

CaixaBank reports a net profit of €1.01 billion up to March (+17.5%) with increased loan production and customer funds

- **Gonzalo Gortazar, CaixaBank's CEO**, highlights that “in the context of a resilient Spanish economy, at CaixaBank we started 2024 with intense commercial activity and market share gains, while maintaining solid levels of profitability and efficiency”.
- **Improved margins.** Gross income rises 12.7% year-on-year up to €3.5 billion, on the back of a higher net interest income (+27.4%), which includes the impact of new production and the prevailing interest rate backdrop.
- **Growth in revenues** from wealth management (+15.8%) and protection insurance (+6.9%) offsets the decrease of banking fees (-10.8%), which was down, among other factors, due to lower current account maintenance fees.
- **Total business volume close to the one trillion-euro mark. Customer funds rise** by €6.16 billion (+1%) up to €636.49 billion, while **performing loans remain stable** at €344.44 billion (+0.1%).
- **New loan production** picks up. With regards to **mortgages**, it rises to €2.79 billion, +24.1% year-on-year. New production of **consumer lending** also improves, increasing to €3.03 billion in the quarter (+15%).
- **Positive commercial activity.** Net inflows into mutual funds, savings insurance, and pension plans reach €3.44 billion in the quarter. **Protection insurance** also performs well, with premiums rising by 8.7%.
- **Return on equity (ROE) stands at 13.4%** and **cost-to-income ratio** improves once again to 40.3%.
- **Optimal liquidity position and capital ratio:** €157.02 billion in liquid assets and a CET1 capital ratio of 12.3%.
- **NPL ratio** contained at 2.8% (as of 31 March) and with a coverage ratio of 71%.
- **Social commitment.** The bank maintains its firm commitment to financial inclusion, and it is present in 3,140 municipalities through physical branches, mobile branches (*ofimóviles*) or ATMs.

Valencia, 30 April 2024 – CaixaBank Group posted an attributable net profit of €1.01 billion in the first quarter of 2024, up +17.5% vs. the €855 million registered in the same period of 2023, as it leverages its financial and commercial strength, which has allowed it to continue supporting families and businesses.

CaixaBank Group serves 20.1 million customers through a network of over 4,100 branches across Spain and Portugal and has more than €600 billion in assets.

Gonzalo Gortazar, CaixaBank's CEO, has highlighted that "in the context of a resilient Spanish economy, at CaixaBank, we started 2024 with intense commercial activity and market share gains, while maintaining solid levels of profitability and efficiency".

The CEO has underscored that "in these first three months of the year, CaixaBank has registered €1.13 billion in taxes, a figure that exceeds the profit obtained in the period. Out of those, €493 million correspond to the banking tax, 32% more than last year".

Evolution of the income statement

CaixaBank's income statement for the first quarter of 2024 with growth in all margins, reflects the strength of the bank and its positive business dynamics, with higher loan production and positive net inflows into wealth management products, in a context of interest rate normalisation.

As a result, gross income rose +12.7% year-on-year to €3.5 billion, on the back of higher net interest income (+27.4%), which reflects the impact of new production and the prevailing interest rate backdrop.

Revenues from services (wealth management, protection insurance and banking fees) amounted to €1.2 billion in the first quarter, +1.3% year-on-year following an increase in activity. The growth in revenues from wealth management (+15.8%) and protection insurance (+6.9%) offsets the decrease of banking fees (-10.8%), which were down, among other factors, due to lower account maintenance fees.

As a result, return on equity (ROE) stood at 13.4% at the end of March and the cost-to-income ratio improved once again to reach 40.3%.

Business volumes at an all-time high

Strong activity in the quarter cemented CaixaBank's status as the leading financial institution in Spain and brought the bank's business volume close to the one trillion-euro mark, an all-time high, after growing by more than €15 billion in the last year.

Customer funds amounted to €636.49 billion, up €6.16 billion in the quarter (+1%), underpinned by wealth management products.

On-balance sheet resources remained stable in the quarter at €463.51 billion and assets under management totalled €168.69 billion (+4.9% in the quarter), following the solid performance of the markets and significant inflows.

Net inflows into mutual funds, savings insurance and pension plans reached €3.44 billion between January and March, with money market funds being the main growth driver on the funds side. Meanwhile, protection insurance continued to perform well, with premiums growing +8.7% year-on-year.

The performing loan portfolio remained stable in the period at €344.44 billion (+0.1%). Mortgages continue to be affected by repayments, albeit at a slower pace. This factor, together with the growth in new production, allowed the registered decline (-0.7%) in the first quarter to be the smallest in the last five quarters. The consumer loan portfolio was up +2%, while the loans to business portfolio rose by +1.1%.

New loan production picked up during the period

Commercial activity remains buoyant, picking up the pace starting in late 2023 and speeding up into the first quarter of 2024, with significant growth in new loans to individuals. In particular, new mortgage lending amounted to €2.79 billion in the first quarter of 2024, up +24.1% year-on-year, while new consumer lending stood at €3.03 billion, up +15%.

New production in loans to businesses exceeded €10.5 billion through to the end of March, with 43,000 loans granted to SMEs during the quarter (+28% year-on-year).

Credit quality, optimal liquidity and solid capital position

The NPL ratio was virtually unchanged in the quarter and below the sector average, at 2.8% (compared to 2.7% in December 2023) after applying stricter criteria for the classification of non-performing loans within the prudential framework, thanks to rigorous and prudent management of credit risk. Non-performing loans increased slightly to €10.79 billion, with no discernible signs of deterioration in the organic evolution of credit exposures. Provisions for insolvency risk (€7.67 billion) brought the coverage ratio to 71%. Meanwhile, the cost of risk (trailing 12 months) remained low at 0.29%.

CaixaBank Group also has an optimal liquidity position, with €157.02 billion, and the Liquidity Coverage Ratio (LCR) stood at 197% as of 31 March, well above the regulatory minimum requirement of 100%.

As for the Group's capital position, the CET1 capital ratio stood at 12.3% following the impact of the new €500 million share buyback programme that began in March (-22 bps) and which has now been fully deducted. On the other side, the solid organic capital generation in the first quarter stands out (+36 bps).

Commitment to financial inclusion and action to support society

CaixaBank, with the largest network of branches and ATMs in Spain, remains firmly committed to financial inclusion, and is present through physical branches, mobile branches (*ofimóviles*) or ATMs in 3,140 towns and cities across the country. Thanks to this extensive network, the bank is able to reach practically every corner of the country. It is also the only bank in 458 villages, which it has also pledged not to abandon.

True to its calling of being close to people for everything that matters, the bank supports the economy, families, and businesses through its activities, while also pursuing its social function. Thus, since interest rates began to rise, around 43,000 people have benefited from the conversion of their mortgage from floating-rate to fixed-rate, refinancing and accessions to the Code of Good Practices for Mortgage Holders.

The bank also has more than 10,000 social housing units and around 370,000 clients with social or basic accounts. It also supports vocational training through CaixaBank Dualiza, with more than 10,000 students benefiting in the last year; and it is the European leader with regards to microfinance with MicroBank, CaixaBank's social bank, which has granted more than 1.4 million microcredits and loans with social impact since its inception.

KEY GROUP FIGURES

	January - March		Change
	2024	2023	
PROFIT/(LOSS) (€ million)			
Net interest income	2,781	2,182	27.4%
Revenues from services ¹	1,197	1,181	1.3%
Gross income	3,496	3,101	12.7%
Recurring administrative expenses, depreciation and amortisation	(1,508)	(1,440)	4.8%
Pre-impairment income	1,988	1,659	19.8%
Pre-impairment income stripping out extraordinary expenses	1,988	1,662	19.6%
Profit/(loss) attributable to the Group	1,005	855	17.5%
MAIN RATIOS (Last 12 months) (in %)			
Cost-to-income ratio	40.3%	48.6%	(8.3)
Cost-to-income ratio stripping out extraordinary expenses	40.2%	48.2%	(8.0)
Cost of risk	0.29%	0.26%	0.03
ROE	13.4%	8.9%	4.5
ROTE	15.8%	10.5%	5.3
ROA	0.8%	0.4%	0.3
RORWA	2.1%	1.4%	0.7
BALANCE SHEET (€ million)			
Total assets	613,457	607,167	1.0%
Equity	34,281	36,339	(5.7)%
BUSINESS ACTIVITY (€ million)			
Customer funds	636,490	630,330	1.0%
Loans and advances to customers, gross	354,755	354,098	0.2%
RISK MANAGEMENT (€ million; in %)			
Non-performing loans (NPL)	10,794	10,516	278
Non-performing loan ratio	2.8%	2.7%	0.1
Provisions for insolvency risk	7,667	7,665	2
NPL coverage ratio	71%	73%	(1.9)
Net foreclosed available for sale real estate assets	1,545	1,582	(37)
LIQUIDITY (€ million; in %)			
Total Liquid Assets	157,022	160,204	(3,182)
Liquidity Coverage Ratio	197%	215%	(18)
Net Stable Funding Ratio (NSFR)	144%	144%	0
Loan to deposits	90%	89%	1
CAPITAL ADEQUACY (€ million; in %)			
Common Equity Tier 1 (CET1)	12.3%	12.4%	(0.1)
Tier 1	14.3%	14.4%	(0.1)
Total capital	16.5%	17.1%	(0.6)
Total MREL	27.1%	26.8%	0.3
Risk-Weighted Assets (RWAs)	232,161	228,428	3,734
Leverage ratio	5.8%	5.8%	0.0
SHARE INFORMATION			
Share price (€/share)	4.493	3.726	0.767
Market capitalisation (€ million)	32,956	27,450	5,506
Book value per share (€/share)	4.67	4.93	(0.26)
Tangible book value per share (€/share)	3.94	4.20	(0.26)
Net attributable income per share (€/share) (12 months)	0.67	0.64	0.02
PER (Price/Profit; times)	6.73	5.78	0.95
PBV (Price to book value)	0.96	0.76	0.21
OTHER DATA (units)			
Employees	45,005	44,863	142
Branches ²	4,161	4,191	(30)
of which: retail branches in Spain	3,589	3,618	(29)
ATMs	12,478	12,594	(116)

(1) Corresponds to the sum of "Net fee and commission income" and "Insurance service result" of the income statement.

(2) Does not include branches outside Spain and Portugal or representative offices.

RESULTS

THE GROUP'S INCOME STATEMENT

YEAR-ON-YEAR PERFORMANCE

€ million	1Q24	1Q23	Chg. %
Net interest income	2,781	2,182	27.4
Dividend income	5	68	(92.4)
Share of profit/(loss) of entities accounted for using the equity method	56	79	(29.3)
Net fee and commission income	902	937	(3.8)
Trading income	61	82	(25.1)
Insurance service result	295	244	20.9
Other operating income and expense	(604)	(491)	23.1
Gross income	3,496	3,101	12.7
Recurring administrative expenses, depreciation and amortisation	(1,508)	(1,440)	4.8
Extraordinary expenses		(2)	
Pre-impairment income	1,988	1,659	19.8
Pre-impairment income stripping out extraordinary expenses	1,988	1,662	19.6
Allowances for insolvency risk	(268)	(255)	5.0
Other charges to provisions	(91)	(25)	
Gains/(losses) on disposal of assets and others	(8)	(20)	(59.3)
Profit/(loss) before tax	1,620	1,359	19.2
Income tax expense	(614)	(504)	21.8
Profit/(loss) after tax	1,006	855	17.7
Profit/(loss) attributable to minority interest and others	1	(0)	
Profit/(loss) attributable to the Group	1,005	855	17.5