquid assets** amounted to **€171,202 million**, up €2,854 million in the quarter.
- The Group's **Liquidity Coverage Ratio (LCR)** was **315%** at 31 March 2022, showing an ample liquidity position (325% LCR trailing 12 months) well clear of the minimum requirement of 100%.

## Capital management

- The **Common Equity Tier 1 (CET1)** ratio stands at **13.4%** (13.2% without applying the IFRS 9 transitional adjustments).

The organic change in the quarter was of +37 basis points and -23 basis points caused by the forecast of dividends and AT1 coupon payment and +22 basis points by the performance of the markets and other factors. The impact of IFRS 9 phase in was of +24 basis points.

- The **Tier 1** ratio reaches **15.7%** (15.5% without applying the IFRS 9 transitional adjustments), the **Total Capital 17.9%** (17.7% without applying the IFRS 9 transitional adjustments) and the **leverage ratio 5.2%**.
- The proforma MREL ratio<sup>1</sup> stood at 26.5% on RWAs, meeting the level required for 2024.

*(1) Includes issues of Senior non-preferred debt for €1,000 million and £500 million in April 2022.*

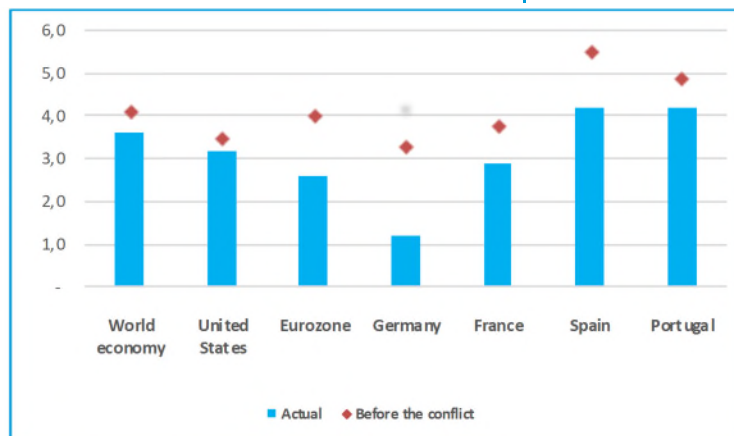


# Macroeconomic trends and state of the financial markets

## Global economic outlook

Following the historic recession in 2020 resulting from the Covid pandemic (a **world GDP** drop of 3.1%), 2021 was characterised by an intense economic recovery (+6.1%). 2022 is shaping up to be a year of continuity in this recovery, supported by the high proportion of the population already vaccinated, stored demand, and expansive economic policies. Nonetheless, the challenges continue to be important, as to the uncertainty associated with Covid we need to add a rise in inflation that is more persistent than expected, supply problems arising from bottlenecks and the turn in monetary policy of a good number of countries.

On top of these challenges, we now have the Ukraine war. It is an event with significant disruptive potential that has led us to revise the world GDP growth downwards by slightly more than half a point with respect to that expected before the war, albeit the uncertainty around this outlook is significant. In this setting, we forecast global economic growth of around 3.5% in 2022. The effects will be asymmetric by region, with a greater negative impact on the European economies.



GDP<sup>1</sup>, prevision growth 2022  
Annual change (%)

## Economic scenario - Europe, Spain and Portugal

Following a slightly positive end of the year 2021 (0.3% quarter on quarter in the fourth quarter of 2021, in the **eurozone** the outbreak of war in Ukraine is a heavy blow for the expectations of an acceleration in activity which was being counted on owing to the foreseeable "downgrading" of Covid, the effect of the European Funds (NGEU) and the normalisation of activity in the value chains.

This increase in the energy bill and the rise in uncertainty explain the 1.4 pps reduction in projected growth for the eurozone in 2022, cutting it to 2.6%. By country, the steepest downward revisions are in Germany (-2.1 pps, to 1.2%) and Italy (-1.7 pps, to 2.4%), given their greater exposure to imports of gas from Russia and the greater relative weight of industry in their economic structure, a sector particularly affected by the bottlenecks and the increase in the price of a large part of their inputs. On the other hand, the sharp rise already registered in energy prices, coupled with the prospect of them staying high for longer, explain the significant upward revision of average inflation for 2022, bringing it to 6.7% and marking a new annual high since the beginning of the series (1997). Data at March confirmed a significant rise of inflation to 7.4%, compared to 5.9% in February.

The **Spanish economy** ended 2021 with strong growth, recording a GDP rise of 2.2% in the fourth quarter of 2021 (according to data revised by the Spanish National Statistics Institute on 25 March), which allowed for a growth rate of 5.1% for the year as a whole. In the early months of 2022, and until the outbreak of war in Ukraine, activity indicators showed a good performance and the outlook was very positive. The retreat of the sixth wave of Covid, the good shape of the labour market, the deployment of European funds and the favourable outlook for the tourist season invited optimism, although there was also some concern about a higher and more persistent inflation than expected months earlier.

However, the outbreak of the conflict is altering this scenario and will have a substantial impact on both economic activity and inflation, through rising energy and raw materials prices, increased stress on global

(1) CaixaBank  
Research forecasts for  
2022.

supply chains, and a deterioration in agents' confidence. There are currently few post-invasion indicators available. The most significant impacts have been the sharp deterioration in consumer confidence in March to levels not seen since the outbreak of the pandemic and the rise of inflation to 9.8% in March, which is the highest level since May 1985.

As a consequence of the conflict, we have revised the GDP growth forecasts for 2022 downward, from 5.5% to 4.2% (under the assumption of an average oil price of \$105 per barrel). In addition, as a result of tensions in the energy and food markets, we have revised the expected inflation upwards. Therefore, we estimate that the inflation will reach 6.8%, as opposed to the 4.5% of the previous forecasts. These projections are subject to an unusual level of uncertainty.

The government has presented an action plan to cushion the rise in energy prices. The plan will have a cost of around €6,000 million and will include €10,000 million in ICO loans. However, the measures aimed at reducing the price of electricity are still pending, and these will be important in mitigating pressures on inflation over the short term.

In **Portugal**, the outlook for GDP growth in 2022 was highly positive, based on the boost in investments associated with European funds, the savings accumulated by the families during the lockdown, and the expected recovery of international tourism. However, the outbreak of the war has led us to revise GDP growth forecasts down to 4.2% and inflation upwards. This revision is lower than that of Spain, since the forecast for Portugal did not include the surprise rise that took place in the fourth quarter of 2021.

## State of the financial markets

The central banks have taken a proactive stance in the face of inflationary pressures. At its meeting last March, the Federal Reserve decided to start the cycle of interest rate hikes (+0.25 p.p.), and increases of at least the same magnitude are expected at the remaining 6 meetings in 2022. Moreover, during 2023 and 2024, most Fed members believe that it will be necessary to raise interest rates above the level they consider for long-term equilibrium (2.4%) in order to offset rising inflation. The Fed is also expected to begin reducing its balance sheet size this summer.

Meanwhile, the ECB has reinforced expectations of ending its programme of public debt purchases at some point in the third quarter (although it will continue to reinvest assets at maturity), and then, starting to increase interest rates. The markets are currently anticipating that benchmark rates will no longer be in negative territory this year, and that there may be seven or eight rate hikes of 0.25% each by the end of next year.

The financial markets have been trading against a backdrop of high volatility, marked by the evolution of the war and the withdrawal of the central banks' monetary stimuli. These factors have led to a significant increase of sovereign debt interest rates, with the 10-year US bond rising by 140 basis points to 2.9% and the equivalent German bund by 115 to 0.9%. Meanwhile, the risk premiums in the eurozone area have increased 30 basis points. With regard to equity, the stock markets have recovered from the slump caused by the outbreak of the war, albeit overshadowed by a highly uncertain outlook for corporate earnings. The euro, on the other hand, has weakened against the dollar owing to the Greenback's role as safe-haven asset faced with the expectation of more restrictive monetary policy in the United States than in the EMU.

# Income statement

For accounting purposes, the reference date taken for the merger is 31 March 2021, the date on which the financial statements included Bankia's assets and liabilities at fair value. The results in the various lines of the income statement were integrated in April 2021, thus affecting the year-on-year comparability of the information. In addition, the result generated in 2021 includes relevant extraordinary impacts related to the merger.

## Year-on-year and quarterly performance

**Attributable profit in the first quarter of 2022 amounts to €707 million**, versus €4,786 million in 2021, which included the extraordinary aspects related to the merger (negative consolidation difference for €4,300 million and extraordinary expenses for €-28 million, net).

€ million	1Q22	1Q21	Change %	ex M&A one offs			
				1Q21	Change %	4Q21	Change %
<b>Net interest income</b>	<b>1,550</b>	<b>1,191</b>	<b>30.1</b>	<b>1,191</b>	<b>30.1</b>	<b>1,559</b>	<b>(0.6)</b>
Dividend income	1					39	(97.5)
Share of profit/(loss) of entities accounted for using the equity method	50	77	(34.4)	77	(34.4)	70	(27.8)
Net fee and commission income	969	659	47.0	659	47.0	1,101	(12.0)
Trading income	144	42		42		90	60.0
Income and expense under insurance or reinsurance contracts	202	164	22.9	164	22.9	172	17.6
Other operating income and expense	(140)	(70)	98.3	(70)	98.3	(466)	(70.0)
<b>Gross income</b>	<b>2,775</b>	<b>2,063</b>	<b>34.6</b>	<b>2,063</b>	<b>34.6</b>	<b>2,563</b>	<b>8.3</b>
Recurring administrative expenses, depreciation and amortisation	(1,523)	(1,149)	32.6	(1,149)	32.6	(1,577)	(3.4)
Extraordinary expenses	(8)	(40)	(81.1)	0		0	
<b>Pre-impairment income</b>	<b>1,244</b>	<b>874</b>	<b>42.5</b>	<b>914</b>	<b>36.2</b>	<b>987</b>	<b>26.1</b>
<b>Pre-impairment income stripping out extraordinary expenses</b>	<b>1,252</b>	<b>914</b>	<b>37.0</b>	<b>914</b>	<b>37.0</b>	<b>987</b>	<b>26.9</b>
Allowances for insolvency risk	(228)	(174)	31.4	(174)	31.4	(344)	(33.7)
Other charges to provisions	(45)	(49)	(7.7)	(49)	(7.7)	(182)	(75.2)
Gains/(losses) on disposal of assets and others	(9)	4,303		3		(32)	(70.8)
<b>Profit/(loss) before tax</b>	<b>962</b>	<b>4,954</b>	<b>(80.6)</b>	<b>694</b>	<b>38.6</b>	<b>429</b>	
Income tax expense	(254)	(168)	51.0	(180)	40.9	(91)	
<b>Profit/(loss) after tax</b>	<b>708</b>	<b>4,785</b>	<b>(85.2)</b>	<b>513</b>	<b>38.1</b>	<b>339</b>	
Profit/(loss) attributable to minority interest and others	1					2	
<b>Profit/(loss) attributable to the Group</b>	<b>707</b>	<b>4,786</b>	<b>(85.2)</b>	<b>514</b>	<b>37.6</b>	<b>337</b>	

Core income	1Q22	1Q21	Change %	4Q21	Change %
Net interest income	1,550	1,191	30.1	1,559	(0.6)
Income from Bancassurance equity investments	41	52	(21.0)	58	(29.2)
Net fee and commission income	969	659	47.0	1,101	(12.0)
Income and expenses under insurance or reinsurance contracts	202	164	22.9	172	17.6
<b>Total core income</b>	<b>2,761</b>	<b>2,066</b>	<b>33.6</b>	<b>2,889</b>	<b>(4.4)</b>

- **With the aim of facilitating the comparability**, the section Comparative proforma income statement includes an analysis of the performance of each of the items of the income statement under a unified vision, that is, after eliminating the extraordinary impacts associated with the merger and incorporating the results generated by Bankia in the first quarter of 2021 before the merger.

In relation to the performance of core income by item, following the merger in 2021, fees and commissions from the sale of insurance products were received from the agreement between Bankia and Mapfre and 49% of the attributable income from Bankia Vida was recognised in the item Share of profit/(loss) of entities accounted for using the equity method. As of 2022, following the acquisition of 100% of Bankia Vida at the end of the last quarter of 2021, its income and costs are integrated by global consolidation (in the items Net interest income and Income and expenses under insurance or reinsurance contracts).

- The **year on year evolution** of profit (-85.2%) is mainly due to the extraordinary impacts associated with the merger in 2021. **Stripping out this effect, it grows 37.6%.**

In addition, the various lines of the income statement are impacted by the inorganic growth, highlighting the core income (+33.6%) and the recurring administrative expenses, depreciation and amortisation (+32.6%).

- **The change in attributable profit with respect to the previous quarter** is mainly impacted by the recognition in the fourth quarter of 2021 of the Deposit Guarantee Fund (DGF) for €-396 million in Other operating income and expense, as well as higher Allowances for insolvency risk and Other charges to provisions.

Core income dropped 4.4% in the quarter. The performance of the various lines of core income is affected by Bankia Vida's global consolidation following the acquisition of 100% of the company in the last quarter of 2021. In addition, the line of fees and commissions was impacted in the fourth quarter of 2021 by higher activity due to positive seasonal factors and by the recognition of success fees from managing long-term savings products at the end of the year.

# Comparative proforma income statement

Below is the income statement for 2022 compared to the comparative proforma income statement for 2021 (drawn up by adding the result generated by Bankia before the merger and excluding the extraordinary aspects related thereto).

The Profit/(loss) in the first quarter of 2022 **stands at €707 million** versus a comparative proforma Profit/(loss) of €580 million in 2021 (+21.9%), mainly due to the growth of **Pre-impairment income** (+5.4%) and the recognition in 2022 of lower **Allowances for insolvency risk** (-23.2%) and **Other charges to provisions** (-37.7%).

€ million	1Q22	1Q21	Change	Change %
<b>Net interest income</b>	<b>1,550</b>	<b>1,639</b>	<b>(89)</b>	<b>(5.4)</b>
Dividend income	1	0	1	
Share of profit/(loss) of entities accounted for using the equity method	50	89	(38)	(43.1)
Net fee and commission income	969	941	28	2.9
Trading income	144	52	91	
Income and expense under insurance or reinsurance contracts	202	164	38	22.9
Other operating income and expense	(140)	(111)	(29)	25.7
<b>Gross income</b>	<b>2,775</b>	<b>2,774</b>	<b>2</b>	<b>0.1</b>
Recurring administrative expenses, depreciation and amortisation	(1,523)	(1,593)	69	(4.3)
Extraordinary expenses	(8)		(8)	
<b>Pre-impairment income</b>	<b>1,244</b>	<b>1,181</b>	<b>64</b>	<b>5.4</b>
<b>Pre-impairment income stripping out extraordinary expenses</b>	<b>1,252</b>	<b>1,181</b>	<b>71</b>	<b>6.0</b>
Allowances for insolvency risk	(228)	(297)	69	(23.2)
Other charges to provisions	(45)	(72)	27	(37.7)
Gains/(losses) on disposal of assets and others	(9)	(20)	10	(52.6)
<b>Profit/(loss) before tax</b>	<b>962</b>	<b>792</b>	<b>170</b>	<b>21.5</b>
Income tax expense	(254)	(212)	(42)	19.6
<b>Profit/(loss) after tax</b>	<b>708</b>	<b>579</b>	<b>129</b>	<b>22.3</b>
Profit/(loss) attributable to minority interest and others	1	0	1	
<b>Net attributable profit/(loss)</b>	<b>707</b>	<b>580</b>	<b>127</b>	<b>21.9</b>
- Profit/(loss) Bankia pre-merger stripping out extraordinary expenses, net		(65)	65	
+ M&A impacts, net		4,272	(4,272)	
<b>Profit/(loss) attributable to the Group (accounting profit/(loss))</b>	<b>707</b>	<b>4,786</b>	<b>(4,079)</b>	<b>(85.2)</b>

Core income	1Q22	1Q21	Change	Change %
Net interest income	1,550	1,639	(89)	(5.4)
Income from Bancassurance equity investments	41	64	(23)	(35.9)
Net fee and commission income	969	941	28	2.9
Income and expenses under insurance or reinsurance contracts	202	164	38	22.9
<b>Total core income</b>	<b>2,761</b>	<b>2,808</b>	<b>(47)</b>	<b>(1.7)</b>

- **Core income** stands at **€2,761 million** (-1.7%), mainly impacted by the lower Net interest income (-5.4%). To interpret appropriately the performance of the various lines of core income, Bankia Vida's aforementioned incorporation should be considered, which has been integrated by global consolidation following the acquisition of 100% of the company in the last quarter of 2021.
- Decline of **Share of profit/(loss) of entities accounted for using the equity method** (-43.1%) following the sale of Erste Group Bank and higher net costs recognised in **Other operating income and expense** (+25.7%) versus a good performance of **Trading income**.
- **Recurring administrative expenses, depreciation and amortisation** dropped **4.3%**, representing the capture of cost synergies mainly from savings associated with the labour agreement.

## Returns on average total assets<sup>1</sup>

	1Q22	4Q21	3Q21	2Q21	1Q21
%					
Interest income	1.20	1.18	1.20	1.25	1.34
Interest expense	(0.31)	(0.29)	(0.28)	(0.27)	(0.33)
<b>Net interest income</b>	<b>0.89</b>	<b>0.89</b>	<b>0.92</b>	<b>0.98</b>	<b>1.01</b>
Dividend income	0.00	0.02	0.00	0.09	0.00
Share of profit/(loss) of entities accounted for using the equity method	0.03	0.04	0.08	0.07	0.05
Net fee and commission income	0.56	0.63	0.55	0.59	0.58
Trading income	0.08	0.05	0.03	0.02	0.03
Income and expense under insurance or reinsurance contracts	0.12	0.10	0.09	0.09	0.10
Other operating income and expense	(0.08)	(0.27)	(0.05)	(0.16)	(0.07)
<b>Gross income</b>	<b>1.59</b>	<b>1.46</b>	<b>1.62</b>	<b>1.68</b>	<b>1.70</b>
Recurring administrative expenses, depreciation and amortisation	(0.88)	(0.90)	(0.92)	(0.95)	(0.97)
<b>Pre-impairment income</b>	<b>0.71</b>	<b>0.56</b>	<b>0.70</b>	<b>0.73</b>	<b>0.73</b>
Allowances for insolvency risk	(0.13)	(0.20)	(0.09)	(0.09)	(0.18)
Other charges to provisions	(0.03)	(0.10)	(0.04)	(0.05)	(0.04)
Gains/(losses) on disposal of assets and others	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)
<b>Profit/(loss) before tax</b>	<b>0.55</b>	<b>0.24</b>	<b>0.56</b>	<b>0.58</b>	<b>0.49</b>
Income tax expense	(0.14)	(0.05)	(0.13)	(0.12)	(0.13)
<b>Profit/(loss) after tax</b>	<b>0.41</b>	<b>0.19</b>	<b>0.43</b>	<b>0.46</b>	<b>0.36</b>
Profit/(loss) attributable to minority interest and others	0.00	0.00	0.00	0.00	0.00
<b>Profit/(loss) attributable to the Group</b>	<b>0.41</b>	<b>0.19</b>	<b>0.43</b>	<b>0.46</b>	<b>0.36</b>
<b>Average total net assets (€ million)</b>	<b>706,116</b>	<b>695,346</b>	<b>690,460</b>	<b>671,368</b>	<b>660,552</b>

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

## Net interest income

• **Net interest income** totalled €1,550 million (down 5.4% with respect to the same period in 2021). 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 and the lower rates of the new production with respect to the maturities in the portfolio. A lower average volume is added to this rate reduction.
- Lower contribution of the fixed-income portfolio due to the reduction of the average rate, as a result of the revaluation of assets at market value within the framework of the CaixaBank and Bankia integration in the first quarter of 2021.
- Higher costs for financial intermediaries due to the increase of liquidity at negative rates.

These effects have been partially compensated by:

- Savings in the costs of institutional funding due to a lower price, mainly as a result of the revaluation of liabilities at market value within the framework of the CaixaBank and Bankia integration and a drop in the curve.
- Lower retail funding costs due to the drop in the rate.
- Inclusion of the financial margin on life savings insurance products of Bankia Vida, which after acquiring control over 100% of the company in the last quarter of 2021 has been integrated by global consolidation.

• Net interest income in the **quarter** declines 0.6% with respect to the previous quarter due to:

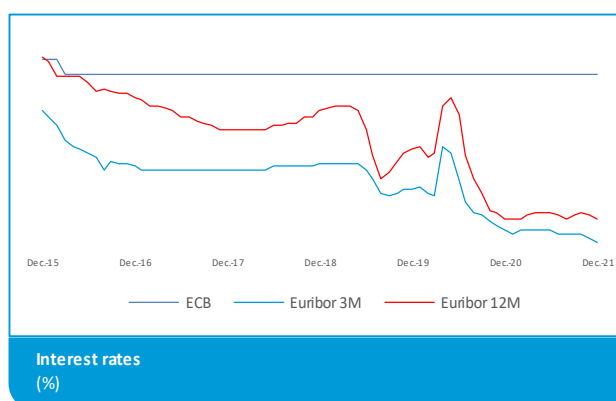
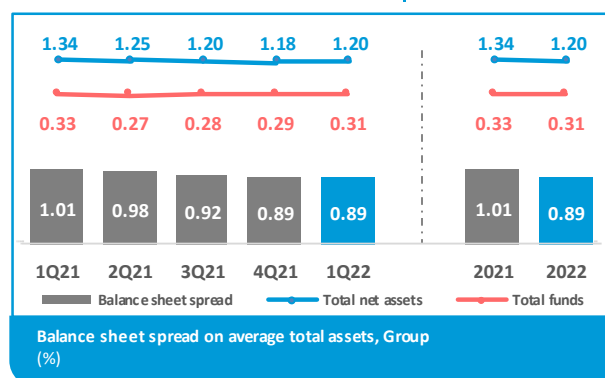
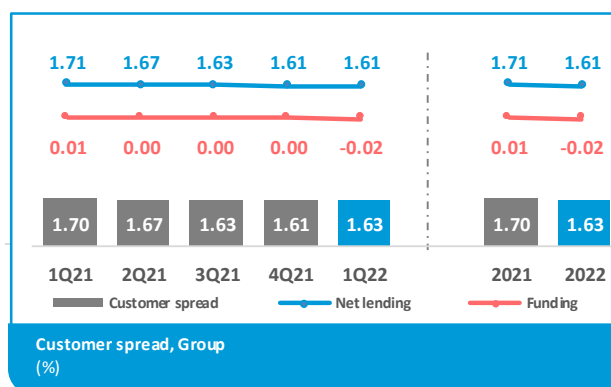
- Decline in the income of loans and advances due to a lower average volume resulting from a lower number of days in the quarter.
- Higher costs for financial institutions due to the increase of liquidity penalised with negative interest rates.

These effects have been partially compensated by:

- Higher contribution of the fixed-income portfolio due to higher volumes and the increase of the average rate.
- Savings in the costs of institutional funding due to a lower price, mainly as a result of the drop of the rate curve and the new issuances at lower rates than the maturities.
- Savings in retail funding costs mainly due to the positive impact of interest-rate hedges, established for a limited amount, that convert fixed into floating cash flows.
- Inclusion of the financial margin on life savings insurance products of Bankia Vida.

The **customer spread** increased by 2 basis points in the quarter to 1.63%, due to the drop of the cost of deposits and the stability in the return on lending activity.

The **balance sheet spread** is in line with the previous quarter, at 0.89%.





## Quarterly cost and income

€ million	1Q22			4Q21			3Q21		
	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %
Financial Institutions	136,446	278	0.83	123,090	266	0.86	114,742	252	0.87
Loans and advances (a)	329,860	1,306	1.61	333,254	1,355	1.61	336,605	1,386	1.63
Debt securities	87,510	59	0.28	81,945	53	0.26	78,021	46	0.23
Other assets with returns	67,682	427	2.56	63,773	388	2.42	63,755	392	2.44
Other assets	84,618	17	-	93,284	4	-	97,337	9	-
<b>Total average assets (b)</b>	<b>706,116</b>	<b>2,087</b>	<b>1.20</b>	<b>695,346</b>	<b>2,066</b>	<b>1.18</b>	<b>690,460</b>	<b>2,085</b>	<b>1.20</b>
Financial Institutions	125,900	(168)	0.54	116,988	(144)	0.49	115,452	(126)	0.43
Retail customer funds (c)	382,008	16	(0.02)	376,774	(1)	-	371,366	2	-
Wholesale marketable debt securities & other	47,624	(27)	0.23	48,003	(35)	0.29	48,122	(37)	0.30
Subordinated liabilities	9,936	(5)	0.21	10,380	(8)	0.31	9,841	(8)	0.34
Other funds with cost	82,045	(332)	1.64	82,184	(308)	1.49	83,215	(313)	1.49
Other funds	58,603	(21)	-	61,018	(11)	-	62,464	(14)	-
<b>Total average funds (d)</b>	<b>706,116</b>	<b>(537)</b>	<b>0.31</b>	<b>695,346</b>	<b>(507)</b>	<b>0.29</b>	<b>690,460</b>	<b>(496)</b>	<b>0.28</b>
<b>Net interest income</b>		<b>1,550</b>			<b>1,559</b>			<b>1,589</b>	
<b>Customer spread (%) (a-c)</b>		<b>1.63</b>			<b>1.61</b>			<b>1.63</b>	
<b>Balance sheet spread (%) (b-d)</b>		<b>0.89</b>			<b>0.89</b>			<b>0.92</b>	

€ million	2Q21			1Q21		
	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %
Financial Institutions	90,624	237	1.05	74,982	213	1.15
Loans and advances (a)	339,866	1,418	1.67	343,818	1,448	1.71
Debt securities	81,848	49	0.24	86,985	106	0.49
Other assets with returns	63,497	379	2.40	66,739	413	2.51
Other assets	95,533	4	-	88,028	2	-
<b>Total average assets (b)</b>	<b>671,368</b>	<b>2,087</b>	<b>1.25</b>	<b>660,552</b>	<b>2,182</b>	<b>1.34</b>
Financial Institutions	109,060	(96)	0.35	103,939	(76)	0.30
Retail customer funds (c)	362,009	(2)	-	354,718	(6)	0.01
Wholesale marketable debt securities & other	47,690	(35)	0.29	47,226	(87)	0.75
Subordinated liabilities	9,727	(7)	0.30	9,179	(32)	1.41
Other funds with cost	75,907	(297)	1.57	76,773	(328)	1.73
Other funds	66,975	(14)	-	68,717	(14)	-
<b>Total average funds (d)</b>	<b>671,368</b>	<b>(451)</b>	<b>0.27</b>	<b>660,552</b>	<b>(543)</b>	<b>0.33</b>
<b>Net interest income</b>		<b>1,636</b>			<b>1,639</b>	
<b>Customer spread (%) (a-c)</b>		<b>1.67</b>			<b>1.70</b>	
<b>Balance sheet spread (%) (b-d)</b>		<b>0.98</b>			<b>1.01</b>	

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.

## Fees and commissions

- **Fee and commission income grew to €969 million**, up 2.9% on 2021 (-12.0% with respect to the fourth quarter, which was impacted by success fees and seasonal aspects).

- **Banking services, securities and other fees** includes income on securities transactions, transactions, risk activities, deposit management, payment methods and wholesale banking.

Recurring fees and commissions dropped 3.3%, impacted by the consolidation of the customer loyalty programmes, among other factors. The quarterly performance (-10.6%) is impacted also by the usual rise in transactions in the fourth quarter of the year.

Fees and commissions from wholesale banking show a good performance when compared to the same period of the previous year (+22.0%) and decline with respect to the previous quarter (-6.0%), which experienced higher activity in investment banking.

- **Fees and commissions from the sale of insurance products** grew when compared to 2021 (+2.3%). Their performance is negatively impacted by the drop of fees and commissions from the sale of insurance products following the effective control of Bankia Vida and positively affected by the quarterly accrual of the 10-year phased in income associated with the renegotiation of the agreement to distribute non-life insurance entered with SegurCaixa Adeslas in the last quarter of 2021. The quarterly change (-13.9%) is impacted also by the recognition of income associated with the achievement of commercial objectives in the fourth quarter of the previous year.
- **Fees and commissions from managing long-term savings products** (investment funds, pension plans and Unit Link) stand at €345 million. Growth of 10.3% year-on-year, despite the volatility in the markets in the first quarter of 2022, due to **managing higher asset volumes** following the good performance of both markets and sales in 2021. With respect to the previous quarter (-14.2%), it is mainly impacted by the recognition of success fees in the fourth quarter of 2021 and the market slump in the first quarter of 2022.
  - **Commissions from mutual funds, managed accounts and SICAVs** came to €216 million, with a year-on-year increase of 11.0% and a drop of 10.5% quarter on quarter.
  - **Commissions from managing pension plans** stand at €76 million, showing a performance of +1.7% year-on-year and of -20.6% in the quarter.
  - **Unit Link fees and commissions** reached €53 million, +22.1% on the same period of 2021 and -18.5% on the previous quarter.

€ million	1Q22	1Q21	Change %	1Q22	4Q21	3Q21	2Q21	1Q21
Banking services, securities and other fees	524	529	(1.1)	524	583	536	569	529
<i>Recurring</i>	471	488	(3.3)	471	527	493	503	488
<i>Wholesale banking</i>	52	43	22.0	52	56	43	66	43
Sale of insurance products	100	98	2.3	100	116	79	85	98
Long-term savings products	345	312	10.3	345	402	350	327	312
<i>Mutual funds, managed accounts and SICAVs</i>	216	195	11.0	216	242	220	204	195
<i>Pension plans</i>	76	75	1.7	76	95	79	76	75
<i>Unit Link and other<sup>1</sup></i>	53	43	22.1	53	65	51	47	43
<b>Net fee and commission income</b>	<b>969</b>	<b>941</b>	<b>2.9</b>	<b>969</b>	<b>1,101</b>	<b>964</b>	<b>981</b>	<b>941</b>

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

## Income from equity investments

- **Attributable profit of entities accounted for using the equity method** stand at €50 million. Down 43.1% with respect to the same period in 2021, impacted among others by not including the results attributed to Erste Group Bank since the third quarter of 2021 after its divestment and by the effective control of Bankia Vida at the end of 2021 and its global integration as of January 2022. The latter mainly explains the reduction (-27.8%) of the item when compared to the fourth quarter of the previous year.

€ million	1Q22	1Q21	Change %	1Q22	4Q21	3Q21	2Q21	1Q21
Dividend income	1	0		1	39	1	151	0
Share of profit/(loss) of entities accounted for using the equity method	50	89	(43.1)	50	70	150	129	89
<b>Income from equity investments</b>	<b>51</b>	<b>89</b>	<b>(42.2)</b>	<b>51</b>	<b>109</b>	<b>150</b>	<b>280</b>	<b>89</b>

## Trading income

- **Trading income** stands at €144 million in the first quarter of 2022.

€ million	1Q22	1Q21	Change %	1Q22	4Q21	3Q21	2Q21	1Q21
<b>Trading income</b>	<b>144</b>	<b>52</b>		<b>144</b>	<b>90</b>	<b>50</b>	<b>38</b>	<b>52</b>

## Income and expense under insurance or reinsurance contracts

- The **income and expense under insurance or reinsurance contracts** stands at €202 million, showing a year-on-year growth of 22.9% and quarterly growth of 17.6%, both impacted by the consolidation of Bankia Vida.

€ million	1Q22	1Q21	Change %	1Q22	4Q21	3Q21	2Q21	1Q21
<b>Income and expense under insurance or reinsurance contracts</b>	<b>202</b>	<b>164</b>	<b>22.9</b>	<b>202</b>	<b>172</b>	<b>162</b>	<b>154</b>	<b>164</b>

## Other operating income and expense

• **Other operating income and expense** includes, among other items, income and expenses of non-real estate subsidiaries, income from rentals and expenses incurred in managing foreclosed properties and contributions, levies and taxes. With regard to the contributions and levies, 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 €22 million (€19 million in 2021) and the contribution to the Portuguese banking sector for €21.2 million (€18.8 million in 2021).
- The contribution to the SRF<sup>1</sup> of €181 million stands out in the second quarter of 2021.
- Contribution to the Deposit Guarantee Fund (DGF) of €396 million in the fourth quarter.

(1) Including BPI's contribution to the Portuguese Resolution Fund of €8.5 million in 2021.

€ million	1Q22	1Q21	Change %	1Q22	4Q21	3Q21	2Q21	1Q21
Contributions and levies	(21)	(19)	10.6	(21)	(396)		(181)	(19)
Other real estate operating income and expense (including Spanish property tax in Q1)	(38)	(29)	30.8	(38)	(1)	(18)	(14)	(29)
Other	(80)	(63)	27.9	(80)	(70)	(69)	(73)	(63)
<b>Other operating income and expense</b>	<b>(140)</b>	<b>(111)</b>	<b>25.7</b>	<b>(140)</b>	<b>(466)</b>	<b>(88)</b>	<b>(268)</b>	<b>(111)</b>

## Administration expenses, depreciation and amortisation

- Year-on-year drop in **Recurring administrative expenses, depreciation and amortisation** of 4.3% supported on the synergies achieved following the integration. Personnel expenses (-5.3%) mainly shows the savings following the departure of employees within the framework of the labour agreement. General expenses (-7.2%) include the capture of synergies associated with Bankia's merger.
- With respect to the quarterly performance, Recurring administrative expenses, depreciation and amortisation dropped 3.4% impacted by the departure of employees in both quarters and the savings in general expenses associated with the synergies from the integration. General expenses decreased 3.2% in the quarter despite recognising €9 million associated with the Spanish property tax on own-use properties.

The core cost-to-income ratio (12 months) reached 55.8%.

€ million	1Q22	1Q21	Change %	1Q22	4Q21	3Q21	2Q21	1Q21
<b>Gross income</b>	<b>2,775</b>	<b>2,774</b>	<b>0.1</b>	<b>2,775</b>	<b>2,563</b>	<b>2,828</b>	<b>2,820</b>	<b>2,774</b>
Personnel expenses	(937)	(989)	(5.3)	(937)	(977)	(1,009)	(997)	(989)
General expenses	(391)	(421)	(7.2)	(391)	(404)	(413)	(423)	(421)
Depreciation and amortisation	(195)	(182)	7.1	(195)	(196)	(184)	(178)	(182)
<b>Recurring administrative expenses, depreciation and amortisation</b>	<b>(1,523)</b>	<b>(1,593)</b>	<b>(4.3)</b>	<b>(1,523)</b>	<b>(1,577)</b>	<b>(1,606)</b>	<b>(1,598)</b>	<b>(1,593)</b>
<b>Cost-to-income ratio stripping out extraordinary expenses (%) (12 months)</b>	<b>57.4</b>	<b>55.4</b>	<b>2.0</b>	<b>57.4</b>	<b>58.0</b>	<b>56.4</b>	<b>55.8</b>	<b>55.4</b>
Core income	2,761	2,808	(1.7)	2,761	2,889	2,809	2,833	2,808
Recurring administrative expenses, depreciation and amortisation	(1,523)	(1,593)	(4.3)	(1,523)	(1,577)	(1,606)	(1,598)	(1,593)
<b>Core cost-to-income ratio (12 months)</b>	<b>55.8</b>	<b>54.6</b>	<b>1.2</b>	<b>55.8</b>	<b>56.2</b>	<b>55.3</b>	<b>54.6</b>	<b>54.6</b>

## Allowances for insolvency risk and other charges to provisions

- **Allowances for insolvency risk** amounted to €-228 million, versus €-297 million in the same period of 2021 (-23.2%).

In the first quarter, a fund was set up for €214 million to reflect the estimated impact from the change of the macroeconomic scenario due to the Ukraine war.

Furthermore, the Covid-19 collective fund stands at €1,196 million at the end of the quarter (€1,395 million at the end of 2021). At the end of each reporting period, the Group takes into account the gradually increased visibility of the situation of customers that benefitted from support measures upon their expiration.

The **cost of risk (last 12 months)** came to **0.23%**.

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

The first quarter of 2022 includes the use of provisions established in 2021 to cover asset write-downs from the plan to restructure the commercial network. When the expense materialises, it is recognised in Gains/(losses) on disposal of assets and others (€16 million in the first quarter).

Allowances were recognised for legal contingencies in the last quarter of 2021, employing conservative criteria, as well as a provision associated with the cost arising from BPI's early retirements.

€ million	1Q22	1Q21	Change %	1Q22	4Q21	3Q21	2Q21	1Q21
Allowances for insolvency risk	(228)	(297)	(23.2)	(228)	(344)	(165)	(155)	(297)
Other charges to provisions	(45)	(72)	(37.7)	(45)	(182)	(73)	(80)	(72)
<b>Allowances for insolvency risk and other charges to provisions</b>	<b>(273)</b>	<b>(369)</b>	<b>(26.0)</b>	<b>(273)</b>	<b>(526)</b>	<b>(238)</b>	<b>(235)</b>	<b>(369)</b>

## 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 2022 is mainly impacted by higher asset sales.

The item Other includes in the first quarter of 2022 the materialisation of the asset write-downs within the framework of the aforementioned plan to restructure the commercial network.

In the fourth quarter of 2021, it includes the gains on the sale of the stake held in Erste and the recognition of other income and asset write-downs.

€ million	1Q22	1Q21	Change %	1Q22	4Q21	3Q21	2Q21	1Q21
Real estate results	8	2		8	15	1	(5)	2
Other	(18)	(22)	(21.2)	(18)	(47)	(13)	(13)	(22)
<b>Gains/(losses) on disposal of assets and others</b>	<b>(9)</b>	<b>(20)</b>	<b>(52.6)</b>	<b>(9)</b>	<b>(32)</b>	<b>(12)</b>	<b>(18)</b>	<b>(20)</b>

# Business Activity

## Balance sheet

The Group's total assets reached €689,217 million on 31 March 2022, up 1.4% in the quarter.

€ million	31 Mar. 2022	31 Dec. 2021	Change	Change %
- Cash and cash balances at central banks and other demand deposits	110,471	104,216	6,255	6.0
- Financial assets held for trading	9,374	10,925	(1,551)	(14.2)
- Financial assets not designated for trading compulsorily measured at fair value through profit or loss	209	237	(28)	(11.9)
Equity instruments	139	165	(26)	(15.8)
Debt securities	5	5	0	2.4
Loans and advances	64	67	(2)	(3.3)
- Financial assets at fair value with changes in other comprehensive income	16,977	16,403	574	3.5
- Financial assets at amortised cost	431,735	420,599	11,136	2.6
Credit institutions	9,060	7,869	1,191	15.1
Customers	347,090	344,524	2,566	0.7
Debt securities	75,585	68,206	7,379	10.8
- Derivatives - Hedge accounting	620	1,038	(418)	(40.2)
- Investments in joint ventures and associates	2,531	2,533	(2)	(0.1)
- Assets under the insurance business <sup>1</sup>	78,230	83,464	(5,234)	(6.3)
- Tangible assets	7,901	8,264	(363)	(4.4)
- Intangible assets	4,921	4,933	(12)	(0.2)
- Non-current assets and disposal groups classified as held for sale	3,019	3,038	(19)	(0.6)
- Other assets	23,230	24,387	(1,157)	(4.7)
<b>Total assets</b>	<b>689,217</b>	<b>680,036</b>	<b>9,182</b>	<b>1.4</b>
<b>Liabilities</b>	<b>653,301</b>	<b>644,611</b>	<b>8,690</b>	<b>1.3</b>
- Financial liabilities held for trading	4,583	5,118	(535)	(10.4)
- Financial liabilities at amortised cost	561,790	547,026	14,765	2.7
Deposits from central banks and credit institutions	100,228	94,050	6,178	6.6
Customer deposits	400,604	392,479	8,124	2.1
Debt securities issued	51,985	53,684	(1,699)	(3.2)
Other financial liabilities	8,974	6,812	2,161	31.7
- Liabilities under the insurance business <sup>1</sup>	75,875	79,834	(3,959)	(5.0)
- Provisions	6,219	6,535	(315)	(4.8)
- Other liabilities	4,833	6,098	(1,265)	(20.7)
<b>Equity</b>	<b>35,916</b>	<b>35,425</b>	<b>491</b>	<b>1.4</b>
- Shareholders' equity	37,641	37,013	629	1.7
- Minority interest	32	31	1	4.2
- Accumulated other comprehensive income	(1,757)	(1,619)	(139)	8.6
<b>Total liabilities and equity</b>	<b>689,217</b>	<b>680,036</b>	<b>9,182</b>	<b>1.4</b>

1- In accordance with the Amendments to IFRS 4 and subsequent reviews, the Group has decided to apply temporary exemption from applying IFRS 9 to the financial investments of the Group's insurance firms for all periods that come before 1 January 2023, aligning its first application with the entry into force of the new IFRS 17: Insurance Contracts (expected on 1 January 2023), which will govern the presentation and measurement of insurance contracts (including technical provisions). Accordingly, these investments are measured in accordance with IAS 39 and grouped under the heading "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 corresponding to Unit Link and Flexible Investment Life Annuity (the part managed), which are now reported jointly under 'Liabilities under the insurance business'.

## Loans and advances to customers

- Loans and advances to customers, gross stands at **€353,404 million**, up 0.1% in the quarter.

Changes by segment include:

- Loans for home purchases (-0.8% in the quarter) continues to be marked by the portfolio's repayments, albeit with a recovery of new production with respect to previous quarters.
- Loans to individuals – Other has dropped 1.6% in the quarter.

Consumer lending grows 0.6% with respect to December 2021, thanks to the recovery of production levels, which compensate the portfolio's maturities.

- Good performance of **Financing for Corporates and SMEs, up 0.8% in the quarter**.
- Loans to the **public sector** grows 5.4% in the quarter, marked by one-off transactions.

€ million	31 Mar. 2022	31 Dec. 2021	Change	Change %
<b>Loans to individuals</b>	<b>182,923</b>	<b>184,752</b>	<b>(1,828)</b>	<b>(1.0)</b>
Home purchases	138,666	139,792	(1,127)	(0.8)
Other	44,258	44,959	(702)	(1.6)
of which: Consumer lending	18,825	18,716	109	0.6
<b>Loans to business</b>	<b>148,575</b>	<b>147,419</b>	<b>1,155</b>	<b>0.8</b>
<b>Public sector</b>	<b>21,906</b>	<b>20,780</b>	<b>1,126</b>	<b>5.4</b>
<b>Loans and advances to customers, gross<sup>1</sup></b>	<b>353,404</b>	<b>352,951</b>	<b>453</b>	<b>0.1</b>
Of which:				
Performing loans	340,699	339,971	728	0.2
Provisions for insolvency risk	(8,277)	(8,265)	(12)	0.1
<b>Loans and advances to customers, net</b>	<b>345,127</b>	<b>344,686</b>	<b>441</b>	<b>0.1</b>
Contingent liabilities	27,491	27,209	281	1.0

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

## Breakdown of government guaranteed loans

Below is the detail of government guaranteed loans based on the public guarantee schemes implemented within the framework of Covid-19:

Amounts drawn, in € million	31 Mar. 2022		31 Dec. 2021	
	Total	Spain (ICO)	Total	Spain (ICO)
<b>Loans to individuals</b>	<b>1,360</b>	<b>1,321</b>	<b>1,415</b>	<b>1,378</b>
Other (self-employed workers)	1,360	1,321	1,415	1,378
<b>Loans to business</b>	<b>19,930</b>	<b>18,792</b>	<b>20,337</b>	<b>19,265</b>
<b>Public sector</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>9</b>
<b>Loans and advances to customers, gross<sup>2</sup></b>	<b>21,299</b>	<b>20,122</b>	<b>21,762</b>	<b>20,653</b>

(2) Refers to the amount of loans and advances disposed by clients.

7% of the total amount of loans and advances granted with government guaranteed loans has been repaid. For the remaining amount 40% will have started the billing period at the end of the first quarter of 2022. This figure will rise to 91% at the end of the second quarter. Of the total amount initially granted, 97% is classified as performing loans<sup>3</sup>.

(3) Includes loans classified as Stage 1 or Stage 2 and/or that have been repaid.



## Customer funds

Customer funds reached **€619,892 million** on 31 March 2022, remaining practically stable in the quarter despite the volatility in the markets.

- On-balance sheet funds stood at €457,720 million (up 0.6% in the quarter).
  - **Demand deposits** amounted to €354,337 million (up 1.1% in the quarter).
  - **Time deposits** totalled €31,479 million (-6.9% in the quarter). Their performance continues to be marked by the reduction of deposits on the renewal of maturities against a backdrop of negative interest rates.
  - **Increase of liabilities under insurance contracts**, up 0.5% in the quarter, due to the positive net subscriptions exceeding the negative market effect on Unit Links.
- **Assets under management** stand at €152,823 million. Its performance (-3.3% in the quarter) is mainly due to the negative market effect, with slightly increased sales.
  - The **assets managed in mutual funds, managed accounts and SICAVs** stood at €106,241 million, down 3.5% in the quarter.
  - **Pension plans** reached €46,581 million, down 2.8% in the quarter.
- **Other accounts** stands at +33.9% in the quarter, among others, due to change in temporary funds associated with transfers and collections.

€ million	31 Mar. 2022	31 Dec. 2021	Change	Change %
Customer funds	385,816	384,270	1,546	0.4
Demand deposits	354,337	350,449	3,888	1.1
Time deposits <sup>1</sup>	31,479	33,821	(2,342)	(6.9)
Insurance contract liabilities <sup>2</sup>	67,694	67,376	317	0.5
of which: Unit Link and other <sup>3</sup>	19,584	19,366	218	1.1
Reverse repurchase agreements and other	4,210	3,322	888	26.7
<b>On-balance sheet funds</b>	<b>457,720</b>	<b>454,968</b>	<b>2,752</b>	<b>0.6</b>
Mutual funds, managed accounts and SICAVs	106,241	110,089	(3,848)	(3.5)
Pension plans	46,581	47,930	(1,349)	(2.8)
<b>Assets under management</b>	<b>152,823</b>	<b>158,020</b>	<b>(5,197)</b>	<b>(3.3)</b>
<b>Other accounts</b>	<b>9,350</b>	<b>6,983</b>	<b>2,367</b>	<b>33.9</b>
<b>Total customer funds<sup>4</sup></b>	<b>619,892</b>	<b>619,971</b>	<b>(79)</b>	<b>0.0</b>

(1) Includes retail debt securities amounting to €1,369 million at 31 March 2022.

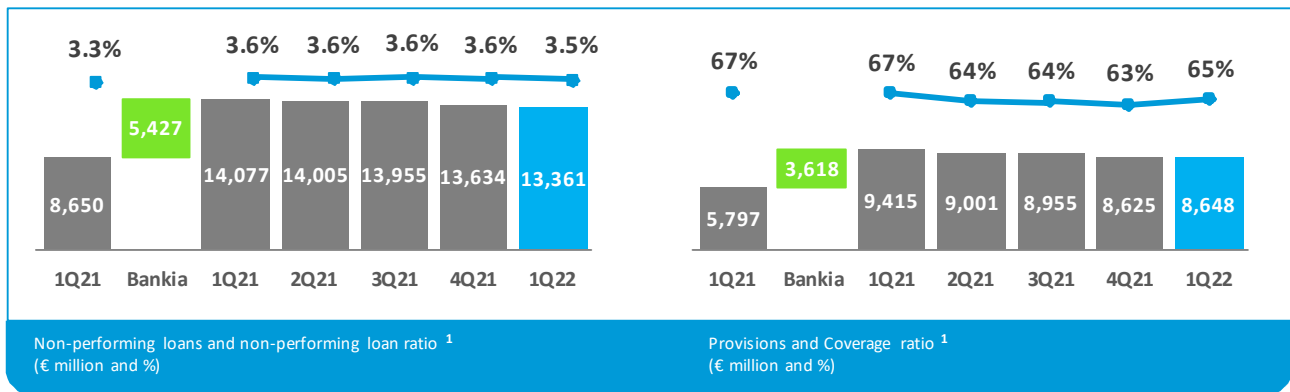
(2) Excluding the impact of the change in value of the associated financial assets, with the exception of Unit Link and Flexible Investment Life Annuity products (the part managed).

(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'.

# Risk management

## Credit risk quality



Non-performing loans amounted to €13,361 million (€-272 million in the quarter).

The NPL ratio dropped to 3.5% in the quarter (3.6% at the end of December).

Provisions for insolvency risk on 31 March 2022 stood at €8,648 million and the coverage ratio rose to 65% (€8,625 million and 63% at the end of 2021, respectively).

(1) Calculations include loans and contingent liabilities.

## Changes in non-performing loans

€ million	1Q21	2Q21	3Q21	4Q21	1Q22
<b>Opening balance</b>	<b>8,601</b>	<b>14,077</b>	<b>14,005</b>	<b>13,955</b>	<b>13,634</b>
Exposures recognized as non-performing (NPL-inflows)	610	1,509	1,292	1,633	1,133
Derecognitions from non-performing exposures	(561)	(1,582)	(1,341)	(1,955)	(1,406)
of which: written off	(129)	(435)	(151)	(375)	(170)
Non-performing, net, Bankia at 31 Mar. 2021	5,427	-	-	-	-
<b>Closing balance</b>	<b>14,077</b>	<b>14,005</b>	<b>13,955</b>	<b>13,634</b>	<b>13,361</b>

## NPL ratio by segment

	31 Dec. 2021	31 Mar. 2022
<b>Loans to individuals</b>	<b>4.2%</b>	<b>4.1%</b>
Home purchases	3.6%	3.5%
Other	6.4%	6.3%
of which: Consumer lending	4.4%	4.2%
<b>Loans to business</b>	<b>3.5%</b>	<b>3.4%</b>
Public sector	0.3%	0.1%
<b>NPL Ratio (loans and contingent liabilities)</b>	<b>3.6%</b>	<b>3.5%</b>

## Changes in provisions for insolvency risk<sup>1</sup>

(1) Including loans and contingent liabilities.

€ million	1Q21	2Q21	3Q21	4Q21	1Q22
<b>Opening balance</b>	<b>5,755</b>	<b>9,415</b>	<b>9,001</b>	<b>8,955</b>	<b>8,625</b>
Allowances for insolvency risk	174	155	165	344	228
Amounts used	(125)	(560)	(206)	(666)	(202)
Transfers and other changes	(7)	(8)	(5)	(8)	(3)
Provisions for insolvency risk, Bankia at 31 Mar. 2021	3,618				-
<b>Closing balance</b>	<b>9,415</b>	<b>9,001</b>	<b>8,955</b>	<b>8,625</b>	<b>8,648</b>

## Classification by stages of gross lending and provisions

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

31 Mar. 2022 € million	Loan book exposure				Provisions			
	Stage 1	Stage 2	Stage 3	TOTAL	Stage 1	Stage 2	Stage 3	TOTAL
Loans and advances	310,454	30,245	12,705	353,404	(1,007)	(1,539)	(5,731)	(8,277)
Contingent liabilities	25,174	1,661	657	27,491	(36)	(77)	(258)	(371)
<b>Total loans and contingent liabilities</b>	<b>335,628</b>	<b>31,905</b>	<b>13,361</b>	<b>380,895</b>	<b>(1,043)</b>	<b>(1,616)</b>	<b>(5,989)</b>	<b>(8,648)</b>

31 Dec. 2021 € million	Loan book exposure				Provisions			
	Stage 1	Stage 2	Stage 3	TOTAL	Stage 1	Stage 2	Stage 3	TOTAL
Loans and advances	308,423	31,548	12,980	352,951	(971)	(1,637)	(5,657)	(8,265)
Contingent liabilities	24,705	1,850	654	27,209	(21)	(38)	(301)	(360)
<b>Total loans and contingent liabilities</b>	<b>333,128</b>	<b>33,398</b>	<b>13,634</b>	<b>380,160</b>	<b>(992)</b>	<b>(1,676)</b>	<b>(5,957)</b>	<b>(8,625)</b>

## Loan-to-value<sup>2</sup> breakdown of the Group's home purchases portfolio

Below is the breakdown of the Loan-to-value of the portfolio of home purchases with mortgage guarantee:

€ million	31 Mar. 2022				
	LTV ≤ 40%	40% < LTV ≤ 60%	60% < LTV ≤ 80%	LTV > 80%	TOTAL
Gross amount	41,230	47,405	33,307	15,380	137,322
of which: Non-performing	439	710	898	2,730	4,776

€ million	31 Dec. 2021				
	LTV ≤ 40%	40% < LTV ≤ 60%	60% < LTV ≤ 80%	LTV > 80%	TOTAL
Gross amount	40,497	47,524	34,325	16,285	138,630
of which: Non-performing	442	708	914	2,868	4,932

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

## Refinancing operations

€ million	31 Dec. 2021		31 Mar. 2022	
	Total	of which: NPL	Total	of which: NPL
Individuals	6,430	4,420	5,912	4,209
Corporates and SMEs	6,045	2,783	5,881	2,848
Public sector	186	13	178	10
<b>Total</b>	<b>12,661</b>	<b>7,216</b>	<b>11,971</b>	<b>7,067</b>
Provisions	2,702	2,441	2,877	2,637

## Foreclosed real estate assets

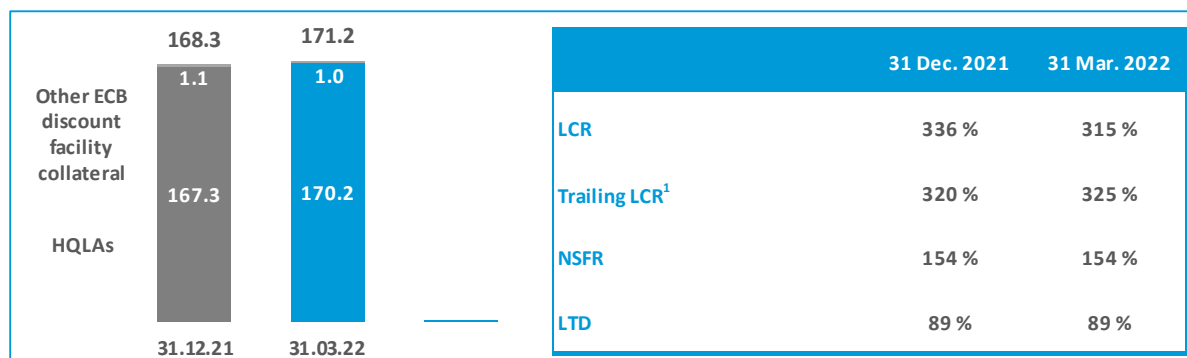
- The portfolio of **Net foreclosed available for sale real estate assets**<sup>1</sup> in Spain amounts to €2,223 million. The change in the quarter is €-56 million.  
The **coverage ratio with accounting provisions**<sup>2</sup> is **30%** and **including write-downs, the coverage ratio**<sup>2</sup> is **48%**.
- Net foreclosed assets **held for rent** in Spain stand at €1,519 million. The change in the quarter is €-97 million.
- **Total properties sold**<sup>3</sup> in 2022 amounts to €260 million.

(1) Does not include real estate assets in the process of foreclosure for €165 million, net, at 31 March 2022.

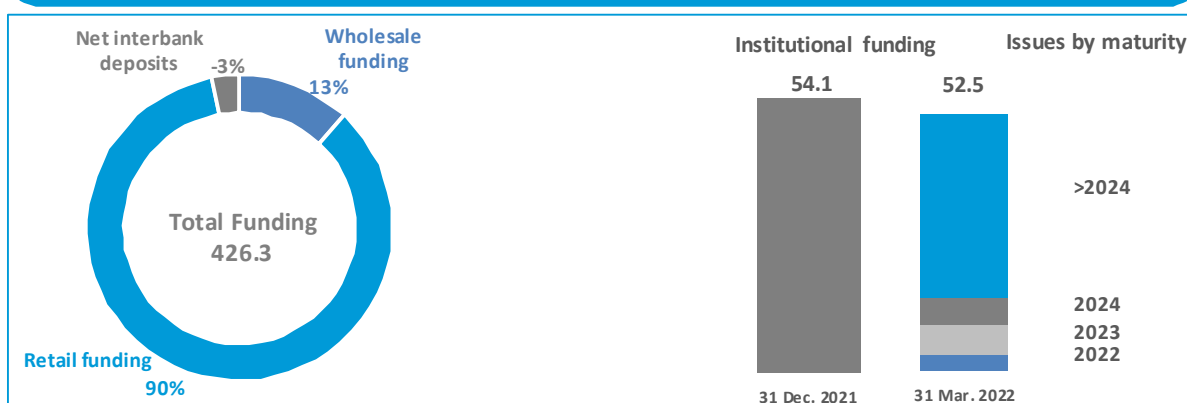
(2) See definition in 'Appendices'.

(3) At sale price.

# Liquidity and financing structure



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



Financing structure  
(€ thousand million)

- **Total liquid assets amounted to €171,202 million** at 31 March 2022, up €2,854 million in the quarter.
- The Group's **Liquidity Coverage Ratio (LCR)** at 31 March 2022 was 315%, showing an ample liquidity position (**325% LCR** trailing 12 months) well clear of the minimum requirement of 100%.
- The **Net Stable Funding Ratio (NSFR)** stood at 154% at 31 March 2022, above the 100% regulatory minimum required as of June 2021.
- Solid retail financing structure with a **loan-to-deposit ratio of 89%**.
- The **balance drawn** under the ECB facility at 31 March 2022 amounted to €80,752 million, corresponding to TLTRO III.
- **Wholesale funding<sup>2</sup>** amounted to €52,483 million, diversified by investors, instruments and maturities.
- Available capacity to issue mortgage and regional public sector covered bonds at CaixaBank, S.A. came to €19,060 million at 31 March 2022.

(1) Trailing 12 months.

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

## Information on issuances in 2022

€ million

Issue	Amount	Issue date	Maturity	Cost <sup>1</sup>	Demand	Category
Senior preferred debt <sup>2</sup>	1,000	21 Jan. 2022	6 years	0.673% (mid-swap +0.62%)	1,500	Social bond

(1) Meaning the yield on the issuance.

(2) Option of early redemption in the fifth year by the issuer. The issuance included in the table is callable, meaning that the option to redeem them early can be executed before the maturity date.

Following the end of March, CaixaBank completed the following issuances:

- £500 million in Senior non-preferred debt maturing in six years, with the option to redeem the issuance early by the issuer in the fifth year, and paying a coupon of 3.5% (equivalent to UKT +210 basis points).
- €1,000 million in Senior non-preferred debt maturing in four years, with the option to redeem the issuance early by the issuer in the third year, and paying a coupon of 1.664% (equivalent to a mid-swap +80 basis points).

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

€ million		31 Mar. 2022
Mortgage covered bonds issued	a	72,628
Loans and credits (collateral for mortgage covered bonds)	b	138,003
<b>Collateralisation</b>	<b>b/a</b>	<b>190%</b>
<b>Overcollateralisation</b>	<b>b/a -1</b>	<b>90%</b>
<b>Mortgage covered bond issuance capacity<sup>3</sup></b>		<b>11,052</b>

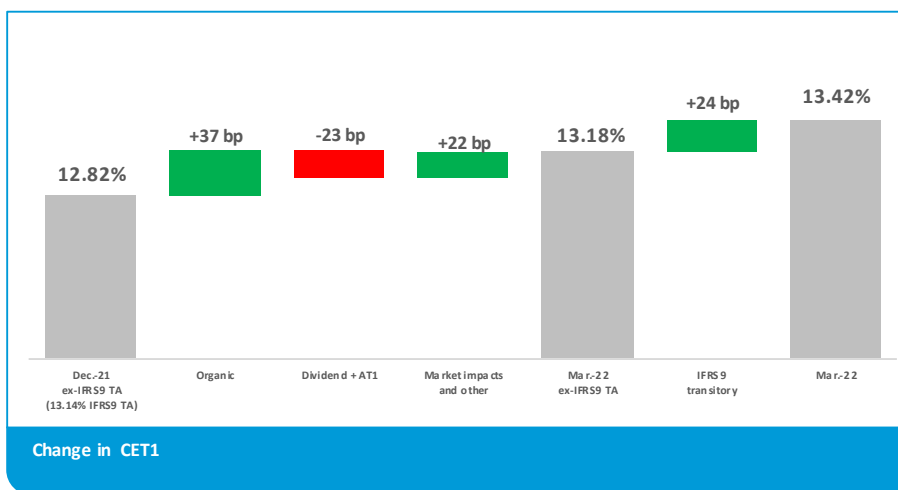
(3) There is also the ability to issue €8,007 million in regional public sector covered bonds.

# Capital management

- The **Common Equity Tier 1 (CET1) ratio stands at 13.4%** (13.2% without applying the IFRS 9 transitional adjustments).

The organic change in the quarter was of +37 basis points and -23 basis points caused by the forecast of dividends and AT1 coupon payment and +22 basis points by the performance of the markets and other factors. The impact of IFRS 9 phase in was of +24 basis points.

- The internal CET1 target ratio is set between 11% and 11.5% (excluding IFRS 9) with a margin of between 250 and 300 basis points in relation to the SREP requirements.
- The **Tier 1** ratio reaches **15.7%** (15.5% without applying the IFRS 9 transitional adjustments).
- The **Total Capital** ratio stood at **17.9%** (17.7% without applying the IFRS 9 transitional adjustments).
- The leverage ratio stands at 5.2%.
- Two issues of Senior non-preferred debt were made by CaixaBank in April, one for £500 million and another for €1,000 million, already included in proforma vision in the ratios of March 2022. As a result, on 31 March, the proforma **subordinated MREL** ratio reached **23.1%** and the proforma **total MREL** ratio **26.5%**. The proforma total MREL ratio reached **8.8%** of LRE.



- Similarly, **CaixaBank is subject to minimum capital requirements** on a non-consolidated basis. The CET1 ratio under this perimeter reached 14.1%.
- **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 17.5%.
- In terms of regulatory requirements, the Group's domestic systemic risk buffer rose to 0.375% for 2022 (0.50% expected in 2023). As a result, the capital requirements for 2022 is 8.31% for CET1, 10.12% for Tier 1 and 12.53% for Total Capital. At 31 March, CaixaBank has a margin of 511 basis points, equating to €10,935 million, until the Group's MDA trigger.



- As for the MREL requirement, in February 2022 the Bank of Spain communicated to CaixaBank the Total and Subordinated minimum MREL requirements that it must meet at consolidated level:

Requirement RWAs (including CBR)	2022	2024
Total MREL	22.21%	23.93%
Subordinated MREL	16.38%	18.70%

Requirement LRE	2022	2024
Total MREL	6.09%	6.19%
Subordinated MREL	6.09%	6.19%

- The Group's current level of capital adequacy confirms that the applicable requirements would not lead to any automatic restrictions according to the capital adequacy regulations, regarding the distribution of dividends, variable remuneration, and the interests of holders of Additional Tier 1 capital securities.
- On 20 April 2022, the bank paid its shareholders 0.1463 euros per share, corresponding to the ordinary dividend charged to 2021 profits and following the approval at the Annual General Meeting held on 8 April. This dividend distribution amounted to €1,179 million, an amount equivalent to 50% of consolidated net profit of 2021 adjusted by the extraordinary impacts from the merger with Bankia.

Furthermore, the Board of Directors approved on 27 January 2022 the Dividend Policy for 2022, establishing the distribution of a cash dividend between 50% and 60% of the consolidated net profit in a single payout in April 2023, subject to final approval at the Annual General Meeting.

The Board also stated the intention of CaixaBank, subject to the appropriate regulatory approval, to implement an open-market share buy-back programme during the 2022 Fiscal Year, in order to bring the CET1 ratio closer to our target level. In this respect, the Annual General Meeting held on April 2022 approved the reduction of CaixaBank's share capital up to a maximum amount of 10% -subject to the appropriate regulatory authorisations- through the redemption of treasury shares acquired within the framework of the aforementioned share buy-back programme. The definitive figure of capital reduction will be set by the Board of Directors within the aforementioned maximum limit and based on the number of shares that are acquired.

## Performance and key capital adequacy indicators

€ million	31 Mar. 2021	30 Jun. 2021	30 Sep. 2021	31 Dec. 2021	31 Mar. 2022	Quarter-on-quarter
CET1 Instruments	36,017	34,528	34,828	34,824	35,011	187
Shareholders' equity	37,172	36,271	36,708	37,013	37,641	628
Capital	8,061	8,061	8,061	8,061	8,061	
Profit/(loss) attributable to the Group	4,786	4,181	4,801	5,226	707	
Reserves and other	24,326	24,029	23,846	23,727	28,874	
Other CET1 instruments <sup>1</sup>	(1,155)	(1,743)	(1,880)	(2,189)	(2,630)	(441)
Deductions from CET1	(6,547)	(6,135)	(6,126)	(6,487)	(6,292)	195
<b>(CET1)</b>	<b>29,470</b>	<b>28,393</b>	<b>28,702</b>	<b>28,337</b>	<b>28,719</b>	<b>382</b>
AT1 instruments	4,235	4,237	4,984	4,984	4,985	1
AT1 Deductions						
<b>TIER 1</b>	<b>33,705</b>	<b>32,630</b>	<b>33,685</b>	<b>33,322</b>	<b>33,705</b>	<b>383</b>
T2 instruments	5,837	5,888	5,720	5,192	4,677	(515)
T2 Deductions						
<b>TIER 2</b>	<b>5,837</b>	<b>5,888</b>	<b>5,720</b>	<b>5,192</b>	<b>4,677</b>	<b>(515)</b>
<b>TOTAL CAPITAL</b>	<b>39,542</b>	<b>38,518</b>	<b>39,405</b>	<b>38,514</b>	<b>38,382</b>	<b>(132)</b>
Other computable subordinated instruments	8,842	10,598	10,603	10,628	9,375	(1,253)
MREL						
<b>MREL, subordinated</b>	<b>48,384</b>	<b>49,116</b>	<b>50,008</b>	<b>49,141</b>	<b>47,757</b>	<b>(1,384)</b>
Other computable instruments. MREL	6,375	6,378	6,379	6,382	7,384	1,002
<b>MREL</b>	<b>54,759</b>	<b>55,494</b>	<b>56,387</b>	<b>55,524</b>	<b>55,141</b>	<b>(383)</b>
Risk-weighted assets	208,585	220,881	220,201	215,651	214,004	(1,647)
CET1 Ratio	14.1%	12.9%	13.0%	13.1%	13.4%	0.3%
Tier 1 Ratio	16.2%	14.8%	15.3%	15.5%	15.7%	0.2%
Total Capital Ratio	19.0%	17.4%	17.9%	17.9%	17.9%	-
MDA Buffer <sup>2</sup>	12,571	10,314	10,678	10,686	10,935	249
MREL Ratio, subordinated <sup>3</sup>	23.2%	22.2%	22.7%	22.8%	22.3%	(0.5%)
MREL Ratio <sup>3</sup>	26.3%	25.1%	25.6%	25.7%	25.8%	0.1%
Leverage ratio	5.4%	5.1%	5.2%	5.3%	5.2%	(0.1%)
CET1 Ratio - CABK (non-consolidated basis)	15.9%	13.4%	13.4%	13.9%	14.1%	0.2%
Tier 1 Ratio CABK (non-consolidated basis)	18.1%	15.5%	15.8%	16.4%	16.7%	0.3%
Total Capital Ratio - CABK (non-consolidated basis)	21.2%	18.4%	18.7%	18.9%	19.0%	0.1%
Risk-weighted assets (non-consolidated basis)	189,616	203,417	202,300	200,755	196,810	(3,945)
Profit/loss (non-consolidated basis)	4,601	3,490	3,565	4,215	790	
ADIs <sup>4</sup>	7,655	6,572	6,466	6,987	7,707	720
MDA Buffer- CABK (non-consolidated basis) <sup>2</sup>	16,842	12,986	12,891	13,782	14,007	225
Leverage Ratio - CABK (non-consolidated basis)	5.8%	5.2%	5.2%	5.5%	5.4%	(0.1%)

Data at December 2021 updated using the latest official information.

(1) Mainly includes the forecast for dividends, IFRS 9 transitional adjustment and OCIs.

(2) 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. Either the non-consolidated or the consolidated, whichever is lower.

(3) On 31 March, the proforma subordinated MREL ratio, with the issues disbursed in April, would be 23.1% (26.5% total).

(4) Does not include the issue premium.

# Segment reporting

This section shows financial information on the different business segments of the CaixaBank Group, which have been reconfigured in 2022. The 2021 data has been restated for comparability purposes.

The Group's key financial information is presented in the following business segments:

- **Banking and Insurance:** shows earnings from the Group's banking, insurance, asset management, real estate and ALCO's activity, among others, mainly in Spain.

Most of the activity and results generated by Bankia are included in this business. For accounting purposes, the recognition date of the merger is 31 March 2021, the financial statements included Bankia's assets and liabilities on that date at fair value. As of the second quarter of 2021, the generated results are included in the various lines of the income statement.

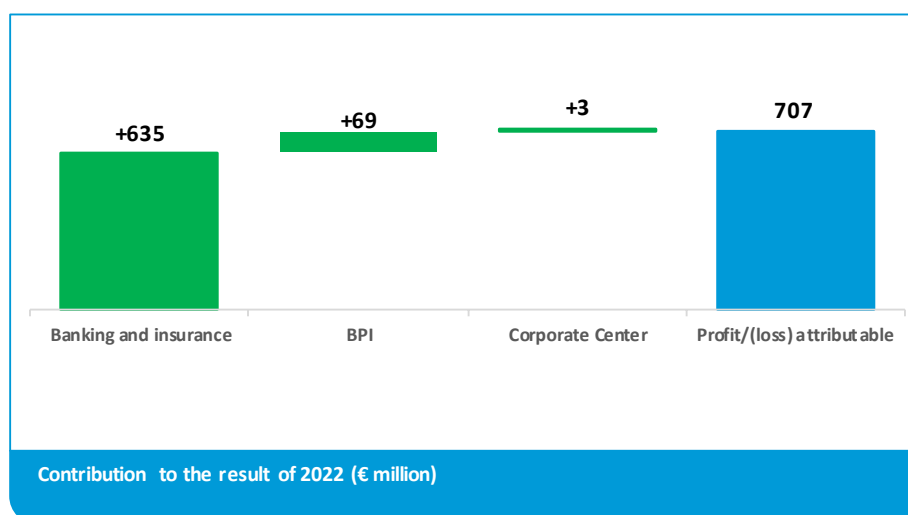
- **BPI:** covers the income from the BPI's domestic banking business, essentially in Portugal. The income statement shows the reversal of the fair value adjustments of the assets and liabilities resulting from the business combination.

- **Corporate centre:** includes the investees allocated to the equity investments business in the segmentation effective until 2021, that is, Telefónica, BFA, BCI, Coral Homes and Gramina Homes, as well as Erste Group Bank until its divestment in the fourth quarter of 2021. This line of business shows earnings from the stakes net of funding expenses.

In addition, the Group's excess capital is allocated to the corporate centre, which is calculated as the difference between the Group's total shareholders' equity and the capital assigned to the Banking and Insurance business, BPI and the investees allocated to the corporate centre. Specifically, the allocation of capital to these businesses and investees takes into account the 11.5% capital consumption for risk-weighted assets, as well as any applicable deductions. Liquidity is the counterpart of the excess capital allocated to the corporate centre.

The operating expenses of these business segments include both direct and indirect costs, which are assigned according to internal distribution methods. Specifically, the corporate expenses at Group level are assigned to the corporate centre.

Results for the first quarter of 2022 arranged by business are as follows:



€ million	Banking & insurance	BPI	Corporate Centre	Group
<b>Net interest income</b>	<b>1,435</b>	<b>112</b>	<b>2</b>	<b>1,550</b>
Dividend income and share of profit/(loss) of entities accounted for using the equity method	44	5	2	51
Net fee and commission income	897	71		969
Trading income	119	9	16	144
Income and expense under insurance or reinsurance contracts	202			202
Other operating income and expense	(120)	(19)		(140)
<b>Gross income</b>	<b>2,578</b>	<b>178</b>	<b>19</b>	<b>2,775</b>
Recurring administrative expenses, depreciation and amortisation	(1,394)	(114)	(15)	(1,523)
Extraordinary expenses	(8)			(8)
<b>Pre-impairment income</b>	<b>1,176</b>	<b>64</b>	<b>4</b>	<b>1,244</b>
<b>Pre-impairment income stripping out extraordinary expenses</b>	<b>1,184</b>	<b>64</b>	<b>4</b>	<b>1,252</b>
Allowances for insolvency risk	(262)	34		(228)
Other charges to provisions	(45)	(0)		(45)
Gains/(losses) on disposal of assets and others	(9)	0		(9)
<b>Profit/(loss) before tax</b>	<b>860</b>	<b>98</b>	<b>4</b>	<b>962</b>
Income tax expense	(224)	(29)	(1)	(254)
<b>Profit/(loss) after tax</b>	<b>636</b>	<b>69</b>	<b>3</b>	<b>708</b>
Profit/(loss) attributable to minority interest and others	1			1
<b>Profit/(loss) attributable to the Group</b>	<b>635</b>	<b>69</b>	<b>3</b>	<b>707</b>

## Banking and insurance business

The performance in the first quarter of 2022 stands at €635 million (€4,723 million in the first quarter of 2021 which included the negative consolidation difference for an amount of €4,300 million and extraordinary expenses associated with the integration). Considering the proforma Profit/(loss) of the first quarter of 2021, which includes Bankia and does not include the extraordinary income, the Profit/(loss) increased by 21.7%.

The ROTE (last 12 months) stood at 7.9%, stripping put the extraordinary impacts recognised in 2021.

€ million	1Q22	1Q21	Change %	Proforma	
				1Q21	Change %
<b>INCOME STATEMENT</b>					
<b>Net interest income</b>	<b>1,435</b>	<b>1,091</b>	<b>31.5</b>	<b>1,539</b>	<b>(6.7)</b>
Dividend income and share of profit/(loss) of entities accounted for using the equity method	44	50	(11.6)	62	(28.9)
Net fee and commission income	897	595	50.8	877	2.3
Trading income	119	32		42	
Income and expense under insurance or reinsurance contracts	202	164	22.9	164	22.9
Other operating income and expense	(120)	(57)		(98)	22.9
<b>Gross income</b>	<b>2,578</b>	<b>1,875</b>	<b>37.5</b>	<b>2,587</b>	<b>(0.3)</b>
Recurring administrative expenses, depreciation and amortisation	(1,394)	(1,023)	36.2	(1,462)	(4.7)
Extraordinary expenses	(8)	(40)	(81.1)		
<b>Pre-impairment income</b>	<b>1,176</b>	<b>812</b>	<b>44.9</b>	<b>1,125</b>	<b>4.6</b>
<b>Pre-impairment income stripping out extraordinary expenses</b>	<b>1,184</b>	<b>852</b>	<b>39.0</b>	<b>1,125</b>	<b>5.3</b>
Allowances for insolvency risk	(262)	(189)	38.9	(312)	(16.0)
Other charges to provisions	(45)	(48)	(6.2)	(72)	(37.1)
Gains/(losses) on disposal of assets and others	(9)	4,302		(20)	(52.9)
<b>Profit/(loss) before tax</b>	<b>860</b>	<b>4,877</b>	<b>(82.4)</b>	<b>721</b>	<b>19.2</b>
Income tax expense	(224)	(154)	45.3	(200)	12.1
<b>Profit/(loss) after tax</b>	<b>636</b>	<b>4,723</b>	<b>(86.5)</b>	<b>521</b>	<b>22.0</b>
Profit/(loss) attributable to minority interest and others	1	(0)		0	
<b>Profit/(loss) attributable to the Group</b>	<b>635</b>	<b>4,723</b>	<b>(86.6)</b>	<b>522</b>	<b>21.7</b>
<b>INCOME STATEMENT BREAKDOWN</b>					
<b>Core income</b>	<b>2,570</b>	<b>1,897</b>	<b>35.5</b>	<b>2,639</b>	<b>(2.6)</b>
Banking services, securities and other fees	483	313	54.5	493	(2.0)
Recurring	431	278	55.3	452	(4.5)
Wholesale banking	52	35	47.9	42	23.8
Sale of insurance products	87	43		85	1.9
Long-term savings products	328	240	36.8	299	9.6
Mutual funds, managed accounts and SICAVs	206	142	45.6	186	11.2
Pension plans	76	59	28.9	74	2.4
Unit Link and other	46	39	16.9	39	16.7
<b>Net fee and commission income</b>	<b>897</b>	<b>595</b>	<b>50.8</b>	<b>877</b>	<b>2.3</b>
Personnel expenses	(868)	(646)	34.4	(916)	(5.3)
General expenses	(350)	(259)	35.2	(381)	(8.2)
Depreciation and amortisation	(176)	(119)	48.5	(165)	7.1
<b>Recurring administrative expenses, depreciation and amortisation</b>	<b>(1,394)</b>	<b>(1,023)</b>	<b>36.2</b>	<b>(1,462)</b>	<b>(4.7)</b>
<b>Extraordinary expenses</b>	<b>(8)</b>	<b>(40)</b>	<b>(81.1)</b>		
<b>FINANCIAL INDICATORS</b>					
ROTE <sup>1</sup>	7.9%	8.5%	(0.6)		
Cost-to-income ratio stripping out ext. exp. (12 months)	58.4%	53.0%	5.4		
Cost of risk (12 months)	0.25%	0.67%	(0.4)		

(1) In 2022, the ratio (last 12 months) excludes the extraordinary impacts associated with the integration of Bankia from 2Q21 (€-1,405 million). In 2021, the ratio excludes €4,272 million corresponding to the extraordinary impacts associated with the integration of Bankia and the gains on the partial sale of Comercia (€+420 million in 4Q20). The coupon for the part of the AT1 issue assigned to this business has also been deducted.

The performance in the first quarter of 2022 stands at €635 million. The following highlights shaped the proforma performance against 2021 (€522 million):

**Gross income stands at €2,578 million (-0.3%):**

- **Core income** dropped 2.6% with respect to the first quarter of 2021, mainly impacted by the net interest income (-6.7%).
- **Trading income** stands at €119 million, €42 million in the same period of 2021.
- **Other operating income and expense** include in both years the recognition of the expenses associated with the Spanish property tax of the real estate portfolio.
- **Recurring administrative expenses, depreciation and amortisation** amounted to €-1,394 million, down 4.7% mainly due to the capture of synergies, especially from the departure of employees within the framework of the labour agreement reached after the merger with Bankia.
- **Pre-impairment income increased by 4.6%** on the same period of the previous year.
- **Allowances for insolvency risk** amounted to €-262 million in the first quarter of 2022 (-16.0%) and **Other charges de provisions** stood at €-45 million (-37.1%).

The following table shows business activity and asset quality indicators at 31 March 2022:

- **Loans and advances to customers, gross remains stable at €325,165 million, down 0.1%.**
- **Customer funds stood at €583,751 million, down 0.1%.**
- The **NPL ratio** reached 3.6%, while the **coverage ratio stood at 64%.**

€ million	31 Mar. 2022	31 Dec. 2021	Change	Change %
<b>BALANCE SHEET</b>				
Assets	639,638	632,422	7,216	1.1
Liabilities	611,997	604,170	7,827	1.3
Assigned capital	27,609	28,221	(612)	(2.2)
<b>LOANS AND ADVANCES TO CUSTOMERS</b>				
<b>Loans to individuals</b>	<b>167,675</b>	<b>169,873</b>	<b>(2,198)</b>	<b>(1.3)</b>
Home purchases	125,230	126,709	(1,479)	(1.2)
Other	42,445	43,164	(718)	(1.7)
of which: Consumer lending	17,306	17,218	88	0.5
<b>Loans to business</b>	<b>137,708</b>	<b>136,882</b>	<b>826</b>	<b>0.6</b>
<b>Public sector</b>	<b>19,782</b>	<b>18,689</b>	<b>1,092</b>	<b>5.8</b>
<b>Loans and advances to customers, gross</b>	<b>325,165</b>	<b>325,444</b>	<b>(279)</b>	<b>(0.1)</b>
of which: Performing loans	313,096	313,090	6	
of which: Non-performing loans	12,069	12,355	(286)	(2.3)
Provisions for insolvency risk	(7,740)	(7,689)	(50)	0.7
<b>Loans and advances to customers, net</b>	<b>317,426</b>	<b>317,755</b>	<b>(330)</b>	<b>(0.1)</b>
Contingent liabilities	25,609	25,382	227	0.9
<b>CUSTOMER FUNDS</b>				
Customer funds	356,371	355,628	743	0.2
Demand deposits	333,380	330,323	3,057	0.9
Time deposits	22,991	25,306	(2,315)	(9.1)
Insurance contract liabilities	67,694	67,376	317	0.5
of which: Unit Link and other	19,584	19,366	218	1.1
Reverse repurchase agreements and other	4,205	3,315	890	26.8
<b>On-balance sheet funds</b>	<b>428,269</b>	<b>426,320</b>	<b>1,950</b>	<b>0.5</b>
Mutual funds, managed accounts and SICAVs	100,105	103,632	(3,527)	(3.4)
Pension plans	46,581	47,930	(1,349)	(2.8)
<b>Assets under management</b>	<b>146,687</b>	<b>151,563</b>	<b>(4,876)</b>	<b>(3.2)</b>
<b>Other accounts</b>	<b>8,794</b>	<b>6,411</b>	<b>2,383</b>	<b>37.2</b>
<b>Total customer funds</b>	<b>583,751</b>	<b>584,294</b>	<b>(543)</b>	<b>(0.1)</b>
<b>ASSET QUALITY</b>				
Non-performing loan ratio (%)	3.6%	3.7%		(0.1)
Non-performing loan coverage ratio (%)	64%	62%		2
<b>OTHER INDICATORS</b>				
Customers (millions)	18.6	18.8	(0.2)	(1.3)
Relational individual customers (%)	68.6%	67.9%		0.7
Employees	41,994	45,284	(3,290)	(7.3)
Branches	4,485	4,970	(485)	(9.8)
of which retail	4,213	4,615	(402)	(8.7)
ATMs	12,175	13,008	(833)	(6.4)

The following tables show the restatement of the income statements for 2021 (accounting and proforma), as well as the balance sheet indicators (assets, liabilities and assigned capital). The activity indicators (loans and advances and customer funds) are not affected by reconfiguration of the business segments:

#### ACCOUNTING INCOME STATEMENT

€ million	4Q21	3Q21	2Q21	1Q21
<b>Net interest income</b>	<b>1,447</b>	<b>1,484</b>	<b>1,530</b>	<b>1,091</b>
Dividend income and share of profit/(loss) of entities accounted for using the equity method	57	95	63	50
Net fee and commission income	1,017	890	915	595
Trading income	87	39	34	32
Income and expense under insurance or reinsurance contracts	172	162	154	164
Other operating income and expense	(470)	(91)	(242)	(57)
<b>Gross income</b>	<b>2,310</b>	<b>2,579</b>	<b>2,452</b>	<b>1,875</b>
Recurring administrative expenses, depreciation and amortisation	(1,457)	(1,474)	(1,471)	(1,023)
Extraordinary expenses	(99)	(49)	(1,929)	(40)
<b>Pre-impairment income</b>	<b>754</b>	<b>1,056</b>	<b>(948)</b>	<b>812</b>
<b>Pre-impairment income stripping out extraordinary expenses</b>	<b>853</b>	<b>1,105</b>	<b>981</b>	<b>852</b>
Allowances for insolvency risk	(309)	(151)	(148)	(189)
Other charges to provisions	(98)	(194)	(101)	(48)
Gains/(losses) on disposal of assets and others	85	(9)	(19)	4,302
<b>Profit/(loss) before tax</b>	<b>432</b>	<b>702</b>	<b>(1,215)</b>	<b>4,877</b>
Income tax expense	(121)	(164)	387	(154)
<b>Profit/(loss) after tax</b>	<b>311</b>	<b>538</b>	<b>(829)</b>	<b>4,723</b>
Profit/(loss) attributable to minority interest and others	2	0	(0)	(0)
<b>Profit/(loss) attributable to the Group</b>	<b>309</b>	<b>538</b>	<b>(829)</b>	<b>4,723</b>

#### BALANCE SHEET BREAKDOWN

Active	632,422	638,363	628,043	616,150
Liabilities	604,170	610,197	599,790	588,659
Assigned capital	28,221	28,136	28,225	27,463

#### PROFORMA INCOME STATEMENT

€ million	4Q21	3Q21	2Q21	1Q21
<b>Net interest income</b>	<b>1,447</b>	<b>1,484</b>	<b>1,530</b>	<b>1,539</b>
Dividend income and share of profit/(loss) of entities accounted for using the equity method	57	95	63	62
Net fee and commission income	1,017	890	915	877
Trading income	87	39	34	42
Income and expense under insurance or reinsurance contracts	172	162	154	164
Other operating income and expense	(470)	(91)	(242)	(98)
<b>Gross income</b>	<b>2,310</b>	<b>2,579</b>	<b>2,452</b>	<b>2,587</b>
Recurring administrative expenses, depreciation and amortisation	(1,457)	(1,474)	(1,471)	(1,462)
Extraordinary expenses				
<b>Pre-impairment income</b>	<b>853</b>	<b>1,105</b>	<b>981</b>	<b>1,125</b>
<b>Pre-impairment income stripping out extraordinary expenses</b>	<b>853</b>	<b>1,105</b>	<b>981</b>	<b>1,125</b>
Allowances for insolvency risk	(309)	(151)	(148)	(312)
Other charges to provisions	(161)	(63)	(75)	(72)
Gains/(losses) on disposal of assets and others	(76)	(12)	(19)	(20)
<b>Profit/(loss) before tax</b>	<b>307</b>	<b>879</b>	<b>740</b>	<b>721</b>
Income tax expense	(84)	(217)	(200)	(200)
<b>Profit/(loss) after tax</b>	<b>223</b>	<b>662</b>	<b>540</b>	<b>521</b>
Profit/(loss) attributable to minority interest and others	2	0	1	0
<b>Profit/(loss) attributable to the Group</b>	<b>221</b>	<b>662</b>	<b>540</b>	<b>522</b>

#### INCOME STATEMENT BREAKDOWN

<b>Core income</b>	<b>2,686</b>	<b>2,624</b>	<b>2,656</b>	<b>2,639</b>
Personnel expenses	(907)	(935)	(927)	(916)
General expenses	(374)	(374)	(384)	(381)
Depreciation and amortisation	(176)	(164)	(160)	(165)
<b>Recurring administrative expenses, depreciation and amortisation</b>	<b>(1,457)</b>	<b>(1,474)</b>	<b>(1,471)</b>	<b>(1,462)</b>



## Insurance activity

The banking and insurance business includes the results of the activity carried out by the Group's various insurance firms, mainly VidaCaixa de Seguros y Reaseguros. 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.

VidaCaixa's results include in the first quarter of 2022 the income from Bankia Vida (100% after the acquisition of 51% from Mapfre Vida on December 2021) and Bankia Pensiones (100% following the merger with VidaCaixa in 2021).

In addition to the VidaCaixa Group, the banking and insurance business includes the insurance investees from Bankia: Bankia Mediación (100%), SegurBankia (100%) and Sa Nostra Vida (18.7%).

The following table shows the income statement of the VidaCaixa Group and the proforma income statement that includes the income from investees incorporated from Bankia that are not part of VidaCaixa:

€ million	VidaCaixa <sup>1</sup>			Proforma <sup>2</sup>		
	1Q22	1Q21	Change %	1Q22	1Q21	Change %
<b>Net interest income</b>	<b>93</b>	<b>81</b>	<b>15.3</b>	<b>93</b>	<b>81</b>	<b>15.3</b>
Dividend income and share of profit/(loss) of entities accounted for using the equity method	41	47	(11.1)	42	59	(28.5)
Net fee and commission income	(31)	(23)	34.3	(28)	(9)	
Trading income	26	2		26	2	
Income and expense under insurance or reinsurance contracts	201	164	22.3	201	164	22.3
Other operating income and expense	(0)	0		(0)	0	
<b>Gross income</b>	<b>331</b>	<b>271</b>	<b>22.2</b>	<b>334</b>	<b>296</b>	<b>12.8</b>
Recurring administrative expenses, depreciation and amortisation	(60)	(35)	73.2	(62)	(38)	61.1
Extraordinary expenses	(2)			(2)		
<b>Pre-impairment income</b>	<b>269</b>	<b>236</b>	<b>14.0</b>	<b>271</b>	<b>258</b>	<b>5.0</b>
<b>Pre-impairment income stripping out extraordinary expenses</b>	<b>271</b>	<b>236</b>	<b>14.7</b>	<b>272</b>	<b>258</b>	
Other charges to provisions					0	
<b>Profit/(loss) before tax</b>	<b>269</b>	<b>236</b>	<b>14.0</b>	<b>271</b>	<b>258</b>	<b>4.9</b>
Income tax expense	(70)	(56)	25.1	(70)	(59)	19.0
<b>Profit/(loss) after tax</b>	<b>200</b>	<b>180</b>	<b>10.6</b>	<b>201</b>	<b>199</b>	<b>0.7</b>
Profit/(loss) attributable to minority interest and others						
<b>Profit/(loss) attributable to the Group</b>	<b>200</b>	<b>180</b>	<b>10.6</b>	<b>201</b>	<b>199</b>	<b>0.7</b>

(1) At VidaCaixa level prior to consolidation adjustments. After acquiring control over 100% of Bankia Vida at the end of 2021 and its transfer to VidaCaixa, the results of Bankia Vida are integrated by global consolidation in 2022, mainly impacting the performance of Net interest income, Income and expense under insurance or reinsurance contracts and Recurring administrative expenses, depreciation and amortisation.

(2) The proforma results of the insurance activity includes the following: VidaCaixa Group and other Bankia insurance investees: Bankia Mediación (100%), SegurBankia (100%) and Sa Nostra Vida (18.7%). In the proforma vision of 2021 the contribution of 49% of Bankia Vida is recognised in Share of profit/(loss) of entities accounted for using the equity method and is integrated by global consolidation in 2022.

The profit attributable to the VidaCaixa Group stands at €+200 million, up 10.6% with respect for the first quarter of 2021:

- **Net interest income** includes the margin on life savings insurance products, which was up 15.3% with respect to the same period of the previous year, impacted by the consolidation of Bankia Vida.
- **Share of profit/(loss) of entities accounted for using the equity method** mainly shows the contribution made by SegurCaixa Adeslas, 49.9 % of which is owned by VidaCaixa, and amounted to €+41 million (-11.1%).
- **Net fee and commission income<sup>1</sup>** is the net result of:
  - The fees and commissions received by VidaCaixa for managing Unit Linked products and pension plans.
  - The fees and commissions the insurance firms pay the banks for distributing 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, grew 22.3%, impacted by the consolidation of Bankia Vida.
- **Recurring administrative expenses, depreciation and amortisation** also reflect the incorporation of Bankia Vida in the first quarter of 2022.

*(1) The commercial network in Spain also receives fees for distributing its insurance 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.*

## BPI

Profit from the banking business of BPI amounted to €+69 million (€+58 million in the first quarter of 2021).

The following table shows the figures of the income statement and the balance sheet indicators (assets, liabilities and assigned capital). The figures for 2021 have been restated as per the new configuration of the business.

€ million	1Q22	1Q21	Change %	1Q22	4Q21	3Q21	2Q21	1Q21
<b>INCOME STATEMENT</b>								
Net interest income	112	112	0.6	112	113	111	112	112
Dividend income and share of profit/(loss) of entities accounted for using the equity method	5	6	(9.5)	5	7	5	7	6
Net fee and commission income	71	64	11.8	71	84	74	67	64
Trading income	9	9	(5.1)	9	0	(2)	3	9
Income and expense under insurance or reinsurance contracts								
Other operating income and expense	(19)	(13)	46.3	(19)	4	4	(19)	(13)
Gross income	178	177	0.6	178	209	193	170	177
Recurring administrative expenses, depreciation and amortisation	(114)	(113)	1.5	(114)	(104)	(116)	(110)	(113)
Extraordinary expenses					0		(1)	
Pre-impairment income	64	64	(1.2)	64	104	76	59	64
Pre-impairment income stripping out extraordinary expenses	64	64	(1.2)	64	104	76	60	64
Allowances for insolvency risk	34	15		34	(35)	(13)	(7)	15
Other charges to provisions	(0)	(1)	(93.8)	(0)	(21)	(10)	(5)	(1)
Gains/(losses) on disposal of assets and others	0	0	(70.1)	0	(7)	0	0	0
Profit/(loss) before tax	98	79	23.8	98	42	53	47	79
Income tax expense	(29)	(21)	39.9	(29)	(10)	(12)	(10)	(21)
Profit/(loss) after tax	69	58	18.1	69	32	41	36	58
Profit/(loss) attributable to minority interest and others								
Profit/(loss) attributable to the Group	69	58	18.1	69	32	41	36	58
<b>INCOME STATEMENT BREAKDOWN</b>								
Core income	189	181	4.2	189	204	191	183	181
Banking services, securities and other fees	41	36	11.5	41	48	43	41	36
Recurring	40	36	11.9	40	48	43	40	36
Wholesale banking	0	1	(16.6)	0	1	0	0	1
Sale of insurance products	14	14	0.6	14	16	13	12	14
Long-term savings products	17	14	23.6	17	20	18	14	14
Mutual funds, managed accounts and SICAVs	10	9	8.2	10	13	12	8	9
Pension plans	0	0	8.8	0	0	0	0	0
Unit Link and other	7	4	56.2	7	6	6	5	4
Net fee and commission income	71	64	11.8	71	84	74	67	64
Personnel expenses	(58)	(59)	(1.9)	(58)	(58)	(61)	(57)	(59)
General expenses	(38)	(36)	5.3	(38)	(27)	(36)	(36)	(36)
Depreciation and amortisation	(18)	(17)	5.3	(18)	(19)	(19)	(18)	(17)
Recurring administrative expenses, depreciation and amortisation	(114)	(113)	1.5	(114)	(104)	(116)	(110)	(113)
Extraordinary expenses					0		(1)	
<b>FINANCIAL INDICATORS</b>								
ROTE stripping out one-off impacts <sup>1</sup>	5.7%	6.6%	(0.9)	5.7%	5.4%	7.1%	7.4%	6.6%
Cost-to-income ratio stripping out ext. exp. (12 months)	59.5%	60.6%	(1.1)	59.5%	59.3%	59.1%	60.0%	60.6%
<b>BALANCE SHEET BREAKDOWN</b>								
Active	42,210	38,888	8.5	42,210	41,308	40,174	39,552	38,888
Liabilities	39,484	36,420	8.4	39,484	38,763	37,505	36,905	36,420
Assigned capital	2,726	2,467	10.5	2,726	2,546	2,669	2,647	2,467

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

- Extraordinary expenses.
- Release of provisions corresponding to the quarterly recalculation carried out by the passing of time in relation to the expected losses associated with the funds due to credit risk adjustments made at the time BPI was acquired (€18 million and €30 million in the first quarter of 2022 and 2021, respectively).
- Deduction of the coupon for the part of the AT1 issue assigned to this business.

- **Gross income** stands at €178 million, up 0.6% with respect to the first quarter of 2021:
  - **Core income** up 4.2% following the 0.6% increase of Net interest income and the good performance of Fee and commission income (+11.8%).
  - **Trading income** amounted to €9 million.
  - **Other operating income and expense** includes the contribution to the banking sector for €-21.2 million (€-18.8 million in the same period of the previous year) and €-3.9 million from the solidarity tax on the banking sector (€-3.6 million in the same period of 2021).
- **Recurring administrative expenses, depreciation and amortisation** stood at €-114 million (+1.5%). Increase in general expenses (+5.3%) and depreciation and amortisation (+5.3%), which is practically compensated by the decline in personnel expenses (-1.9% as a result of the savings associated with the early retirements throughout 2021).
- **Allowances for insolvency risk** stood at €34 million in the first quarter of 2022, €+15 million in the same period of the previous year, with one-off income in both years.

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 €28,239 million, up 2.7% in the year, showing growth in all segments.
- **Customer funds stood at €36,142 million**, up 1.3% in the year. On-balance sheet funds grew 2.8% and Assets under management dropped 5.0% due to the performance of the markets.
- BPI's **NPL ratio** reached 2.3%, as per the CaixaBank Group's NPL classification criteria.
- The NPL coverage ratio came to 79%.

€ million	31 Mar. 2022	31 Dec. 2021	Change	Change %
<b>BALANCE SHEET</b>				
Active	42,210	41,308	902	2.2
Liabilities	39,484	38,763	722	1.9
Assigned capital	2,726	2,546	180	7.1
<b>LOANS AND ADVANCES TO CUSTOMERS<sup>1</sup></b>				
Loans to individuals	15,248	14,879	369	2.5
Home purchases	13,435	13,083	353	2.7
Other	1,813	1,796	17	0.9
of which: Consumer lending	1,519	1,498	21	1.4
Loans to business	10,867	10,537	329	3.1
Public sector	2,124	2,091	33	1.6
<b>Loans and advances to customers, gross</b>	<b>28,239</b>	<b>27,507</b>	<b>732</b>	<b>2.7</b>
of which: Performing loans	27,603	26,882	721	2.7
of which: Non-performing loans	636	625	11	1.7
Provisions for insolvency risk	(537)	(576)	38	(6.7)
<b>Loans and advances to customers, net</b>	<b>27,701</b>	<b>26,931</b>	<b>770</b>	<b>2.9</b>
Contingent liabilities	1,882	1,828	55	3.0
<b>CUSTOMER FUNDS<sup>1</sup></b>				
Customer funds	29,444	28,641	803	2.8
Demand deposits	20,957	20,126	831	4.1
Time deposits	8,488	8,515	(28)	(0.3)
Reverse repurchase agreements and other	6	7	(1)	(17.8)
<b>On-balance sheet funds</b>	<b>29,450</b>	<b>28,648</b>	<b>802</b>	<b>2.8</b>
Mutual funds, managed accounts and SICAVs	6,136	6,457	(321)	(5.0)
<b>Assets under management</b>	<b>6,136</b>	<b>6,457</b>	<b>(321)</b>	<b>(5.0)</b>
<b>Other accounts</b>	<b>555</b>	<b>572</b>	<b>(17)</b>	<b>(2.9)</b>
<b>Total customer funds</b>	<b>36,142</b>	<b>35,677</b>	<b>464</b>	<b>1.3</b>
<b>Memorandum items</b>				
Insurance contracts sold <sup>2</sup>	4,520	4,588	(68)	(1.5)
<b>ASSET QUALITY</b>				
Non-performing loan ratio (%)	2.3%	2.3%	-	-
Non-performing loan coverage ratio (%)	79%	87%	(8)	(8)
<b>OTHER INDICATORS</b>				
Customers (millions)	1.8	1.8	(0.0)	(0.1)
Employees	4,486	4,478	8	0.2
Branches	339	347	(8)	(2.3)
of which retail	290	297	(7)	(2.4)
ATMs	1,393	1,418	(25)	(1.8)

(1) The activity indicators (loans and advances and customer funds) are not affected by reconfiguration of the business segments.

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

## Corporate centre

Profit in the first quarter of 2022 stands at €3 million.

€ million	1Q22	1Q21	Change %	Proforma	
				1Q21	Change %
<b>Net interest income</b>	<b>2</b>	<b>(12)</b>		<b>(12)</b>	
Dividend income					
Share of profit/(loss) of entities accounted for using the equity method	2	21	(91.3)	21	(91.1)
Net fee and commission income					
Trading income	16	1		1	
Income and expense under insurance or reinsurance contracts					
Other operating income and expense					
<b>Gross income</b>	<b>19</b>	<b>10</b>	<b>87.5</b>	<b>10</b>	<b>97.9</b>
Recurring administrative expenses, depreciation and amortisation	(15)	(13)	16.6	(18)	(16.2)
Extraordinary expenses					
<b>Pre-impairment income</b>	<b>4</b>	<b>(3)</b>		<b>(8)</b>	
<b>Pre-impairment income stripping out extraordinary expenses</b>	<b>4</b>	<b>(3)</b>		<b>(8)</b>	
Allowances for insolvency risk					
Other charges to provisions					
Gains/(losses) on disposal of assets and others					
<b>Profit/(loss) before tax</b>	<b>4</b>	<b>(3)</b>		<b>(8)</b>	
Income tax expense	(1)	7		8	
<b>Profit/(loss) after tax</b>	<b>3</b>	<b>4</b>	<b>(20.4)</b>	<b>0</b>	
Profit/(loss) attributable to minority interest and others					
<b>Profit/(loss) attributable to the Group</b>	<b>3</b>	<b>4</b>	<b>(20.4)</b>	<b>0</b>	

The following highlights shaped the year-on-year performance:

- The **Net interest income** corresponds to the net between the cost of financing the investee business and the income from the liquidity associated with the Group's excess capital. The year-on-year improvement is mainly due to the reduction of the average balance financed and lower funding rates due to adapting the rate to market conditions.
- The **Share of profit/(loss) of entities accounted for using the equity method** stood at €2 million (€21 million in the first quarter of 2021), after the divestment of the stake held in Erste Group Bank in the fourth quarter of 2021. The proforma vision considers the slightly negative contribution of Gramina Homes in the first quarter of 2021, the impact of which is not significant.

The following balance sheet shows the corporate centre's indicators:

€ million	31 Mar. 2022	31 Dec. 2021	Change	Change %
<b>BALANCE SHEET</b>				
<b>Assets</b>	<b>7,369</b>	<b>6,305</b>	<b>1,064</b>	<b>16.9</b>
Investments (Financial assets at fair value with changes in OCI and Investments in JVs and associates) and other	2,352	2,176	176	8.1
Cash and cash balances at central banks and other demand deposits	5,016	4,129	887	21.5
<b>Liabilities</b>				
Intra-group financing and other liabilities	1,820	1,678	142	8.4
<b>Assigned capital</b>	<b>5,549</b>	<b>4,627</b>	<b>922</b>	<b>19.9</b>
of which: associated with investees	533	498	35	7.0

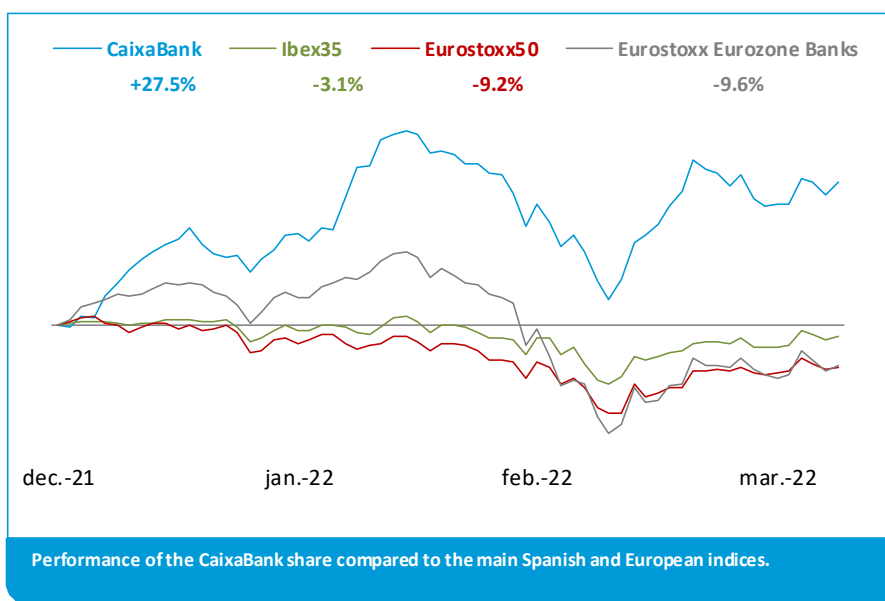
The following table shows the quarterly performance and the proforma performance (for the first quarter of 2021, as the figures of the subsequent quarters coincide with the figures of the accounting income statement due to the non-existence of extraordinary impacts associated with the merger) of the corporate centre:

€ million	4Q21	3Q21	2Q21	1Q21	Proforma 1Q21
<b>INCOME STATEMENT</b>					
<b>Net interest income</b>	<b>(1)</b>	<b>(6)</b>	<b>(6)</b>	<b>(12)</b>	<b>(12)</b>
Dividend income	38		149		
Share of profit/(loss) of entities accounted for using the equity method	6	49	62	21	21
Net fee and commission income					
Trading income	2	12	1	1	1
Income and expense under insurance or reinsurance contracts					
Other operating income and expense			(8)		
<b>Gross income</b>	<b>45</b>	<b>56</b>	<b>198</b>	<b>10</b>	<b>10</b>
Recurring administrative expenses, depreciation and amortisation	(16)	(16)	(17)	(13)	(18)
Extraordinary expenses					
<b>Pre-impairment income</b>	<b>30</b>	<b>39</b>	<b>181</b>	<b>(3)</b>	<b>(8)</b>
<b>Pre-impairment income stripping out extraordinary expenses</b>	<b>30</b>	<b>39</b>	<b>181</b>	<b>(3)</b>	<b>(8)</b>
Allowances for insolvency risk					
Other charges to provisions					
Gains/(losses) on disposal of assets and others	51				
<b>Profit/(loss) before tax</b>	<b>81</b>	<b>39</b>	<b>181</b>	<b>(3)</b>	<b>(8)</b>
Income tax expense	4	3	6	7	8
<b>Profit/(loss) after tax</b>	<b>84</b>	<b>42</b>	<b>187</b>	<b>4</b>	<b>0</b>
Profit/(loss) attributable to minority interest and others					
<b>Profit/(loss) attributable to the Group</b>	<b>84</b>	<b>42</b>	<b>187</b>	<b>4</b>	<b>0</b>
<b>BALANCE SHEET BREAKDOWN</b>					
Assets	6,305	7,202	6,493	8,531	8,531
Liabilities	1,678	2,912	2,823	2,938	2,938
Assigned capital	4,627	4,290	3,670	5,594	5,594

## The CaixaBank share

- The **CaixaBank share** closed trading on 31 March 2022 at €3.077 euros/share, up 27.5% in the quarter and comfortably exceeding the performance of the general indices (-3.1% IBEX 35 and -9.2% EURO STOXX 50) and the selective bank benchmarks (+8.6% IBEX 35 Banks and -9.6% EURO STOXX Banks). The positive performance of the Spanish banking securities, and particularly CaixaBank's, mainly includes a higher sensitivity to a scenario of interest rate hikes.
- In general terms, the stock markets declined in the first quarter of 2022, which were dragged down due to the consequences of and uncertainty around the Ukraine war. The Russian invasion at the end of February only exacerbated the great volatility that had been rocking the markets for some months, which had been caused by the initial geopolitical tensions, the escalation of inflation and the expectations of a tighter monetary policy on both sides of the Atlantic.
- The war and the introduction of new restrictions on mobility in Asia have further aggravated the inflationary pressures, which has led the monetary authorities to stay on the road map despite the risk on economic growth. The Bank of England carried out two rate hikes in the quarter, while the Fed kicked off a rate-hiking cycle in March, signalling several more for 2022. The ECB has taken a somewhat more cautious approach, but it has also opened the door to raise interest rates when it completes its programme of asset purchases, which is expected to take place in the third quarter. The ECB's U-turn has boosted the revaluation of the banking securities that can benefit the most from higher interest rates, especially in regions with less direct exposure to Russia, such as Spain.
- In the first quarter of 2022, the number of shares traded<sup>1</sup> increased 77.2% with respect to the same period of the previous year and 117.5% on the fourth quarter of 2021. In addition, the trading volume<sup>1</sup> in euros was 122.1% up on the volume of shares traded in the first quarter of 2021 and 161.9% 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.





## Key performance indicators for the CaixaBank share

31 Mar. 2022

Market capitalisation (€ million)	24,779
Number of outstanding shares <sup>1</sup>	8,052,835
<b>Share price (€/share)</b>	
Share price at the beginning of the period (31 Dec. 2021)	2.414
Share price at closing of the period (31 Mar. 2022)	3.077
Maximum price <sup>2</sup>	3.397
Minimum price <sup>2</sup>	2.411
<b>Trading volume in 2022 (number of shares, excluding special transactions, in thousands)</b>	
Maximum daily trading volume	93,320
Minimum daily trading volume	10,896
Average daily trading volume	34,725
<b>Stock market ratios</b>	
EPS - Net income (ex M&A impacts) attributable per share (€/share) (12 months)	0.28
Book value (€/share)	4.46
Tangible book value (€/share)	3.80
PER (Price / EPS ex M&A <sup>3</sup> ; times)	10.85
P/tangible BV (Market value / tangible book value)	0.81
Dividend yield <sup>4</sup>	4.75%

(1) Number of shares, in thousands, excluding treasury shares.

(2) Price at close of trading.

(3) Does not include the extraordinary impacts related to the merger with Bankia.

(4) Calculated by dividing the remuneration for the financial year 2021 (0.1463 euros/share) by the closing price at the end of the period (3.077 euros/share).

### Shareholder returns

- On 20 April 2022, the bank paid its shareholders 0.1463 euros per share, corresponding to the ordinary dividend charged to 2021 profits and following the approval at the Annual General Shareholders Meeting held on 8 April. This dividend distribution amounts to €1,179 million, and is equivalent to 50% of the consolidated net profit of 2021 adjusted by the extraordinary impacts from the merger with Bankia.

Furthermore, the Board of Directors approved on 27 January 2022 the Dividend Policy for the 2022 Fiscal Year, consisting of a cash distribution of 50%-60% of consolidated net profit, to be paid in a single payment in April 2023, subject to final approval from the Annual General Shareholders Meeting.

The Board also stated the intention of CaixaBank, subject to the appropriate regulatory approval, to implement an open-market share buy-back programme during the 2022 Fiscal Year, in order to bring the CET1 ratio closer to our target level. In this respect, the Annual General Shareholders Meeting held on April 2022 approved the reduction of CaixaBank's share capital up to a maximum amount of 10% -subject to the appropriate regulatory authorisations- through the redemption of treasury shares acquired within the framework of the aforementioned share buy-back programme. The definitive figure of capital reduction will be set by the Board of Directors within the aforementioned maximum limit and based on the number of shares that are acquired.

## Investment portfolio

Main investees at 31 March 2022:

	%	Business segment
SegurCaixa Adeslas	49.9%	Banking and insurance
Comercia Global Payments	20.0%	Banking and insurance
Telefónica <sup>1</sup>	4.5%	Corporate centre
Coral Homes	20.0%	Corporate centre
Gramina Homes	20.0%	Corporate centre
Banco de Fomento Angola (BFA)	48.1%	Corporate centre
Banco Comercial e de Investimentos (BCI)	35.7%	Corporate centre

(1) 4.6% stake following the capital reduction approved at the Annual General Meeting of 8 April 2022. During the first quarter of 2022, CaixaBank completed a fair value hedge on 1.99% of Telefónica's share capital following the aforementioned capital reduction.

## Ratings

Agency	Issuer Rating			Senior Preferred Debt	Last review date	Mortgage covered bonds	Last review date mortgage covered bonds
	Long-Term	Short-Term	Outlook				
S&P Global	A-	A-2	Stable	A-	25 Apr. 2022	AA+	28 Mar 2022
Fitch Ratings	BBB+	F2	Stable	A-	02 Sep. 2021	-	-
Moody's	Baa1	P-2	Stable	Baa1	22 Sep. 2020	Aa1	24 Aug. 2021
DBRS	A	R-1 (low)	Stable	A	29 Mar. 2022	AAA	14 Jan. 2022

In the first quarter of 2022 DBRS confirmed CaixaBank's long-term rating at A, maintaining the stable outlook. S&P, after reviewing the sovereign rating, confirmed CaixaBank's mortgage covered bonds rating at AA+ and improved the outlook from negative to stable.

## Índices ESG Ratings



Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

**86**



**MSCI ESG RATINGS** **AA**

**AA**  
(Leader)



**FTSE4Good**

**4**



**Low risk**  
(19)



**A**  
(Leadership)



**C**  
Status: **Prime**  
Transparency: **very high**  
Decile rank: **#1**



**11111**  
**EISIG**



**60**  
(Advanced)

## Alternative performance measures

In addition to the financial information prepared in accordance with International Financial Reporting Standards (IFRSs), this document includes certain Alternative Performance Measures (APMs) as defined in the guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057) (the "ESMA Guidelines"). CaixaBank uses certain APMs, which have not been audited, for a better understanding of the Group's financial performance. These measures are considered additional disclosures and in no case replace the financial information prepared under IFRSs. Moreover, the way the Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. Accordingly, they may not be comparable.

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

In accordance with these guidelines, following is a list of the APMs used, along with a reconciliation between certain management indicators and the indicators presented in the consolidated financial statements prepared under IFRS. Figures are presented in millions of euros unless the use of another unit is stated explicitly.

### 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 that can be classified as retail).

*Note: The average balances of the analysed period are calculated on the basis of the daily closing balances of said period, except in the case of some subsidiaries, for which the average balances are calculated as the arithmetic average of the closing balances of each month.*

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

		1Q21	Proforma 1Q21	2Q21	3Q21	4Q21	1Q22
Numerator	Annualised quarterly income from loans and advances to customers	4,177	5,872	5,688	5,499	5,376	5,297
Denominator	Net average balance of loans and advances to customers	227,891	343,818	339,866	336,605	333,254	329,860
<b>(a)</b>	<b>Average yield rate on loans (%)</b>	<b>1.83</b>	<b>1.71</b>	<b>1.67</b>	<b>1.63</b>	<b>1.61</b>	<b>1.61</b>
Numerator	Annualised quarterly cost of on-balance sheet retail customer funds	12	24	8	(8)	4	(65)
Denominator	Average balance of on-balance sheet retail customers funds	236,670	354,718	362,009	371,366	376,774	382,008
<b>(b)</b>	<b>Average cost rate of retail customer funds (%)</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.02)</b>
	<b>Customer spread (%) (a - b)</b>	<b>1.82</b>	<b>1.70</b>	<b>1.67</b>	<b>1.63</b>	<b>1.61</b>	<b>1.63</b>

**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).

*Note: The average balances of the analysed period are calculated on the basis of the daily closing balances of said period, except in the case of some subsidiaries, for which the average balances are calculated as the arithmetic average of the closing balances of each month.*

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

		Proforma					
		1Q21	1Q21	2Q21	3Q21	4Q21	1Q22
Numerator	Annualised quarterly interest income	6,708	8,849	8,371	8,272	8,197	8,464
Denominator	Average total assets for the quarter	454,329	660,552	671,368	690,460	695,346	706,116
<b>(a)</b>	<b>Average return rate on assets (%)</b>	<b>1.48</b>	<b>1.34</b>	<b>1.25</b>	<b>1.20</b>	<b>1.18</b>	<b>1.20</b>
Numerator	Annualised quarterly interest expenses	1,878	2,202	1,809	1,968	2,011	2,178
Denominator	Average total funds for the quarter	454,329	660,552	671,368	690,460	695,346	706,116
<b>(b)</b>	<b>Average cost of fund rate (%)</b>	<b>0.41</b>	<b>0.33</b>	<b>0.27</b>	<b>0.28</b>	<b>0.29</b>	<b>0.31</b>
	<b>Balance sheet spread (%) (a - b)</b>	<b>1.07</b>	<b>1.01</b>	<b>0.98</b>	<b>0.92</b>	<b>0.89</b>	<b>0.89</b>

**c) ROE:**

**Explanation:** Profit/(loss) attributable to the Group (adjusted by the amount of the Additional Tier 1 coupon reported in shareholder equity) divided by average shareholder equity plus valuation adjustments for the last 12 months (calculated as the average value of the monthly average balances).

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

		1Q21	2Q21	3Q21	4Q21	1Q22
(a)	Profit/(loss) attributable to the Group 12M	6,078	5,357	5,456	5,226	1,147
(b)	Additional Tier 1 coupon	(155)	(185)	(217)	(244)	(269)
<b>Numerator</b>	<b>Adjusted profit/(loss) attributable to the Group 12M (a+b)</b>	<b>5,922</b>	<b>5,172</b>	<b>5,239</b>	<b>4,981</b>	<b>878</b>
(c)	Average shareholder equity 12M	26,687	29,464	32,019	34,516	37,000
(d)	Average valuation adjustments 12M	(1,805)	(1,806)	(1,765)	(1,689)	(1,649)
<b>Denominator</b>	<b>Average shareholder equity + valuation adjustments 12M (c+d)</b>	<b>24,882</b>	<b>27,657</b>	<b>30,254</b>	<b>32,827</b>	<b>35,351</b>
	<b>ROE (%)</b>	<b>23.8%</b>	<b>18.7%</b>	<b>17.3%</b>	<b>15.2%</b>	<b>2.5%</b>
(e)	Extraordinary income from the merger	4,272	2,903	2,779	2,867	(1,405)
<b>Numerator</b>	<b>Adjusted numerator 12M (a+b-e)</b>	<b>1,651</b>	<b>2,269</b>	<b>2,460</b>	<b>2,115</b>	<b>2,283</b>
	<b>ROE (%) ex M&amp;A impacts</b>	<b>6.6%</b>	<b>8.2%</b>	<b>8.1%</b>	<b>6.4%</b>	<b>6.5%</b>

d) **ROTE:**

**Explanation:** quotient between:

- Profit/(loss) attributed 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 (calculated as the average value of the monthly average balances) deducting intangible assets using management criteria (calculated as the value of intangible assets in the public balance sheet, plus the intangible assets and goodwill associated with investees, net of 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.

		1Q21	2Q21	3Q21	4Q21	1Q22
(a)	Profit/(loss) attributable to the Group 12M	6,078	5,357	5,456	5,226	1,147
(b)	Additional Tier 1 coupon	(155)	(185)	(217)	(244)	(269)
<b>Numerator</b>	<b>Adjusted profit/(loss) attributable to the Group 12M (a+b)</b>	<b>5,922</b>	<b>5,172</b>	<b>5,239</b>	<b>4,981</b>	<b>878</b>
(c)	Average shareholder equity 12M	26,687	29,464	32,019	34,516	37,000
(d)	Average valuation adjustments 12M	(1,805)	(1,806)	(1,765)	(1,689)	(1,649)
(e)	Average intangible assets 12M	(4,353)	(4,555)	(4,752)	(4,948)	(5,155)
<b>Denominator</b>	<b>Average shareholder equity + valuation adjustments excluding intangible assets 12M (c+d+e)</b>	<b>20,529</b>	<b>23,102</b>	<b>25,501</b>	<b>27,879</b>	<b>30,196</b>
	<b>ROTE (%)</b>	<b>28.8%</b>	<b>22.4%</b>	<b>20.5%</b>	<b>17.9%</b>	<b>2.9%</b>
(f)	Extraordinary income from the merger	4,272	2,903	2,779	2,867	(1,405)
<b>Numerator</b>	<b>Adjusted numerator 12M (a+b-f)</b>	<b>1,651</b>	<b>2,269</b>	<b>2,460</b>	<b>2,115</b>	<b>2,283</b>
	<b>ROTE (%) ex M&amp;A impacts</b>	<b>8.0%</b>	<b>9.8%</b>	<b>9.6%</b>	<b>7.6%</b>	<b>7.6%</b>

e) **ROA:**

**Explanation:** net profit (adjusted by the amount of the Additional Tier 1 coupon reported in shareholder equity) divided by average total assets for the last 12 months (calculated as the average value of the daily balances of the analysed period).

**Purpose:** measures the level of return relative to assets.

		1Q21	2Q21	3Q21	4Q21	1Q22
(a)	Profit/(loss) after tax and before minority interest 12M	6,078	5,360	5,458	5,229	1,151
(b)	Additional Tier 1 coupon	(155)	(185)	(217)	(244)	(269)
<b>Numerator</b>	<b>Adjusted net profit 12M (a+b)</b>	<b>5,922</b>	<b>5,174</b>	<b>5,241</b>	<b>4,984</b>	<b>882</b>
<b>Denominator</b>	<b>Average total assets 12M</b>	<b>446,487</b>	<b>506,854</b>	<b>568,619</b>	<b>628,707</b>	<b>690,792</b>
	<b>ROA (%)</b>	<b>1.3%</b>	<b>1.0%</b>	<b>0.9%</b>	<b>0.8%</b>	<b>0.1%</b>
(c)	M&A impacts	4,272	2,903	2,779	2,867	(1,405)
<b>Numerator</b>	<b>Adjusted numerator 12M (a+b-c)</b>	<b>1,651</b>	<b>2,271</b>	<b>2,462</b>	<b>2,118</b>	<b>2,287</b>
	<b>ROA (%) ex M&amp;A impacts</b>	<b>0.4%</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.3%</b>

f) RORWA:

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

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

		1Q21	2Q21	3Q21	4Q21	1Q22
(a)	Profit/(loss) after tax and before minority interest 12M	6,078	5,360	5,458	5,229	1,151
(b)	Additional Tier 1 coupon	(155)	(185)	(217)	(244)	(269)
<b>Numerator</b>	<b>Adjusted net profit 12M (a+b)</b>	<b>5,922</b>	<b>5,174</b>	<b>5,241</b>	<b>4,984</b>	<b>882</b>
<b>Denominator</b>	<b>Risk-weighted assets (regulatory) 12M</b>	<b>145,566</b>	<b>163,801</b>	<b>182,510</b>	<b>200,869</b>	<b>218,558</b>
	<b>RORWA (%)</b>	<b>4.1%</b>	<b>3.2%</b>	<b>2.9%</b>	<b>2.5%</b>	<b>0.4%</b>
(c)	M&A impacts	4,272	2,903	2,779	2,867	(1,405)
<b>Numerator</b>	<b>Adjusted numerator 12M (a+b-c)</b>	<b>1,651</b>	<b>2,271</b>	<b>2,462</b>	<b>2,118</b>	<b>2,287</b>
	<b>RORWA (%) ex M&amp;A impacts</b>	<b>1.1%</b>	<b>1.4%</b>	<b>1.3%</b>	<b>1.1%</b>	<b>1.0%</b>

g) Cost-to-income ratio:

**Explanation:** operating expenses (administrative expenses, depreciation and amortisation) divided by gross income (or core income for the core efficiency ratio) for the last 12 months.

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

		1Q21	2Q21	3Q21	4Q21	1Q22
<b>Numerator</b>	<b>Administrative expenses, depreciation and amortisation 12M</b>	4,581	6,952	7,468	8,049	8,391
<b>Denominator</b>	<b>Gross income 12M</b>	8,489	9,175	9,860	10,274	10,987
	<b>Cost-to-income ratio</b>	<b>54.0%</b>	<b>75.8%</b>	<b>75.7%</b>	<b>78.3%</b>	<b>76.4%</b>

		1Q21	2Q21	3Q21	4Q21	1Q22
<b>Numerator</b>	<b>Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M</b>	4,540	4,981	5,448	5,930	6,305
<b>Denominator</b>	<b>Gross income 12M</b>	8,489	9,175	9,860	10,274	10,987
	<b>Cost-to-income ratio stripping out extraordinary expenses</b>	<b>53.5%</b>	<b>54.3%</b>	<b>55.3%</b>	<b>57.7%</b>	<b>57.4%</b>

		1Q21	2Q21	3Q21	4Q21	1Q22
<b>Numerator</b>	<b>Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M</b>	4,540	4,981	5,448	5,930	6,305
<b>Denominator</b>	<b>Core income 12M</b>	8,330	9,145	9,860	10,597	11,293
	<b>Core cost-to-income ratio</b>	<b>54.5%</b>	<b>54.5%</b>	<b>55.3%</b>	<b>56.0%</b>	<b>55.8%</b>

2- Risk Management

a) Cost of risk:

**Explanation:** total allowances for insolvency risk (12 months) divided by average of gross loans to customers plus contingent liabilities, using management criteria (calculated as the average value of the monthly closing balances).

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

		1Q21	2Q21	3Q21	4Q21	1Q22
<b>Numerator</b>	<b>Allowances for insolvency risk 12M</b>	1,574	910	814	838	892
<b>Denominator</b>	<b>Average of gross loans + contingent liabilities 12M</b>	269,822	302,243	333,404	363,368	382,176
	<b>Cost of risk (%)</b>	<b>0.58%</b>	<b>0.30%</b>	<b>0.24%</b>	<b>0.23%</b>	<b>0.23%</b>

**b) Non-performing loan ratio:****Explanation:** quotient between:

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

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

		1Q21	2Q21	3Q21	4Q21	1Q22
<b>Numerator</b>	<b>Non-performing loans and contingent liabilities</b>	14,077	14,005	13,955	13,634	13,361
<b>Denominator</b>	<b>Total gross loans and contingent liabilities</b>	390,097	389,389	382,801	380,160	380,895
	<b>Non-performing loan ratio (%)</b>	3.6%	3.6%	3.6%	3.6%	3.5%

**c) Coverage ratio:****Explanation:** quotient between:

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

**Purpose:** indicator used to monitor NPL coverage via provisions.

		1Q21	2Q21	3Q21	4Q21	1Q22
<b>Numerator</b>	<b>Provisions on loans and contingent liabilities</b>	9,415	9,001	8,955	8,625	8,648
<b>Denominator</b>	<b>Non-performing loans and contingent liabilities</b>	14,077	14,005	13,955	13,634	13,361
	<b>Coverage ratio (%)</b>	67%	64%	64%	63%	65%

**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.

*Note: As of 4Q21, it includes coverage for real estate exposure from Bankia (previously solely from CaixaBank).***Purpose:** reflects the coverage level via write-downs and accounting provisions on foreclosed real estate assets available for sale.

		1Q21	2Q21	3Q21	4Q21	1Q22
(a)	Gross debt cancelled at the foreclosure	1,887	1,917	1,933	4,417	4,262
(b)	Net book value of the foreclosed assets	1,084	1,109	1,117	2,279	2,223
<b>Numerator</b>	<b>Total coverage of the foreclosed asset (a - b)</b>	<b>803</b>	<b>808</b>	<b>816</b>	<b>2,138</b>	<b>2,039</b>
<b>Denominator</b>	<b>Gross debt cancelled at the foreclosure</b>	<b>1,887</b>	<b>1,917</b>	<b>1,933</b>	<b>4,417</b>	<b>4,262</b>
	<b>Real estate available for sale coverage ratio (%)</b>	<b>43%</b>	<b>42%</b>	<b>42%</b>	<b>48%</b>	<b>48%</b>



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

**Explanation:** quotient between:

- o Accounting coverage: charges to provisions of foreclosed assets.
- o 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.

		1Q21	2Q21	3Q21	4Q21	1Q22
<b>Numerator</b>	<b>Accounting provisions of the foreclosed assets</b>	<b>1,126</b>	<b>1,103</b>	<b>1,087</b>	<b>1,006</b>	<b>960</b>
(a)	Net book value of the foreclosed assets	2,267	2,297	2,289	2,279	2,223
(b)	Accounting provisions of the foreclosed assets	1,126	1,103	1,087	1,006	960
<b>Denominator</b>	<b>Gross book value of the foreclosed asset (a + b)</b>	<b>3,393</b>	<b>3,400</b>	<b>3,376</b>	<b>3,285</b>	<b>3,183</b>
	<b>Real estate available for sale accounting coverage (%)</b>	<b>33%</b>	<b>32%</b>	<b>32%</b>	<b>31%</b>	<b>30%</b>

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.

		1Q21	2Q21	3Q21	4Q21	1Q22
(a)	<b>High Quality Liquid Assets (HQLAs)</b>	146,339	161,929	172,066	167,290	<b>170,170</b>
(b)	<b>Available balance under the ECB facility (non-HQLAs)</b>	807	802	1,059	1,059	<b>1,033</b>
	<b>Total liquid assets (a + b)</b>	<b>147,146</b>	<b>162,731</b>	<b>173,125</b>	<b>168,349</b>	<b>171,202</b>

b) **Loan-to-deposits:**

**Explanation:** quotient between:

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

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

		1Q21	2Q21	3Q21	4Q21	1Q22
<b>Numerator</b>	<b>Loans and advances to customers, net (a-b-c)</b>	<b>348,498</b>	<b>350,468</b>	<b>343,506</b>	<b>340,948</b>	<b>341,477</b>
(a)	Loans and advances to customers, gross	363,821	363,012	355,929	352,951	353,404
(b)	Provisions for insolvency risk	9,027	8,609	8,554	8,265	8,277
(c)	Brokered loans	6,296	3,935	3,869	3,738	3,650
<b>Denominator</b>	<b>On-balance sheet customer funds</b>	<b>361,031</b>	<b>371,191</b>	<b>377,551</b>	<b>384,270</b>	<b>385,816</b>
	<b>Loan to Deposits (%)</b>	<b>97%</b>	<b>94%</b>	<b>91%</b>	<b>89%</b>	<b>89%</b>

#### 4- Stock market ratios

- a) **EPS (Earnings per share):** Profit/(loss) attributed to the Group (adjusted by the amount of the *Additional Tier 1* coupon, registered in shareholder equity) divided by the average number of shares outstanding.

*Note: The average number of shares outstanding is calculated as average number of shares less the average number of treasury shares. The average is calculated as the average number of shares at the closing of each month of the analysed period. The impacts associated with the merger in the numerator are eliminated in 2021.*

		1Q21	2Q21	3Q21	4Q21	1Q22
(a)	Profit/(loss) attributable to the Group 12M	6,078	5,357	5,456	5,226	1,147
(b)	Additional Tier 1 coupon	(155)	(185)	(217)	(244)	(269)
<b>Numerator</b>	<b>Adjusted profit attributable to the Group (a+b)</b>	<b>5,922</b>	<b>5,172</b>	<b>5,239</b>	<b>4,981</b>	<b>878</b>
<b>Denominator</b>	<b>Average number of shares outstanding, net of treasury shares (c)</b>	<b>5,977</b>	<b>6,670</b>	<b>7,096</b>	<b>7,575</b>	<b>8,054</b>
	<b>EPS (Earnings per share)</b>	<b>0.99</b>	<b>0.78</b>	<b>0.74</b>	<b>0.66</b>	<b>0.11</b>
(d)	Extraordinary impacts from the merger	4,272	2,903	2,779	2,867	(1,405)
<b>Numerator</b>	<b>Adjusted numerator (a+b-d)</b>	<b>1,651</b>	<b>2,269</b>	<b>2,460</b>	<b>2,115</b>	<b>2,283</b>
	<b>EPS (Earnings per share) ex M&amp;A impacts</b>	<b>0.28</b>	<b>0.34</b>	<b>0.35</b>	<b>0.28</b>	<b>0.28</b>

- b) **PER (Price-to-earnings ratio):** share price at the closing of the analysed period divided by earnings per share (EPS).

		1Q21	2Q21	3Q21	4Q21	1Q22
<b>Numerator</b>	<b>Share price at the end of the period</b>	<b>2.639</b>	<b>2.594</b>	<b>2.684</b>	<b>2.414</b>	<b>3.077</b>
<b>Denominator</b>	<b>Earnings per share (EPS)</b>	<b>0.99</b>	<b>0.78</b>	<b>0.74</b>	<b>0.66</b>	<b>0.11</b>
	<b>PER (Price-to-earnings ratio)</b>	<b>2.67</b>	<b>3.33</b>	<b>3.64</b>	<b>3.67</b>	<b>28.23</b>
<b>Denominator</b>	<b>Earnings per share (EPS) ex M&amp;A impacts</b>	<b>0.28</b>	<b>0.34</b>	<b>0.35</b>	<b>0.28</b>	<b>0.28</b>
	<b>PER (Price-to-earnings ratio) ex M&amp;A impacts</b>	<b>9.43</b>	<b>7.63</b>	<b>7.74</b>	<b>8.65</b>	<b>10.85</b>

- c) **Dividend yield:** dividends paid (in shares or cash) corresponding to the last fiscal year divided by the period-end share price.

		1Q21	2Q21	3Q21	4Q21	1Q22
<b>Numerator</b>	<b>Dividends paid (in shares or cash) last year</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>	<b>0.15</b>
<b>Denominator</b>	<b>Share price at the end of the period</b>	<b>2.639</b>	<b>2.594</b>	<b>2.684</b>	<b>2.414</b>	<b>3.077</b>
	<b>Dividend yield</b>	<b>1.02%</b>	<b>1.03%</b>	<b>1.00%</b>	<b>1.11%</b>	<b>4.75%</b>

**d) 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:

- o equity less minority interests and intangible assets.
- o the number of fully-diluted outstanding shares at a specific date.

**P/BV:** share price at the end of the period divided by book value.

**P/TBV:** share price at the end of the period divided by tangible book value.

		1Q21	2Q21	3Q21	4Q21	1Q22
(a)	Equity	35,552	34,571	35,124	35,425	35,916
(b)	Minority interests	(28)	(29)	(29)	(31)	(32)
<b>Numerator</b>	<b>Adjusted equity (c = a+b)</b>	<b>35,524</b>	<b>34,542</b>	<b>35,095</b>	<b>35,394</b>	<b>35,884</b>
<b>Denominator</b>	<b>Shares outstanding, net of treasury shares (d)</b>	<b>8,056</b>	<b>8,053</b>	<b>8,053</b>	<b>8,053</b>	<b>8,053</b>
<b>e = (c/d)</b>	<b>Book value (€/share)</b>	<b>4.41</b>	<b>4.29</b>	<b>4.36</b>	<b>4.39</b>	<b>4.46</b>
(f)	Intangible assets (reduce adjusted equity)	(5,086)	(5,102)	(5,104)	(5,316)	(5,304)
<b>g = ((c+f)/d)</b>	<b>Tangible book value (€/share)</b>	<b>3.78</b>	<b>3.66</b>	<b>3.72</b>	<b>3.73</b>	<b>3.80</b>
(h)	Share price at end the period	2.639	2.594	2.684	2.414	3.077
<b>h/e</b>	<b>P/BV (Share price divided by book value)</b>	<b>0.60</b>	<b>0.60</b>	<b>0.62</b>	<b>0.55</b>	<b>0.69</b>
<b>h/g</b>	<b>P/TBV tangible (Share price divided by tangible book value)</b>	<b>0.70</b>	<b>0.71</b>	<b>0.72</b>	<b>0.65</b>	<b>0.81</b>

## Reconciliation between the accounting and management information

### **Adapting the public income statement to management format**

**Net fee and commission income.** Includes the following line items:

- Fee and commission income.
- Fee and commission expenses.

**Trading income.** Includes the following line items:

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

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

- Administrative expenses.
- Depreciation and amortisation.

**Pre-impairment income.**

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

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

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

*Of which: Allowances for insolvency risk.*

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

*Of which: Other charges to provisions.*

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

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

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

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

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

## Reconciliation of activity indicators using management criteria

### Loans and advances to customers, gross

March 2022

€ million

Financial assets at amortised cost - Customers (Public Balance Sheet)	347,090
Reverse repurchase agreements (public and private sector)	(2,745)
Clearing houses	(2,108)
Other, non-retail, financial assets	(350)
Financial assets not designated for trading compulsorily measured at fair value through profit or loss- Loans and advances (Public Balance Sheet)	64
Fixed income bonds considered retail financing (Financial assets at amortised cost - Public debt securities, Balance Sheet)	3,084
Fixed income bonds considered retail financing (Assets under the insurance business - Balance Sheet)	91
Provisions for insolvency risk	8,277
<b>Loans and advances to customers (gross) using management criteria</b>	<b>353,404</b>

### Insurance contract liabilities

March 2022

€ million

Liabilities under the insurance business (Public Balance Sheet)	75,875
Capital gains/(losses) under the insurance business (excluding unit link and other)	(8,181)
<b>Liabilities under insurance contracts, using management criteria</b>	<b>67,694</b>

### Customer funds

March 2022

€ million

Financial liabilities at amortised cost - Customer deposits (Public balance sheet)	400,604
Non-retail financial liabilities (registered under Financial liabilities at amortised cost - Customer deposits)	(11,947)
Multi-issuer covered bonds and subordinated deposits	(5,121)
Counterparties and other	(6,826)
Retail financial liabilities (registered under Financial liabilities at amortised cost - Debt securities)	1,369
Retail issues and other	1,369
<b>Liabilities under insurance contracts, using management criteria</b>	<b>67,694</b>
<b>Total on-balance sheet customer funds</b>	<b>457,720</b>
Assets under management	152,823
Other accounts <sup>1</sup>	9,350
<b>Total customer funds</b>	<b>619,892</b>

(1) It mainly includes transitional funds associated with transfers and collection activity.

## Institutional issuances for banking liquidity purposes

March 2022

€ million

<b>Financial liabilities at amortised cost - Debt securities issued (Public Balance Sheet)</b>	<b>51,985</b>
<b>Institutional financing not considered for the purpose of managing bank liquidity</b>	<b>(4,623)</b>
Securitised bonds	(1,504)
Value adjustments	(1,995)
Retail	(1,369)
Issues acquired by companies within the group and other	245
<b>Customer deposits for the purpose of managing bank liquidity<sup>1</sup></b>	<b>5,121</b>
<b>Institutional financing for the purpose of managing bank liquidity</b>	<b>52,483</b>

(1) A total of €5,088 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 2022

€ million

<b>Non-current assets and disposal groups classified as held for sale (Public Balance Sheet)</b>	<b>3,019</b>
Other non-foreclosed assets	(842)
<b>Inventories under the heading - Other assets (Public Balance Sheet)</b>	<b>46</b>
<b>Foreclosed available for sale real estate assets</b>	<b>2,223</b>
<b>Tangible assets (Public Balance Sheet)</b>	<b>7,901</b>
Tangible assets for own use	(6,135)
Other assets	(247)
<b>Foreclosed rental real estate assets</b>	<b>1,519</b>

## Historical figures for the CABK and BPI perimeters

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

€ million	CABK				
	1Q22	4Q21	3Q21	2Q21	1Q21
<b>Net interest income</b>	<b>1,435</b>	<b>1,443</b>	<b>1,476</b>	<b>1,524</b>	<b>1,080</b>
Dividend income	1	39	1	52	
Share of profit/(loss) of entities accounted for using the equity method	37	54	138	120	65
Net fee and commission income	897	1,017	890	915	595
Trading income	119	87	39	34	32
Income and expense under insurance or reinsurance contracts	202	172	162	154	164
Other operating income and expense	(120)	(470)	(91)	(242)	(57)
<b>Gross income</b>	<b>2,571</b>	<b>2,341</b>	<b>2,615</b>	<b>2,555</b>	<b>1,880</b>
Recurring administrative expenses, depreciation and amortisation	(1,409)	(1,472)	(1,490)	(1,488)	(1,036)
Extraordinary expenses	(8)	(99)	(49)	(1,929)	(40)
<b>Pre-impairment income</b>	<b>1,155</b>	<b>770</b>	<b>1,076</b>	<b>(861)</b>	<b>803</b>
<b>Pre-impairment income stripping out extraordinary expenses</b>	<b>1,162</b>	<b>869</b>	<b>1,125</b>	<b>1,068</b>	<b>844</b>
Allowances for insolvency risk	(262)	(309)	(151)	(148)	(189)
Other charges to provisions	(45)	(98)	(194)	(101)	(48)
Gains/(losses) on disposal of assets and others	(9)	136	(9)	(19)	4,302
<b>Profit/(loss) before tax</b>	<b>838</b>	<b>499</b>	<b>721</b>	<b>(1,129)</b>	<b>4,869</b>
Income tax expense	(219)	(116)	(157)	393	(147)
<b>Profit/(loss) after tax</b>	<b>619</b>	<b>383</b>	<b>564</b>	<b>(736)</b>	<b>4,722</b>
Profit/(loss) attributable to minority interest and others	1	2			
<b>Profit/(loss) attributable to the Group</b>	<b>618</b>	<b>382</b>	<b>564</b>	<b>(736)</b>	<b>4,722</b>
<i>Risk-weighted assets</i>	195,350	197,370	201,811	202,532	190,471
<i>Common Equity Tier 1 (CET1)</i>	13.4%	13.0%	12.9%	12.7%	14.1%
<i>Total capital</i>	18.0%	17.9%	17.9%	17.4%	19.1%

€ million	BPI				
	1Q22	4Q21	3Q21	2Q21	1Q21
<b>Net interest income</b>	<b>115</b>	<b>116</b>	<b>113</b>	<b>111</b>	<b>111</b>
Dividend income	0			100	
Share of profit/(loss) of entities accounted for using the equity method	13	16	11	9	12
Net fee and commission income	71	84	74	67	64
Trading income	24	3	11	4	10
Income and expense under insurance or reinsurance contracts					
Other operating income and expense	(19)	4	4	(26)	(13)
<b>Gross income</b>	<b>204</b>	<b>222</b>	<b>213</b>	<b>265</b>	<b>183</b>
Recurring administrative expenses, depreciation and amortisation	(114)	(104)	(116)	(110)	(113)
Extraordinary expenses				(1)	
<b>Pre-impairment income</b>	<b>90</b>	<b>118</b>	<b>96</b>	<b>153</b>	<b>70</b>
<b>Pre-impairment income stripping out extraordinary expenses</b>	<b>90</b>	<b>118</b>	<b>96</b>	<b>154</b>	<b>70</b>
Allowances for insolvency risk	34	(35)	(13)	(7)	15
Other charges to provisions	(0)	(21)	(10)	(5)	(1)
Gains/(losses) on disposal of assets and others	0	(7)	0		
<b>Profit/(loss) before tax</b>	<b>124</b>	<b>55</b>	<b>73</b>	<b>141</b>	<b>85</b>
Income tax expense	(35)	(12)	(17)	(11)	(21)
<b>Profit/(loss) after tax</b>	<b>89</b>	<b>43</b>	<b>56</b>	<b>131</b>	<b>63</b>
Profit/(loss) attributable to minority interest and others					
<b>Profit/(loss) attributable to the Group</b>	<b>89</b>	<b>43</b>	<b>56</b>	<b>131</b>	<b>63</b>
<i>Risk-weighted assets</i>	18,653	18,281	18,390	18,349	18,113
<i>Common Equity Tier 1 (CET1)</i>	13.7%	14.2%	14.5%	14.3%	14.4%
<i>Total capital</i>	17.5%	17.4%	17.6%	17.4%	17.6%

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

€ million	CAIXABANK														
	1Q22			4Q21			3Q21			2Q21			1Q21		
	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %
Financial Institutions	129,157	265	0.83	116,310	250	0.85	107,992	239	0.88	84,242	224	1.06	53,109	139	1.06
Loans and advances (a)	305,524	1,208	1.60	309,290	1,258	1.61	313,015	1,291	1.64	316,909	1,322	1.67	205,378	935	1.85
Debt securities	81,097	56	0.28	75,918	45	0.24	72,231	39	0.21	75,573	43	0.23	35,201	53	0.61
Other assets with returns	67,682	427	2.56	63,773	388	2.42	63,755	392	2.44	63,497	379	2.40	66,103	413	2.53
Other assets	85,391	13	-	94,146	4	-	98,139	6	-	96,248	2	-	60,638	1	-
<b>Total average assets (b)</b>	<b>668,851</b>	<b>1,969</b>	<b>1.19</b>	<b>659,437</b>	<b>1,945</b>	<b>1.17</b>	<b>655,132</b>	<b>1,967</b>	<b>1.19</b>	<b>636,469</b>	<b>1,970</b>	<b>1.24</b>	<b>420,429</b>	<b>1,541</b>	<b>1.49</b>
Financial Institutions	119,233	(163)	0.55	111,142	(139)	0.50	109,581	(121)	0.44	103,196	(91)	0.35	59,397	(59)	0.40
Retail customer funds (c)	353,115	13	(0.02)	348,722	(4)	-	343,716	(1)	-	335,029	(5)	0.01	210,507	(6)	0.01
Wholesale marketable debt securities & other	46,874	(27)	0.23	47,252	(34)	0.29	47,371	(35)	0.29	46,689	(34)	0.29	28,061	(43)	0.62
Subordinated liabilities	9,936	(5)	0.21	10,380	(8)	0.31	9,841	(8)	0.34	9,727	(7)	0.30	6,218	(16)	1.07
Other funds with cost	82,038	(332)	1.64	82,167	(308)	1.49	83,201	(313)	1.49	75,901	(297)	1.57	76,130	(327)	1.74
Other funds	57,655	(20)	-	59,774	(9)	-	61,422	(13)	-	65,927	(12)	-	40,116	(10)	-
<b>Total average funds (d)</b>	<b>668,851</b>	<b>(534)</b>	<b>0.32</b>	<b>659,437</b>	<b>(502)</b>	<b>0.30</b>	<b>655,132</b>	<b>(491)</b>	<b>0.30</b>	<b>636,469</b>	<b>(446)</b>	<b>0.28</b>	<b>420,429</b>	<b>(461)</b>	<b>0.44</b>
Net interest income		1,435			1,443			1,476			1,524			1,080	
Customer spread (%) (a-c)		1.62			1.61			1.64			1.66			1.84	
Balance sheet spread (%) (b-d)		0.87			0.87			0.89			0.96			1.05	

€ million	BPI														
	1Q22			4Q21			3Q21			2Q21			1Q21		
	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %
Financial Institutions	7,581	13	0.72	7,047	13	0.73	6,965	13	0.74	6,584	13	0.78	6,017	12	0.79
Loans and advances (a)	24,387	98	1.64	23,981	98	1.62	23,595	95	1.60	22,959	96	1.68	22,516	94	1.70
Debt securities	8,158	10	0.49	7,632	13	0.69	6,813	12	0.70	7,334	12	0.63	7,238	13	0.71
Other assets with returns		-	-		-	-		-	-		-	-		-	-
Other assets	2,596	3	-	2,593	3	-	2,670	2	-	2,687	-	-	2,624	-	-
<b>Total average assets (b)</b>	<b>42,721</b>	<b>124</b>	<b>1.18</b>	<b>41,251</b>	<b>127</b>	<b>1.22</b>	<b>40,043</b>	<b>122</b>	<b>1.22</b>	<b>39,564</b>	<b>121</b>	<b>1.22</b>	<b>38,396</b>	<b>119</b>	<b>1.25</b>
Financial Institutions	6,780	(5)	0.29	5,861	(5)	0.36	5,961	(5)	0.34	5,912	(5)	0.33	5,626	(4)	0.26
Retail customer funds (c)	29,029	2	(0.03)	28,285	2	(0.03)	27,779	2	(0.03)	27,172	3	(0.04)	26,384	3	(0.04)
Wholesale marketable debt securities & other	1,898	(3)	0.55	1,781	(3)	0.78	1,200	(3)	0.97	1,451	(3)	0.81	1,500	(3)	0.77
Subordinated liabilities	322	(4)	5.50	300	(4)	5.29	300	(4)	5.30	300	(4)	5.30	300	(4)	5.34
Other funds with cost		-	-		-	-		-	-		-	-		-	-
Other funds	4,693	-	-	5,024	(1)	-	4,803	-	-	4,730	(1)	-	4,586	-	-
<b>Total average funds (d)</b>	<b>42,721</b>	<b>(9)</b>	<b>0.09</b>	<b>41,251</b>	<b>(11)</b>	<b>0.11</b>	<b>40,043</b>	<b>(9)</b>	<b>0.09</b>	<b>39,564</b>	<b>(10)</b>	<b>0.10</b>	<b>38,396</b>	<b>(8)</b>	<b>0.08</b>
Net interest income		115			116			113			111			111	
Customer spread (%) (a-c)		1.67			1.65			1.63			1.72			1.74	
Balance sheet spread (%) (b-d)		1.09			1.11			1.13			1.12			1.17	

## c) Quarterly change in fees and commissions

€ million	CAIXABANK				
	1Q22	4Q21	3Q21	2Q21	1Q21
Banking services, securities and other fees	483	534	492	528	313
Sale of insurance products	87	100	66	73	43
Mutual funds, managed accounts and SICAVs	206	228	208	196	142
Pension plans	76	95	79	75	59
Unit Link and other	46	58	45	42	39
<b>Net fee and commission income</b>	<b>897</b>	<b>1,017</b>	<b>890</b>	<b>915</b>	<b>595</b>

€ million	BPI				
	1Q22	4Q21	3Q21	2Q21	1Q21
Banking services, securities and other fees	41	48	43	41	36
Sale of insurance products	14	16	13	12	14
Mutual funds, managed accounts and SICAVs	10	13	12	8	9
Pension plans	0				
Unit Link and other	7	6	6	5	4
<b>Net fee and commission income</b>	<b>71</b>	<b>84</b>	<b>74</b>	<b>67</b>	<b>64</b>



d) Quarterly change in administrative expenses, depreciation and amortisation

€ million	CAIXABANK				
	1Q22	4Q21	3Q21	2Q21	1Q21
<b>Gross income</b>	<b>2,571</b>	<b>2,341</b>	<b>2,615</b>	<b>2,555</b>	<b>1,880</b>
Personnel expenses	(879)	(919)	(948)	(940)	(656)
General expenses	(353)	(376)	(377)	(387)	(261)
Depreciation and amortisation	(177)	(177)	(165)	(160)	(119)
<b>Recurring administrative expenses, depreciation and amortisation</b>	<b>(1,409)</b>	<b>(1,472)</b>	<b>(1,490)</b>	<b>(1,488)</b>	<b>(1,036)</b>
Extraordinary expenses	(8)	(99)	(49)	(1,929)	(40)

€ million	BPI				
	1Q22	4Q21	3Q21	2Q21	1Q21
<b>Gross income</b>	<b>204</b>	<b>222</b>	<b>213</b>	<b>265</b>	<b>183</b>
Personnel expenses	(58)	(58)	(61)	(57)	(59)
General expenses	(38)	(27)	(36)	(36)	(36)
Depreciation and amortisation	(18)	(19)	(19)	(18)	(17)
<b>Recurring administrative expenses, depreciation and amortisation</b>	<b>(114)</b>	<b>(104)</b>	<b>(116)</b>	<b>(110)</b>	<b>(113)</b>
Extraordinary expenses		0		(1)	

e) Changes in the NPL ratio (figures for the CaixaBank perimeter include the contribution of Bankia)

	CAIXABANK		BPI	
	31 Mar. 2022	31 Dec. 2021	31 Mar. 2022	31 Dec. 2021
<b>Loans to individuals</b>	<b>4.3%</b>	<b>4.4%</b>	<b>2.2%</b>	<b>2.2%</b>
Home purchases	3.7%	3.7%	1.7%	1.8%
Other	6.3%	6.4%	5.4%	5.0%
<b>Loans to business</b>	<b>3.5%</b>	<b>3.5%</b>	<b>2.8%</b>	<b>2.8%</b>
<b>Public sector</b>	<b>0.1%</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>NPL Ratio (loans and contingent liabilities)</b>	<b>3.6%</b>	<b>3.7%</b>	<b>2.3%</b>	<b>2.3%</b>

## 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	31 Mar. 2022	31 Dec. 2021	Change %
<b>LOANS AND ADVANCES TO CUSTOMERS</b>			
Loans to individuals	167,514	169,705	(1.3)
Home purchases	125,230	126,709	(1.2)
Other	42,284	42,996	(1.7)
of which: Consumer lending	17,216	17,128	0.5
Loans to business	137,584	136,716	0.6
Public sector	19,782	18,689	5.8
<b>Loans and advances to customers, gross</b>	<b>324,881</b>	<b>325,111</b>	<b>(0.1)</b>
<b>CUSTOMER FUNDS</b>			
Customer funds	356,371	355,628	0.2
Demand deposits	333,380	330,323	0.9
Time deposits	22,991	25,306	(9.1)
Insurance contract liabilities	63,174	62,788	0.6
of which: Unit Link and other	15,819	15,601	1.4
Reverse repurchase agreements and other	4,205	3,315	26.8
On-balance sheet funds	423,750	421,732	0.5
Mutual funds, managed accounts and SICAVs	100,105	103,632	(3.4)
Pension plans	43,284	44,541	(2.8)
Assets under management	143,389	148,173	(3.2)
Other accounts	8,794	6,411	37.2
<b>Total customer funds</b>	<b>575,933</b>	<b>576,316</b>	<b>(0.1)</b>

### Portugal

€ million	31 Mar. 2022	31 Dec. 2021	Change %
<b>LOANS AND ADVANCES TO CUSTOMERS</b>			
Loans to individuals	15,409	15,046	2.4
Home purchases	13,435	13,083	2.7
Other	1,974	1,963	0.5
of which: Consumer lending	1,609	1,588	1.3
Loans to business	10,990	10,703	2.7
Public sector	2,124	2,091	1.6
<b>Loans and advances to customers, gross</b>	<b>28,523</b>	<b>27,840</b>	<b>2.5</b>
<b>CUSTOMER FUNDS</b>			
Customer funds	29,444	28,641	2.8
Demand deposits	20,957	20,126	4.1
Time deposits	8,488	8,515	(0.3)
Insurance contract liabilities	4,520	4,588	(1.5)
of which: Unit Link and other	3,765	3,765	
Reverse repurchase agreements and other	6	7	(17.8)
On-balance sheet funds	33,970	33,236	2.2
Mutual funds, managed accounts and SICAVs	6,136	6,457	(5.0)
Pension plans	3,298	3,390	(2.7)
Assets under management	9,434	9,847	(4.2)
Other accounts	555	572	(2.9)
<b>Total customer funds</b>	<b>43,959</b>	<b>43,655</b>	<b>0.7</b>

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Bank of the Year  
2021 in Spain



Best Bank in Spain 2021  
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Transformation 2021



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Outstanding Financial Innovator in Western Europe 2021  
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