BUSINESS ACTIVITY AND RESULTS

REPORT

JANUARY - DECEMBER 2023

CaixaBank

CONTENTS

Note: The financial information contained in this document is unaudited and, accordingly, is subject to change. The consolidated income statement and the consolidated balance sheet and the corresponding breakdowns of those statements provided in this report, are presented under management criteria, but have still been prepared in accordance with International Financial Reporting Standards (IFRS-EU) as adopted by the European Union under the terms of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, as subsequently modified.

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.

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 5 October 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.

01 KEY GROUP FIGURES

COMMERCIAL POSITIONING

Clients

20.1
million

607,167
Total assets (€ million)

Business activity

630,330
Customer funds (€ million)

354,098
Loans and advances to customers (€ million)

BALANCE SHEET INDICATORS

Risk management

2.7%
NPL ratio

73%
NPL coverage ratio

0.28%
Cost of risk (12 months)

Capital adequacy

12.4%
CET1

17.1%
Total capital

26.8%
MREL

Liquidity

160,204
Total liquid assets (€ million)

215%
Liquidity coverage ratio (LCR)

143%
NSFR

RESULTS, COST-TO-INCOME AND PROFITABILITY

Attributed profit/(loss)

4,816
million euros

Cost-to-income

40.8%
Cost-to-income ratio stripping out extraordinary expenses (12 months)

Profitability

13.2%
12 months ROE

KEY GROUP FIGURES

€ million / %	January - December 2023	January - December 2022	Change	4Q23	Quarter-on-quarter
PROFIT/(LOSS)[1]					
Net interest income	10,113	6,553	54.3%	2,749	0.4%
Net fee and commission income	3,658	3,855	(5.1)%	917	2.5%
Core income	15,137	11,504	31.6%	4,009	(0.2)%
Gross income	14,231	11,093	28.3%	3,542	(11.8)%
Recurring administrative expenses, depreciation and amortisation	(5,812)	(5,525)	5.2%	(1,447)	(1.6)%
Pre-impairment income	8,410	5,519	52.4%	2,095	(17.6)%
Pre-impairment income stripping out extraordinary expenses	8,419	5,568	51.2%	2,095	(17.7)%
Profit/(loss) attributable to the Group	4,816	3,129	53.9%	1,157	(24.0)%
MAIN RATIOS (last 12 months)					
Cost-to-income ratio[1]	40.9%	50.3%	(9.3)	40.9%	(1.8)
Cost-to-income ratio, stripping out extraordinary expenses[1]	40.8%	49.8%	(9.0)	40.8%	(1.7)
Cost of risk (last 12 months)	0.28%	0.25%	0.03	0.28%	(0.02)
ROE[1]	13.2%	8.3%	4.9	13.2%	1.3
ROTE[1]	15.6%	9.8%	5.9	15.6%	1.5
ROA[1]	0.7%	0.4%	0.3	0.7%	0.1
RORWA[1]	2.1%	1.3%	0.7	2.1%	0.2

	December 2023	December 2022	Change	September 2023	Quarter-on-quarter
BALANCE SHEET					
Total Assets[1]	607,167	598,850	1.4%	611,398	(0.7)%
Equity[1]	36,339	33,708	7.8%	35,332	2.9%
BUSINESS ACTIVITY					
Customer funds[1]	630,330	611,300	3.1%	619,323	1.8%
Loans and advances to customers, gross	354,098	361,323	(2.0)%	355,057	(0.3)%
RISK MANAGEMENT					
Non-performing loans (NPL)	10,516	10,690	(175)	10,200	315
Non-performing loans ratio	2.7%	2.7%	0.0	2.7%	0.1
Provisions for insolvency risk	7,665	7,867	(202)	7,725	(60)
NPL coverage ratio	73%	74%	(0.7)	76%	(2.8)
Net foreclosed available for sale real estate assets	1,582	1,893	(311)	1,688	(106)
LIQUIDITY					
Total Liquid Assets	160,204	139,010	21,193	153,813	6,390
Liquidity Coverage Ratio	215%	194%	21	205%	11
Net Stable Funding Ratio (NSFR)	143%	142%	1	139%	4
Loan to deposits	89%	91%	(2)	90%	(1)
CAPITAL ADEQUACY					
Common Equity Tier 1 (CET1)	12.4%	12.8%	(0.4)	12.3 %	0.1
Tier 1	14.3%	14.8%	(0.4)	14.3%	0.1
Total capital	17.1%	17.3%	(0.2)	17.1%	0.0
MREL	26.8%	25.9%	0.9	27.1%	(0.3)
Risk-Weighted Assets (RWAs)	228,619	215,103	13,516	222,423	6,196
Leverage ratio	5.8%	5.6%	0.2	5.6%	0.3
SHARE INFORMATION					
Share price (€/share)	3.726	3.672	0.054	3.786	(0.060)
Market capitalisation	27,450	27,520	(70)	28,309	(859)
Book value per share[1] (€/share)	4.93	4.49	0.44	4.72	0.21
Tangible book value per share[1] (€/share)	4.20	3.77	0.43	4.00	0.20
Net attributable income per share[1] (€/share) (12 months)	0.64	0.40	0.24	0.58	0.07
PER[1] (Price/Profit; times)	5.78	9.18	(3.40)	6.58	(0.80)
PTBV[1] (Price to tangible book value)	0.89	0.97	(0.09)	0.95	(0.06)
OTHER DATA (units)					
Employees	44,863	44,625	238	44,771	92
Branches[2]	4,191	4,404	(213)	4,199	(8)
Of which: retail branches in Spain	3,618	3,818	(200)	3,622	(4)
ATMs	12,594	12,947	(353)	12,608	(14)

(1) The financial information published for 2022 has been restated in accordance with IFRS 17 / IFRS 9.

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

02. KEY INFORMATION

OUR BANK

The **CaixaBank Group** serves 20.1 million customers through a network close to 4,200 branches in Spain and Portugal and has over €600,000 million in assets.

Our **service vocation,** together with the **unique omnichannel distribution platform** with multi-product capabilities that continuously evolves to anticipate the customers' needs and preferences, helps us establish **solid market shares**[1] in Spain:

Loans to individuals and business	Consumer lending	Deposits by individuals and business	Investment funds	Pension plans	Long-term saving[2]	Card turnover
23.5%	19.8%	24.7%	23.6%	34.0%	29.3%	31.1%

BPI boasts a market share[3] in Portugal of 11.7% in lending activity and 11.2% in customer funds.

(1) Latest information available. 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) Market share aggregating investment funds, pension plans and savings insurance. The latter corresponding to sector data, estimated based on the change in total life insurance.

(3) Latest information available. Data prepared in-house. Source: BPI and Banco de Portugal.

RELEVANT ASPECTS IN 2023

IFRS 17 and IFRS 9

The Group has applied **IFRS 17: "Insurance Contracts" and IFRS 9: "Financial Instruments" to the assets and liabilities of the insurance business** as of **1 January 2023**. IFRS 17 is the new accounting standard that sets out the principles for recognition, measurement and presentation of contracts that transfer significant insurance risk, whereas IFRS 9 is the accounting standard that the Group has already been applying to recognise and measure its financial assets and liabilities.

Considering that, in accordance with IFRS 17, a minimum of one year of comparative information is required, the income statement for the fiscal year 2022 and the balance sheet at 31 December 2022 have been restated for comparative purposes, also taking into account IFRS 9 requirements.

The application of IFRS 17 / IFRS 9 has had an impact of €-16 million on the income statement for 2022, €+6,616 million on total assets and €-555 million on equity as at 31 December 2022. The impact on the CET1 ratio was -20 basis points.

Further detail of the restatement of 2022 and its quarterly reporting is provided in the section 'IFRS 17 / IFRS 9 Restatement'.

Share buy-back programme

After receiving the appropriate regulatory authorisation, the Board of Directors **agreed in September to approve and commence a programme for the repurchase of treasury shares** ("SBB", share buy-back) for a maximum monetary amount of €500 million with the aim of reducing the share capital by means of their redemption (See Other Relevant Information of 18 September 2023).

On 3 January 2024, **CaixaBank reached the maximum planned investment** with the acquisition of a total of 129,404,256 treasury shares, representing 1.72% of the share capital[1].

(1) As at 31 December 2023, CaixaBank had acquired 127,963,079 shares for €494,505,534, equivalent to 98.9% of the maximum monetary amount.

In order to comply with the programme's purpose, the reduction of CaixaBank, S.A.'s share capital by €500 million, through the redemption of the 129,404,256 treasury shares acquired, is to be submitted for approval at the Annual General Meeting to be held in 2024.

Additionally, it is also CaixaBank's intention, after obtaining the relevant regulatory approval, to implement **a new share buyback during the first half of 2024**, aimed at bringing year-end 2023 %CET1 closer to 12%. Specific details of the share buy-back, including the maximum investment, will be disclosed once the regulatory approval is obtained.

RESULTS AND FINANCIAL STRENGTH

Results and business activity

> **Attributable profit in 2023 reached €4,816 million,** versus €3,129 million recognised in 2022 (+53.9%).

> **Total loans and advances to customers, gross** stand at **€354,098 million**, down 2.0% in the year.

> **Customer funds** amount to **€630,330 million,** up 3.1% in the year.

Risk management

> The **NPL ratio** stood at **2.7%** (stable in the year), with a drop of €175 million of non-performing loans in 2023.

> Robust **coverage ratio**, standing at **73%**.

> The **cost of risk (last 12 months)** came to **0.28%**.

Liquidity management

> **Total liquid assets** amounted to **€160,204 million**.

> The Group's **Liquidity Coverage Ratio** (LCR) was **215%**, showing an ample liquidity position (194% at 2022 year-end).

> The **Net Stable Funding Ratio** (NSFR) stood at **143%** on 31 December 2023 (142% at 2022 year-end).

Capital management

> The **Common Equity Tier 1 (CET1) ratio** stands at **12.4%**.

It includes the extraordinary impact from the first application of IFRS 17 (-20 basis points), as well as the total repurchase from the share buy-back programme (€500 million, -23 basis points).

The Board of Directors will propose to the Annual General Meeting to pay a **cash dividend of 0.3919 euros per share**, which represents a **payout of 60%** of the consolidated net profit.

The organic change in the year was +201 basis points, -146 basis points caused by the proposal of dividends charged to this year and AT1 coupon payment and -24 basis points by the performance of the markets and other factors.

> The **Tier 1** ratio reaches **14.3%**, the **Total Capital** ratio **17.1%** and the **leverage ratio 5.8%**.

> The **total MREL** ratio stood at **26.8%**.

03. MACROECONOMIC TRENDS

AND STATE OF THE FINANCIAL MARKETS

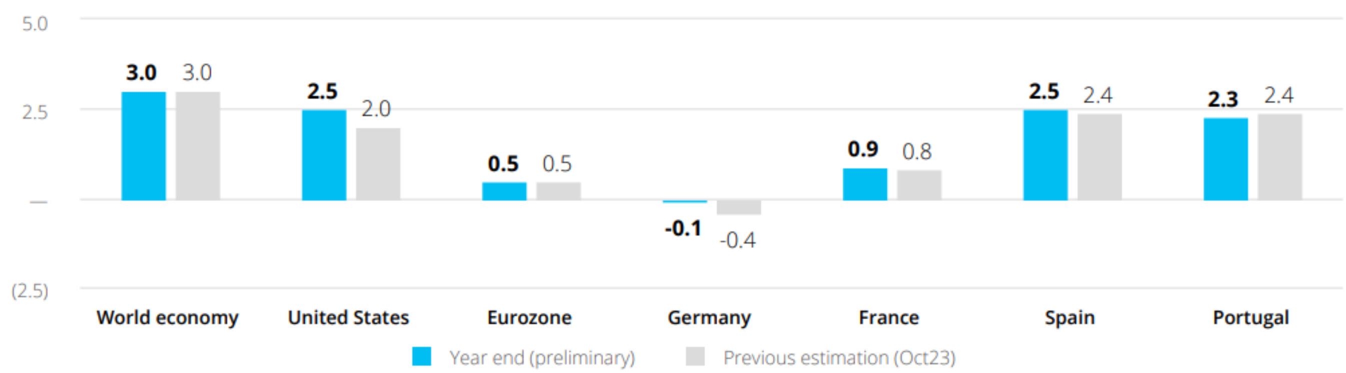
GLOBAL ECONOMIC OUTLOOK

Global activity slowed down throughout 2023, albeit less than expected at the beginning of the year, considering the considerable monetary tightening initiated to combat the inflationary process triggered the previous year. The defusing of the energy crisis and easing of the bottlenecks, as well as the monetary tightening, enabled a significant correction of inflation throughout the year at a relatively moderate cost in terms of economic growth.

However, the performance between regions varied significantly. While the eurozone's economic activity showed a marked sluggishness and, in China, the initial reactivation following the lifting of restrictions gradually gave way to indicators below expectations, which added to the persistent difficulties in its real estate sector, the US showed notable resistance mainly due to consumption, supported by a robust labour market.

GDP[1], PREVISION GROWTH 2023

ANNUAL CHANGE (%)



(1) CaixaBank Research forecasts for 2023.

ECONOMIC SCENARIO - EUROPE, SPAIN AND PORTUGAL

The **eurozone** economy was considerably weaker in 2023, especially in the second half of the year, suffering from the impact of monetary tightening and the significant loss of competitiveness of the most energy-intensive industries. In fact, following a first half of the year with quarter-on-quarter growth of hardly 0.1% GDP fell back 0.1% in the third quarter and stagnated in the fourth quarter. Sustained rebound in activity is not expected until well into 2024, when the cumulative drop due to inflation enables a recovery of available income in real terms. Germany's weakness stood out, becoming the only major economy in the region to shrink in 2023, and with the weakest outlook for 2024.

In this context of a cooling economy and monetary tightening, inflation dropped sustainably throughout the year, from 9.2% in December of 2022 to 2.9% at the end of 2023. The lower energy prices were one the major tailwinds in reducing inflation, but also a moderation of the underlying pressures stood out as the indirect effects of the energy shock started to disappear, with a core inflation dropping to 3.4% in December 2023, following its maximum of 5.7% in March.

In 2023 the **Spanish economy** showed remarkable resilience to a highly adverse environment, marked by the impact of high inflation and rising interest rates, as well as the weakness of the main trading partners. Under these circumstances, GDP growth slowed down to 2.5%, a much faster pace than the major eurozone economies, on the back of the good pace of job creation and the boost from the tourism sector, which recovered pre-pandemic levels. One of the strongest factors behind the economy's resilience was the strength of the labour market, which saw an increase of more than half a million affiliated workers at year-end, which boosted the recovery in household income and helped to maintain the climate of confidence, allowing household consumption to take over from external demand as the driving force behind growth.

Inflation recorded a sharp correction during the year, down to 3.1% in December from 5.7% at the end of 2022, due to the lower contribution of energy and food and as the pass-through of indirect effects to the rest of the basket of goods and services was completed, in an environment in which no significant second round effects were unleashed.

In 2023, the **Portuguese economy** maintained a stronger growth rate than the eurozone's average, with GDP growth of 2.3%, showing a renewed drive in the last quarter of the year (0.8% quarter on quarter). The pass-through of higher interest rates to household and corporate income, the absorption of the inflationary shock and the climate of heightened uncertainty had a negative impact on private consumption and investment. On a positive note, the labour market performed well, hitting record employment levels, and inflation dropped sharply, ending the year at 1.4% versus 9.6% in December 2022.

STATE OF THE FINANCIAL MARKETS

Following the sharp rate hikes in the first three quarters of the year, the main central banks ended 2023 maintaining rates and shifting the monetary policy towards a strategy of maintaining rates at sufficiently restrictive levels, for a considerable period of time. Following this change and spurred on by positive inflation data on both sides of the Atlantic and a higher probability of a soft landing in the US economy, in the last months of 2023 the financial markets started to price in significant rate cuts during 2024.

The ECB closed the year with depo and refi rates at 4.00% and 4.50%, respectively, the levels reached in September. In addition, it stated the need of maintaining these over a sufficiently long period with the aim of returning inflation to the 2% target. The ECB also adopted several measures to reduce the excess of liquidity (stopped reinvesting all assets of the APP (quantitative tightening, launched in 2015), announced the strategy of gradually withdrawing PEPP reinvestments in 2024 (asset purchase programme initiated in 2020) and continued to reduce the balance sheet via the repayments of TLTROs) and readjusted the remuneration of minimum reserve requirements (now at 0%, previously according to the current depo rate). Following the favourable inflationary development, financial markets expect the ECB to start cutting interest rates by mid year and that around 6 cuts will be made throughout the year.

The Federal Reserve maintained the interest rates since July in the 5.25% - 5.50% range and communicated its intention of not raising them more, provided that there are no new shocks. In addition, at the December meeting the Fed opened the door to start cutting rates in 2024, and the update to the dot plot showed that the FOMC's median voter expects three rate cuts before 2024, taking the Fed's target interval to 4.50% - 4.75%. However, the financial markets, in view of the positive inflation data and the Fed's communication shift, expect a total of six rate cuts, the first of which taking place in spring, lowering the Fed's interest rates below 4% at the end of the year.

In this context, the dominant narrative in the **financial markets** changed in the last quarter of the year, and investors no longer rule out rate cuts starting in the first quarter of 2024, causing rallies in the fixed-income and equity markets. 2023 thus ended with gains in most of the global stock markets, with the global MSCI ACWI up 20.1% and the Chinese indices as the main —and almost exclusive— markets to record losses. The global bond indices also closed the year with gains, with the Bloomberg Global-Aggregate bond index up 5.7% thanks to the rally at the end of the year. This index recorded its biggest bi-monthly increase since 1990 in the last weeks of the year (above 9%). In terms of fixed-income, 10-year benchmark rates of US sovereign debt closed the year flat, whereas in the 10-year benchmark rates of European sovereign debt the falls in yields were significant, with the Italian benchmark rate ending the year 100 bps below the level at which it closed 2022, due to the intense narrowing of spreads. Lastly, in the foreign exchange market, the dollar ended the year with a slight depreciation in its nominal effective exchange rate (just over 2%), although since the market's change of narrative in autumn, it has undone much of the marked appreciation it had amassed in the summer (of over 7%). As a result, the euro closed the year up more than 3.1% against the dollar and 3.4% in its nominal effective exchange rate.

04. INCOME STATEMENT

Year-on-year performance

Attributable profit in 2023 amounted to €4,816 million, versus €3,129 million in the previous year (+53.9%).

€ million	2023	2022(1)	Change %
Net interest income	10,113	6,553	54.3
Dividend income	163	163	0.0
Share of profit/(loss) of entities accounted for using the equity method	281	222	26.4
Net fee and commission income	3,658	3,855	(5.1)
Trading income	235	328	(28.3)
Insurance service result	1,118	935	19.6
Other operating income and expense	(1,337)	(963)	38.9
Gross income	14,231	11,093	28.3
Recurring administrative expenses, depreciation and amortisation	(5,812)	(5,525)	5.2
Extraordinary expenses	(9)	(50)	(81.7)
Pre-impairment income	8,410	5,519	52.4
Pre-impairment income stripping out extraordinary expenses	8,419	5,568	51.2
Allowances for insolvency risk	(1,097)	(982)	11.7
Other charges to provisions	(248)	(130)	91.1
Gains/(losses) on disposal of assets and others	(141)	(87)	61.3
Profit/(loss) before tax	6,924	4,320	60.3
Income tax expense	(2,108)	(1,189)	77.3
Profit/(loss) after tax	**4,816**	**3,131**	**53.8**
Profit/(loss) attributable to minority interest and others	(0)	2	
Profit/(loss) attributable to the Group	**4,816**	**3,129**	**53.9**

Core income	2023	2022(1)	Change %
Net interest income	**10,113**	**6,553**	**54.3**
Fee and commission income + Insurance income	**5,023**	**4,951**	**1.5**
Income from Bancassurance equity investments	248	162	52.7
Net fee and commission income	3,658	3,855	(5.1)
Insurance service result	1,118	935	19.6
Total core income	**15,137**	**11,504**	**31.6**

(1) Corresponds to the income statement of 2022 restated following the entry into force of IFRS 17 and IFRS 9. See section 'IFRS 17 / IFRS 9 Restatement'.

- Good performance of **Core income** (+31.6%), driven by the growth of **Net interest income** (+54.3%), **Insurance service result** (+19.6%) and **Income from Bancassurance equity investments** (+52.7%), which include one-off income. Lower **Fee and commission income** (-5.1%).
- Lower generation of **Trading income** (-28.3%).
- **Other operating income and expense** is impacted by the recognition in the first quarter of 2023 of the banking tax for €-373 million.
- **Gross income grew** (+28.3%) more than **Recurring administrative expenses, depreciation and amortisation** (+5.2%), increasing **Pre-impairment income** (+52.4%).
- **Allowances for insolvency risk** grows 11.7%. **Other charges to provisions** increases 91.1%, mainly due to the recognition of one-off impacts of different sign in both years.

Quarterly performance

€ million	4Q23	3Q23	Change %	4Q22	Change %
Net interest income	2,749	2,740	0.4	1,970	39.5
Dividend income	18	0		32	(42.8)
Share of profit/(loss) of entities accounted for using the equity method	35	101	(65.1)	30	15.9
Net fee and commission income	917	895	2.5	959	(4.4)
Trading income	21	72	(70.9)	11	98.1
Insurance service result	321	297	8.0	277	15.9
Other operating income and expense	(519)	(88)		(477)	8.7
Gross income	3,542	4,016	(11.8)	2,801	26.4
Recurring administrative expenses, depreciation and amortisation	(1,447)	(1,471)	(1.6)	(1,376)	5.2
Extraordinary expenses		(4)		(15)	
Pre-impairment income	2,095	2,541	(17.6)	1,410	48.6
Pre-impairment income stripping out extraordinary expenses	2,095	2,545	(17.7)	1,425	47.0
Allowances for insolvency risk	(359)	(282)	27.4	(434)	(17.3)
Other charges to provisions	(53)	(95)	(44.2)	(6)	
Gains/(losses) on disposal of assets and others	(53)	(24)		(32)	66.0
Profit/(loss) before tax	1,630	2,140	(23.8)	938	73.8
Income tax expense	(473)	(618)	(23.5)	(278)	70.3
Profit/(loss) after tax	**1,157**	**1,522**	**(24.0)**	**660**	**75.3**
Profit/(loss) attributable to minority interest and others	0	(0)		1	(81.9)
Profit/(loss) attributable to the Group	**1,157**	**1,522**	**(24.0)**	**659**	**75.5**

Core income	4Q23	3Q23	Change %	4Q22	Change %
Net interest income	**2,749**	**2,740**	**0.4**	**1,970**	**39.5**
Fee and commission income + Insurance income	**1,260**	**1,278**	**(1.5)**	**1,245**	**1.2**
Income from Bancassurance equity investments	22	87	(74.5)	9	
Net fee and commission income	917	895	2.5	959	(4.4)
Insurance service result	321	297	8.0	277	15.9
Total core income	**4,009**	**4,018**	**(0.2)**	**3,215**	**24.7**

The **change in attributable profit in the fourth quarter of 2023** (€1,157 million), when compared to the **previous quarter** (€1,522 million), down 24.0%, was mainly due to the following:

> **Core income** reached **€4,009 million**, down 0.2%, mainly due to the performance of **Income from Bancassurance equity investments** (-74.5%), which in the third quarter included, among others, the positive seasonal nature of SegurCaixa Adeslas. **Net interest income** (+0.4%), **Fee and commission income** (+2.5%) and **Insurance service result** grow in the quarter, 8.0%.

> **Other operating income and expense** includes the recognition in the fourth quarter of CaixaBank's contribution to the Deposit Guarantee Fund (DGF) of €419 million and €39 million in BPI corresponding to the cash disbursement of historical DGF charges in Portugal that were previously fulfilled through irrevocable payment commitments for which collateral had been provided.

> **Allowances for insolvency risk** grow 27.4%. **Other charges to provisions** drop 44.2% due to, among others, the recognition in the previous quarter of the award estimated from Mapfre's claim in the arbitration procedure initiated after ending the bancassurance partnership.

The **change in attributable profit in the fourth quarter of 2023** (€1,157 million), when compared to the **same quarter of the previous year** (€659 million), up 75.5%, was mainly due to the following:

> **Core income** grew **€4,009 million**, up 24.7%, supported by **Net interest income** (+39.5%), **Income from Bancassurance equity investments** (+134.7%) and **Insurance service result** (+15.9%). **Fee and commission income** decreases 4.4%.

> **Gross income** grew (+26.4%) more than **Recurring administrative expenses, depreciation and amortisation** (+5.2%).

> **Allowances for insolvency risk** drop 17.3%. **Other charges to provisions** include in the fourth quarter of 2022 one-off disposal of provisions.

RETURN ON AVERAGE TOTAL ASSETS[1]

%	4Q23	3Q23	2Q23	1Q23	4Q22
Interest income	3.39	3.17	2.83	2.37	1.67
Interest expense	(1.62)	(1.42)	(1.26)	(0.94)	(0.54)
Net interest income	1.77	1.75	1.57	1.43	1.13
Dividend income	0.01	0.00	0.05	0.04	0.02
Share of profit/(loss) of entities accounted for using the equity method	0.02	0.07	0.04	0.05	0.02
Net fee and commission income	0.59	0.57	0.59	0.62	0.55
Trading income	0.01	0.05	0.04	0.05	0.01
Insurance service result	0.21	0.19	0.17	0.16	0.16
Other operating income and expense	(0.33)	(0.06)	(0.15)	(0.32)	(0.28)
Gross income	2.28	2.57	2.30	2.04	1.62
Recurring administrative expenses, depreciation and amortisation	(0.93)	(0.94)	(0.94)	(0.95)	(0.80)
Extraordinary expenses		(0.00)	(0.00)	(0.00)	(0.01)
Pre-impairment income	1.35	1.62	1.36	1.09	0.81
Allowances for insolvency risk	(0.23)	(0.18)	(0.13)	(0.17)	(0.25)
Other charges to provisions	(0.03)	(0.06)	(0.05)	(0.02)	0.00
Gains/(losses) on disposal of assets and others	(0.03)	(0.02)	(0.03)	(0.01)	(0.02)
Profit/(loss) before tax	1.05	1.37	1.16	0.89	0.54
Income tax expense	(0.30)	(0.40)	(0.33)	(0.33)	(0.16)
Profit/(loss) after tax	**0.75**	**0.97**	**0.83**	**0.56**	**0.38**
Profit/(loss) attributable to minority interest and others	0.00	0.00	0.00	0.00	0.00
Profit/(loss) attributable to the Group	**0.75**	**0.97**	**0.83**	**0.56**	**0.38**
Average total net assets (€ million)	615,471	621,007	622,732	616,023	686,491

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

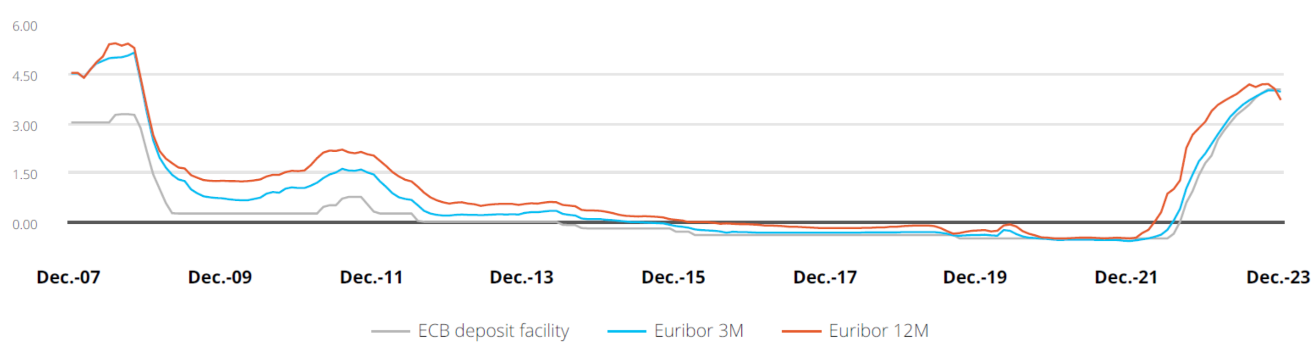
Net interest income

Net interest income totalled €10,113 million (up 54.3% with respect to 2022). This increase is due to:

> Higher income from loans mainly due to an increase in the average rate, as a result of the positive impact of market interest rates on the portfolio indexed to variable rates and on the rates of the new production.

> Higher contribution of the fixed-income portfolio mainly due to the rate rise.

INTEREST RATES (average rates in %)



These effects have been partially reduced by:

> Higher costs of customer deposits, which include the effect of the conversion into floating interest by means of interest-rate hedges established for a limited amount.

> Higher cost of institutional funding, impacted by a rate increase from the repricing of issuances changed to variable rate due to the rise of the rate curve.

> Lower contribution to net interest income by financial intermediaries mainly due to the higher costs of financing taken from the ECB and the impact of a lower excess liquidity. In the last quarter of 2023, negatively impacted by the loss of remuneration of the minimum reserves.

Net interest income totalled €2,749 million in the quarter and remains stable (+0.4%) with respect to the previous quarter. The key aspects are as follows:

> Higher income of loans and advances, positively impacted by the interest curve and partially reduced by lower average volume.

> Higher contribution of the fixed-income portfolio due to the rate rise and impacted, but to a lesser extent, by a lower average volume.

> Higher contribution to net interest income by financial intermediaries mainly due to the impact of a higher liquidity. This increase has been reduced by the negative impact of the loss of remuneration of the minimum reserves since September.

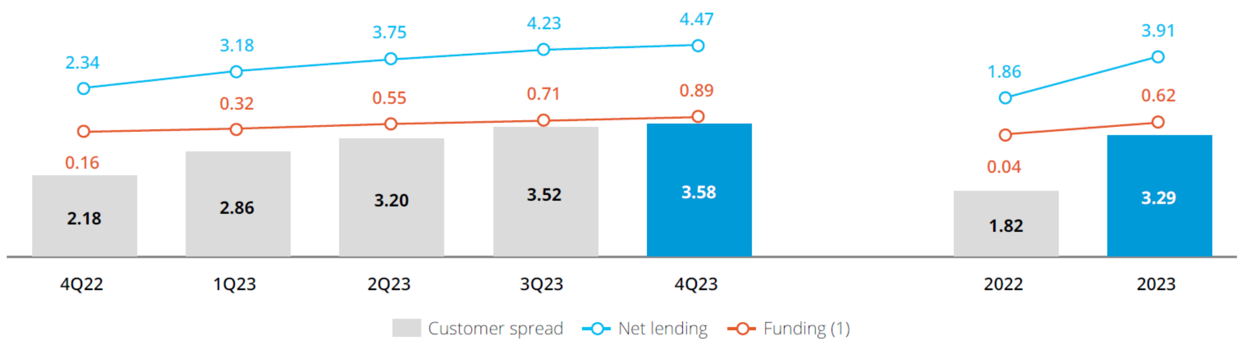
These effects have been partially reduced by:

> Higher costs of customer deposits due to a rate increase. This cost includes the effect of the conversion into floating interest by means of interest-rate hedges established for a limited amount.

> Higher cost of institutional funding, impacted by a higher volume and a rate increase from the repricing of issuances due to the rise of the rate curve.

The **customer spread** increased by 6 basis points in the quarter to 3.58%, due to the rise in the return on lending activity (24 basis points) and despite the increase of the cost of deposits (18 basis points).

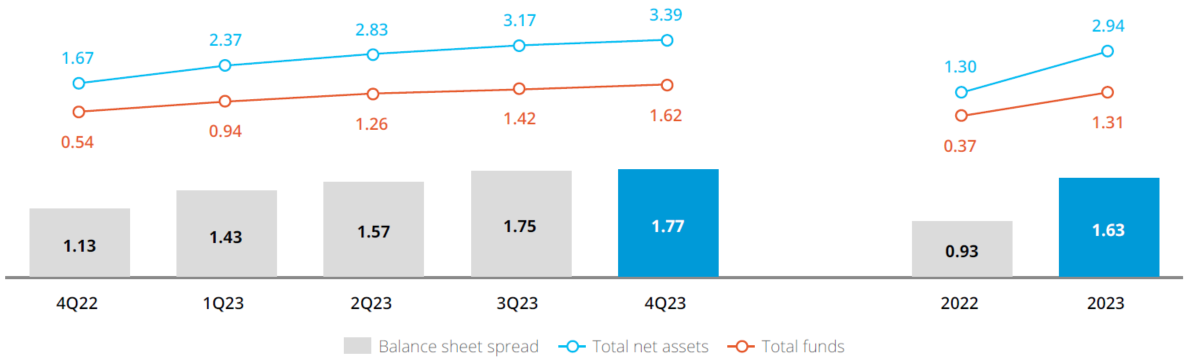
| CUSTOMER SPREAD, GROUP (%)



(1) Customer deposit costs excluding hedges and FX and international branch deposits of CaixaBank ex BPI amount to (in bps): 65 in 4Q23, 48 in 3Q23, 34 in 2Q23, 17 in 1Q23 and 7 in 4Q22.

The **balance sheet spread** rose by 2 basis points in the quarter, mainly due to higher profitability in the retail business.

BALANCE SHEET SPREAD, GROUP (%)



COST AND INCOME

Below are the **annual accumulated cost and income**[1] of the CaixaBank Group for the 2023 financial year versus the previous year:

		2023			2022		
€ million		Average balance	Income or expense	Rate %	Average balance	Income or expense	Rate %
Financial Institutions		51,131	1,873	3.66	127,350	1,037	0.81
Loans and advances	(a)	335,368	13,102	3.91	336,696	6,254	1.86
Debt securities		88,895	1,169	1.31	90,593	426	0.47
Other assets with returns		59,189	1,755	2.96	61,125	1,393	2.28
Other assets		84,230	323		89,714	87	
Total average assets	(b)	618,813	18,222	2.94	705,478	9,197	1.30
Financial Institutions		50,532	(1,882)	3.73	125,848	(699)	0.56
Retail customer funds	(c)	380,254	(2,359)	0.62	386,919	(137)	0.04
Wholesale marketable debt securities & other		46,979	(1,927)	4.10	47,170	(343)	0.73
Subordinated liabilities		10,328	(295)	2.86	9,151	(46)	0.50
Other funds with cost		74,792	(1,594)	2.13	75,309	(1,354)	1.80
Other funds		55,928	(52)		61,081	(65)	
Total average funds	(d)	618,813	(8,109)	1.31	705,478	(2,644)	0.37
Net interest income		**10,113**			**6,553**		
Customer spread (%)	**(a-c)**	**3.29**			**1.82**		
Balance sheet spread (%)	**(b-d)**	**1.63**			**0.93**		

(1) 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 in 2022 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. Net interest income mainly includes the net return on assets under the insurance business maintained to pay ordinary claims, as well as the Group's financial margin for short-term savings insurance products. It also includes the income from financial assets under the insurance business, and an expense for interest that includes the capitalisation of the new insurance liabilities is recognised at a very similar interest rate as the rate of return of asset acquisition. The difference between this income and the expense is not significant.

> 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.

Below are the **quarterly accumulated cost and income balance sheets** of the CaixaBank Group for the last five quarters.

€ million		4Q23 Average balance	4Q23 Income or expense	4Q23 Rate %	3Q23 Average balance	3Q23 Income or expense	3Q23 Rate %	2Q23 Average balance	2Q23 Income or expense	2Q23 Rate %
Financial Institutions		55,790	595	4.23	53,917	547	4.02	49,926	436	3.50
Loans and advances	(a)	330,720	3,724	4.47	334,372	3,565	4.23	338,029	3,163	3.75
Debt securities		86,336	340	1.56	88,816	320	1.43	90,248	289	1.29
Other assets with returns		60,153	504	3.32	59,538	439	2.92	59,106	429	2.91
Other assets		82,472	93		84,364	95		85,423	77	
Total average assets	(b)	615,471	5,256	3.39	621,007	4,966	3.17	622,732	4,394	2.83
Financial Institutions		42,466	(479)	4.48	48,858	(508)	4.12	58,762	(526)	3.59
Retail customer funds	(c)	381,748	(860)	0.89	382,179	(680)	0.71	378,501	(520)	0.55
Wholesale marketable debt securities & other		49,643	(619)	4.95	47,855	(539)	4.47	44,514	(431)	3.89
Subordinated liabilities		9,997	(87)	3.44	10,617	(82)	3.06	10,893	(73)	2.70
Other funds with cost		76,196	(449)	2.34	75,755	(400)	2.09	74,166	(390)	2.11
Other funds		55,421	(13)		55,743	(16)		55,896	(12)	
Total average funds	(d)	615,471	(2,507)	1.62	621,007	(2,226)	1.42	622,732	(1,952)	1.26
Net interest income		**2,749**			**2,740**			**2,442**		
Customer spread (%)	**(a-c)**	**3.58**			**3.52**			**3.20**		
Balance sheet spread (%)	**(b-d)**	**1.77**			**1.75**			**1.57**		

€ million		1Q23 Average balance	1Q23 Income or expense	1Q23 Rate %	4Q22 Average balance	4Q22 Income or expense	4Q22 Rate %
Financial Institutions		44,740	295	2.68	109,694	318	1.15
Loans and advances	(a)	338,447	2,650	3.18	340,765	2,013	2.34
Debt securities		90,225	220	0.99	92,004	179	0.77
Other assets with returns		57,929	383	2.68	56,321	345	2.43
Other assets		84,682	59		87,707	41	
Total average assets	(b)	616,023	3,607	2.37	686,491	2,896	1.67
Financial Institutions		52,166	(369)	2.87	116,363	(218)	0.74
Retail customer funds	(c)	378,532	(299)	0.32	384,810	(152)	0.16
Wholesale marketable debt securities & other		45,851	(338)	2.99	47,045	(191)	1.61
Subordinated liabilities		9,798	(53)	2.19	8,796	(25)	1.15
Other funds with cost		73,004	(355)	1.97	70,981	(330)	1.84
Other funds		56,672	(11)		58,496	(10)	
Total average funds	(d)	616,023	(1,425)	0.94	686,491	(926)	0.54
Net interest income		**2,182**			**1,970**		
Customer spread (%)	**(a-c)**	**2.86**			**2.18**		
Balance sheet spread (%)	**(b-d)**	**1.43**			**1.13**		

Fees and commissions

Fee and commission income stand at €3,658 million, down 5.1% on 2022 (+2.5% with respect to the previous quarter and -4.4% with respect to the fourth quarter of 2022).

- **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 9.4% in the year, impacted, among other factors, by the elimination of corporate deposit custody fees and lower maintenance fees from current accounts. Slight decline of 1.9% with respect to the previous quarter.

  Fees and commissions from wholesale banking drop 3.6% when compared to the previous year (-25.4% with respect to the same quarter of the previous year). The change with respect to the previous quarter is due to the habitual lower activity in the third quarter (+28.6%).

- **Fees and commissions from the sale of insurance products** stand at €394 million in 2023, down 1.6% when compared to 2022, impacted by one-offs that offset the positive commercial performance. Positive quarterly performance, up 6.7% with respect to the previous quarter and 6.4% when compared to the same quarter of the previous year.

- **Fees and commissions from assets under management** (mainly investment funds and pension plans) stand at €1,193 million, up 0.7% in the year (+3.9% with respect to the previous quarter and +7.3% when compared to the same quarter of 2022).

  - Commissions from **mutual funds, managed accounts and SICAVs** stand at €856 million (+1.9% in the year) due to an increase of average net assets managed, partially compensated by lower average commissions due to the change in the product mix (greater weight of fixed-rate and monetary funds), whereas the performance with respect to the previous quarter dropped by 1.1%. The growth with respect to the same quarter of 2022 (+7.3%) is due to an increase of average net assets managed.

  - Commissions from **managing pension plans and other**[1] stand at €337 million (-2.2% in the year), increase of 17.8% in the quarter mainly due the recognition of success fees, which also impacted on the same quarter of the previous year.

€ million	2023	2022	Change %	4Q23	3Q23	2Q23	1Q23	4Q22
Banking services, securities and other fees	2,070	2,269	(8.8)	502	498	516	555	571
Recurring	1,830	2,020	(9.4)	446	454	460	470	496
Wholesale banking	240	249	(3.6)	56	43	56	85	75
Sale of insurance products	394	401	(1.6)	100	94	96	104	94
Assets under management	1,193	1,185	0.7	315	303	296	279	293
Mutual funds, managed accounts and SICAVs	856	840	1.9	219	222	216	199	204
Pension plans and other[1]	337	345	(2.2)	96	81	81	79	89
Net fee and commission income	3,658	3,855	(5.1)	917	895	909	937	959

(1) Other mainly corresponds to fee and commission income from Unit Linked of BPI Vida e Pensões, which given their low-risk component are governed by IFRS 9 and have not been reclassified to Insurance service result (€7 million in 4Q23, €7 million in 3Q23 €8 million in 2Q23 and €7 million in 1Q23).

Income from equity investments

- **Dividend income** includes the recognition of the dividend from Telefónica for €61 million, recognised in its entirety in the first quarter of 2023, after its approval at the Annual General Meeting (€69 million in 2022). The recognition of dividends in 2022, which was carried out in the second quarter (€38 million) and in the fourth quarter (€30 million) of the year, must be considered in the quarterly performance.

  The second quarter of both years includes the dividend from BFA (€73 million in 2023 versus €87 million in 2022).

  The fourth quarter of 2023 includes the recognition of €18 million for one-off dividends from minority shareholdings in financial corporations.

- **Attributable profit of entities accounted for using the equity method** stands at €281 million.

  Up 26.4% year-on-year due to, among others factors, the profit registered by SegurCaixa Adeslas in the first quarter of 2023, arising from the revaluation of the stake held in IMQ after the participation increase.

  The performance with respect to the previous quarter reflects the positive seasonal nature typically seen at SegurCaixa Adeslas in the third quarter, with less claims.

€ million	2023	2022	Change %	4Q23	3Q23	2Q23	1Q23	4Q22
Dividend income	163	163		18	0	77	68	32
Share of profit/(loss) of entities accounted for using the equity method	281	222	26.4	35	101	66	79	30
Income from equity investments	444	385	15.2	53	101	143	147	62

Trading income

- **Trading income** stands at €235 million in 2023 versus €328 million in the previous year (-28.3%). Quarterly change is due to the negative impact recognised on the measurement of credit risk of financial derivatives.

€ million	2023	2022	Change %	4Q23	3Q23	2Q23	1Q23	4Q22
Trading income	235	328	(28.3)	21	72	61	82	11

Insurance service result

- **Insurance service result** stands at €1,118 million, up 19.6% in the year (+8.0% with respect to the previous quarter and +15.9% when compared to the same quarter of the previous year).

  The **risk business** stands at €698 million, following a growth of 18.4% with respect to 2022 and 6.6% when compared to the same quarter of the previous year, mainly due to a sustained higher volume following a solid commercial activity and better claim rate.

  The **savings business** (€320 million in the year) performed well in 2023 (+30.3% when compared to 2022 and +38.3% with respect to the same quarter of 2022) due to higher volumes in an environment of high interest rates, which involved a wider offer for customers. 5.6% increase in the fourth quarter with respect to the previous quarter.

  The **Unit Liked business** stands at €100 million in 2023, up 0.8%. The fourth quarter of both years are impacted by the recognition of a share of profits in certain products.

€ million	2023	2022	Change %	4Q23	3Q23	2Q23	1Q23	4Q22
Risk business	698	590	18.4	186	191	161	160	175
Savings business	320	245	30.3	91	86	77	66	66
Unit Linked business	100	100	0.8	44	20	19	18	36
Insurance service result	1,118	935	19.6	321	297	257	244	277

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 banking 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 2023 of the banking tax for €373 million and the levies paid by BPI as contribution of the Portuguese banking sector for €22 million (€21 million in 2022). The first quarter also includes the recognition of an estimate of the Spanish property tax for €22 million (stable with respect to 2022).

> BPI's contribution to the SRF and the Portuguese Resolution Fund[1] of €169 million stands out in the second quarter of 2023 (€159 million in 2022).

> CaixaBank's contribution to the Deposit Guarantee Fund (DGF) of €419 million in the fourth quarter 2023, versus €407 million in the fourth quarter of 2022.

> In the fourth quarter, BPI recognised in the income statement €39 million[2] corresponding to the cash disbursement of historical DGF charges in Portugal that were previously fulfilled through irrevocable payment commitments for which collateral had been provided.

€ million	2023	2022	Change %	4Q23	3Q23	2Q23	1Q23	4Q22
Contributions and levies	(1,022)	(587)	74,0	(457)	0	(169)	(395)	(407)
Other RE operating income and expense (incl. property tax in 1Q)	(57)	(70)	(18.8)	1	(7)	(19)	(32)	(1)
Other	(259)	(306)	(15.4)	(63)	(81)	(52)	(63)	(70)
Other operating income and expense	(1,337)	(963)	38.9	(519)	(88)	(239)	(491)	(477)

(1) BPI's contribution to the Portuguese Resolution Fund totalled €5 million in 2023 (€9 million in 2022)
(2) Non-material impact on capital adequacy, due to BPI having deducted already the irrevocable payment commitment for the same amount

ADMINISTRATION EXPENSES, DEPRECIATION AND AMORTISATION

> **Recurring administrative expenses, depreciation and amortisation** stood at €-5,812 million, up 5.2% in the year and 5.2% with respect to the fourth quarter of 2022.

Personnel expenses up 4.7% compared to the previous year (+4.6% with respect to the last quarter of 2022). General expenses grow 6.1% due to the impact of transformation projects and the inflationary pressure (+6.0% with respect to the fourth quarter of 2022). The increase of depreciation and amortisation (+6.0%) is associated mainly with the effort to invest in projects to transform the entity (+6.2% with respect to the same quarter of the previous year).

> The extraordinary expenses of 2023 are mainly associated with the integration of Sa Nostra.

> The cost-to-income ratio (12 months) reached 40.9% (50.3% at 2022 year-end).

> The core cost-to-income ratio (12 months) reached 38.4% (48.0% at 2022 year-end).

€ million	2023	2022	Change %	4Q23	3Q23	2Q23	1Q23	4Q22
Gross income	14,231	11,093	28.3	3,542	4,016	3,572	3,101	2,801
Personnel expenses	(3,516)	(3,360)	4.7	(875)	(897)	(876)	(868)	(836)
General expenses	(1,522)	(1,435)	6.1	(373)	(380)	(384)	(386)	(352)
Depreciation and amortisation	(774)	(730)	6.0	(200)	(195)	(194)	(186)	(188)
Recurring administrative expenses, depreciation and amortisation	(5,812)	(5,525)	5.2	(1,447)	(1,471)	(1,455)	(1,440)	(1,376)
Extraordinary expenses	(9)	(50)	(81.7)		(4)	(3)	(2)	(15)

ALLOWANCES FOR INSOLVENCY RISK AND OTHER CHARGES TO PROVISIONS

> **Allowances for insolvency risk** amounted to €-1,097 million, up 11.7% with respect to 2022 and 27.4% when compared to the previous quarter, enabling high risk coverage levels via provisions. The **cost of risk (12 months)** came to 0.28%.

The provision models have been calibrated with forward-looking macroeconomic scenarios under the IFRS 9 accounting standard. The half-yearly recalibration process of models, together with the coverage of other risks, has resulted in assigning collective provisions at a specific level, without therefore changing the overall coverage level.

At 2023 year-end, the Group keeps a collective provision fund for €642 million and a PPA fund from Bankia's integration for €168 million, among other PPA funds of a smaller amount.

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

The increase to €-248 million in 2023, versus €-130 million in the previous year is impacted by various aspects, among of which the following stand out:

- Throughout 2023 and with respect to 2022 there has been a lower use of provisions established in 2021 to cover asset write-downs from the plan to restructure the commercial network (€30 million in 2023 versus €63 million in 2022). When the expense materialises, it is recognised mostly in Gains/(losses) on disposal of assets.
- One-off provisions have been recognised in 2023. The third quarter includes the recognition of €-31 million following the award estimated from Mapfre's claim in the arbitration procedure initiated after ending the bancassurance partnership between Mapfre and Bankia. The second quarter registered provisions for contingent commitments within the framework of the half-yearly recalibration of the internal risk models.
- Lastly, the year-on-year change is impacted by the one-off release of provisions in the fourth quarter of the previous year, which were no longer required.

€ million	2023	2022	Change %	4Q23	3Q23	2Q23	1Q23	4Q22
Allowances for insolvency risk	(1,097)	(982)	11.7	(359)	(282)	(200)	(255)	(434)
Other charges to provisions	(248)	(130)	91.1	(53)	(95)	(75)	(25)	(6)
Allowances for insolvency risk and other charges to provisions	(1,345)	(1,112)	21.0	(412)	(377)	(276)	(281)	(441)

GAINS/(LOSSES) ON DISPOSAL OF ASSETS AND OTHERS

> **Gains/(losses) on disposal of assets and others** includes, essentially, the proceeds on asset sales and write-downs.

The real estate results in the fourth quarter of the previous year includes the materialisation of a positive result of €101 million before tax from the sale of the property located at Paseo Castellana 51 in Madrid, as well as impairments of the real estate portfolio with conservative criteria.

The item Other includes, among other aspects, asset write-downs, including the materialisation of asset write-downs within the framework of the aforementioned plan to restructure the commercial network. In the fourth quarter of 2023, it includes, among others, write-downs of intangible assets.

€ million	2023	2022	Change %	4Q23	3Q23	2Q23	1Q23	4Q22
Real estate results	8	55	(85.2)	5	(5)	9	(1)	31
Other	(149)	(142)	4.5	(57)	(19)	(53)	(20)	(63)
Gains/(losses) on disposal of assets and others	(141)	(87)	61.3	(53)	(24)	(44)	(20)	(32)

05 BUSINESS ACTIVITY

05. BUSINESS ACTIVITY

BALANCE SHEET

The **Group's total assets reached €607,167 million** on 31 December 2023, down 0.7% in the quarter and up 1.4% in the year.

€ million	31 Dec. 2023	30 Sep. 2023	Change %	31 Dec. 2022[1]	Change %
Cash and cash balances at central banks and other demand deposits	37,861	42,271	(10.4)	20,522	84.5
Financial assets held for trading	6,992	7,772	(10.0)	7,382	(5.3)
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	13,385	12,768	4.8	11,351	17.9
Equity instruments	13,385	12,762	4.9	11,295	18.5
Debt securities	0	6	(99.2)	6	(99.1)
Loans and advances	0	0	(0.4)	50	(99.8)
Financial assets designated at fair value through profit or loss	7,240	7,185	0.8	8,022	(9.7)
Financial assets at fair value with changes in other comprehensive income	66,590	63,115	5.5	64,532	3.2
Financial assets at amortised cost	437,181	440,227	(0.7)	446,168	(2.0)
Credit institutions	11,882	11,203	6.1	12,397	(4.2)
Customers	344,384	346,146	(0.5)	352,834	(2.4)
Debt securities	80,915	82,878	(2.4)	80,937	(0.0)
Derivatives - Hedge accounting	1,206	1,004	20.1	1,462	(17.5)
Investments in joint ventures and associates	1,918	2,052	(6.5)	2,054	(6.6)
Assets under reinsurance contract	54	73	(26.5)	63	(15.2)
Tangible assets	7,300	7,305	(0.1)	7,516	(2.9)
Intangible assets	4,987	5,020	(0.7)	5,024	(0.7)
Non-current assets and disposal groups classified as held for sale	2,121	2,274	(6.7)	2,426	(12.6)
Other assets	20,332	20,334	(0.0)	22,328	(8.9)
Total assets	**607,167**	**611,398**	**(0.7)**	**598,850**	**1.4**
Liabilities	570,828	576,067	(0.9)	565,142	1.0
Financial liabilities held for trading	2,253	4,059	(44.5)	4,030	(44.1)
Financial liabilities designated at fair value through profit or loss	3,283	3,321	(1.2)	3,409	(3.7)
Financial liabilities at amortised cost	480,450	491,387	(2.2)	483,047	(0.5)
Deposits from central banks and credit institutions	19,411	36,335	(46.6)	28,810	(32.6)
Customer deposits	397,499	391,450	1.5	393,634	1.0
Debt securities issued	56,755	56,882	(0.2)	52,608	7.9
Other financial liabilities	6,785	6,720	1.0	7,995	(15.1)
Insurance contract liabilities	70,240	65,306	7.6	62,595	12.2
Provisions	4,472	4,690	(4.6)	5,231	(14.5)
Other liabilities	10,130	7,304	38.7	6,831	48.3
Equity	36,339	35,332	2.9	33,708	7.8
Shareholders' equity	38,206	37,549	1.8	35,908	6.4
Minority interest	32	33	(1.2)	32	0.9
Accumulated other comprehensive income	(1,899)	(2,250)	(15.6)	(2,232)	(14.9)
Total liabilities and equity	**607,167**	**611,398**	**(0.7)**	**598,850**	**1.4**

(1) Opening balance sheet at 1 January 2023 presented for comparative purposes following the application of IFRS 17 / IFRS 9. See section 'IFRS 17 / IFRS 9 Restatement'.

LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers, gross stands at **€354,098 million** on 31 December 2023 (-2.0% in the year and -0.3% in the quarter).

- **Loans for home purchases** (-4.7% in the year and -1.1% in the quarter) continue to be marked by the portfolio's repayments, as well as lower mortgage demand with respect to the previous year, in a scenario of rate hikes.
- **Loans to individuals – Other** has contracted by 3.3% in the year and 0.4% in the quarter.

  Consumer lending grows 1.9% with respect to December 2022 and 0.6% when compared to September 2023, thanks to production levels that compensate the portfolio's maturities.
- Good performance of **Loans to business**, which is the main contributor to the loan book growth, up 2.1% in the year and 1.2% in the quarter.
- Loans to the **public sector** drops 12.0% in the year and 6.2% in the quarter, marked by one-off transactions.

€ million	31 Dec. 2023	30 Sep. 2023	Change %	31 Dec. 2022	Change %
Loans to individuals	175,807	177,407	(0.9)	183,867	(4.4)
Home purchases[1]	133,270	134,708	(1.1)	139,863	(4.7)
Other[1]	42,538	42,699	(0.4)	44,004	(3.3)
of which: Consumer lending[1]	19,911	19,792	0.6	19,538	1.9
Loans to business[1]	160,018	158,159	1.2	156,693	2.1
Public sector[1]	18,273	19,490	(6.2)	20,763	(12.0)
Loans and advances to customers, gross[2]	**354,098**	**355,057**	**(0.3)**	**361,323**	**(2.0)**
Of which:					
Performing loans	344,052	345,388	(0.4)	351,225	(2.0)
Provisions for insolvency risk	(7,339)	(7,238)	1.4	(7,408)	(0.9)
Loans and advances to customers, net	**346,759**	**347,819**	**(0.3)**	**353,915**	**(2.0)**
Contingent liabilities	29,910	29,371	1.8	29,876	0.1

(1) Following an in-depth analysis of the loan book, the specific segmentation and allocation of certain non-inventoried items have been improved, resulting in reclassifications mainly from Business to Individuals (home purchases and consumer lending). The figures reclassified by segment at December 2022 are €-1,087 million from Loans to business, €+1,083 million to Loans to individuals (€+818 million Home purchases and €+265 million Other) and €+3 million to Public sector. The previous year-end figures have been restated for comparison purposes.

(2) 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:

	31 Dec. 2023		30 Sep. 2023		31 Dec. 2022	
Amounts drawn, in € million	Total	Spain (ICO)	Total	Spain (ICO)	Total	Spain (ICO)
Loans to individuals	730	699	831	797	1,121	1,072
Loans to business	11,672	10,720	13,314	12,262	17,140	15,730
Public sector	4	4	5	4	7	7
Loans and advances to customers, gross[3]	**12,406**	**11,423**	**14,150**	**13,063**	**18,268**	**16,809**

55% of the total amount of loans[4] granted with government guaranteed loans has been repaid[5]; of the remaining amount, virtually all of it is repaying principal at the end of the year. 4.4% of government guaranteed loans are classified in Stage 3[6].

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

(4) Loans with a regular payment schedule. Excludes products such as credit lines, revolving or reverse factoring facilities without a pre-established payment schedule (€2,600 million drawn at 31 December 2023).

(5) Includes repayments and cancellations.

(6) Stage 3 outstanding balance (includes subjective non-performing, i.e. impaired for reasons other than default > 90 days) over the total amount of loans granted and loans and advances drawn.

CUSTOMER FUNDS

Customer funds reached €630,330 million on 31 December 2023, up 3.1% in the year and 1.8% in the quarter.

- **On-balance sheet funds** stood at €463,323 million (up 1.2% in the year and 1.0% in the quarter), mainly due to a good performance of savings insurance.
  - **Demand deposits** amounted to €330,799 million (-8.1% in the year and -2.0% in the quarter). This performance is due to the market conditions, which favours the transfer to time deposits, insurance and mutual funds, among others.
  - **Term deposits** totalled €54,708 million (+109.4% in the year and +19.7% in the quarter).
  - Growth of **liabilities under insurance contracts** to €74,538 million (+8.0% in the year and +1.9% in the quarter), due to better market conditions.

    Positive performance of Unit Linked in the year (+9.1%) and in the quarter (+4.3%), favoured by the performance of the markets.
- **Assets under management** stand at €160,827 million (+8.7% in the year and +3.6% in the quarter) due to the performance of the markets and a relevant volume of subscriptions.
  - The assets managed in **mutual funds, managed accounts and SICAVs** stood at €114,821 million. Their growth (+9.7% in the year and +3.5% in the quarter) is due to the good performance of the markets and positive inflows.
  - **Pension plans** reached €46,006 million, up 6.2% in the year and 3.8% in the quarter, following the positive performance of the market.
- **Other accounts** up 7.9% in the year and 14.5% in the quarter due to change in temporary funds associated with transfers and collections.

€ million	31 Dec. 2023	30 Sep. 2023	Change %	31 Dec. 2022	Change %
Customer deposits	385,507	383,232	0.6	386,017	(0.1)
Demand deposits	330,799	337,524	(2.0)	359,896	(8.1)
Term deposits[1]	54,708	45,707	19.7	26,122	
Insurance contract liabilities[2]	74,538	73,128	1.9	68,986	8.0
of which: Unit-Linked and other[3]	*19,980*	*19,150*	*4.3*	*18,310*	*9.1*
Reverse repurchase agreements and other	3,278	2,305	42.2	2,631	24.6
On-balance sheet funds	463,323	458,664	1.0	457,634	1.2
Mutual funds, managed accounts and SICAVs[4]	114,821	110,958	3.5	104,626	9.7
Pension plans	46,006	44,306	3.8	43,312	6.2
Assets under management	160,827	155,264	3.6	147,938	8.7
Other accounts	6,179	5,395	14.5	5,728	7.9
Total customer funds[4]	**630,330**	**619,323**	**1.8**	**611,300**	**3.1**

(1) Includes retail debt securities amounting to €1,433 million at 31 December 2023 (€1,443 million at 30 September 2023 and €1,309 million at 31 December 2022).

(2) Excluding the financial component's correction as a result of updating the liabilities in accordance with IFRS 17, with the exception of Unit Linked and Flexible Investment Life Annuity products (the part managed).

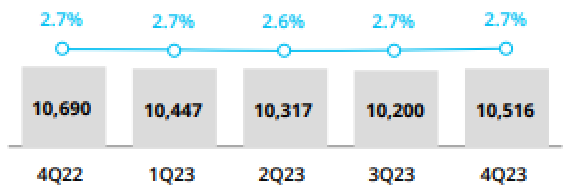
(3) Includes the financial component's correction as a result of updating the liabilities in accordance with IFRS 17, corresponding to Unit Linked and Flexible Investment Life Annuity products (the part managed).

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

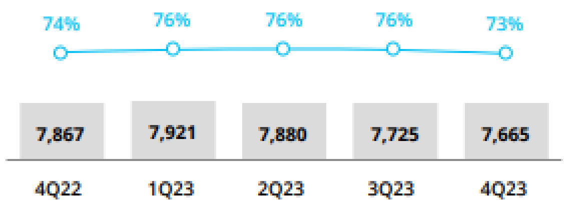
06. RISK MANAGEMENT

CREDIT RISK QUALITY

NON-PERFORMING LOANS AND NON-PERFORMING LOAN RATIO[1] (€ MILLION / %)



PROVISIONS AND COVERAGE RATIO[1] (€ MILLION / %)



(1) Calculations include loans and contingent liabilities.

- **Non-performing loans stand at €10,516 million**, **down €175 million in the year** following the active management of non-performing assets.

  €315 million increase in the fourth quarter impacted by the inclusion of certain additional default classification criteria as per the prudential framework, even though there have been no organic deterioration of these exposures.
- **The NPL ratio remains stable at 2.7%** with respect to 2022 year-end.
- **Provisions on insolvency risk** at the end of 2023 stood at **€7,665 million** and the **coverage ratio** at **73%**.

CHANGES IN NON-PERFORMING LOANS

€ million	4Q22	1Q23	2Q23	3Q23	4Q23
Opening balance	11,643	10,690	10,447	10,317	10,200
Exposures recognised as non-performing (NPL-inflows)	1,354	1,217	1,440	1,523	1,976
Derecognitions from non-performing exposures	(2,307)	(1,461)	(1,570)	(1,640)	(1,661)
of which: written off	(175)	(166)	(289)	(173)	(159)
Closing balance	10,690	10,447	10,317	10,200	10,516

NPL RATIO BY SEGMENT[2]

	31 Dec. 2022	30 Sep. 2023	31 Dec. 2023
Loans to individuals	3.0%	3.0%	3.1%
Home purchases	2.4%	2.5%	2.6%
Other	4.9%	4.6%	4.5%
of which: Consumer lending	3.5%	3.1%	3.4%
Loans to business	3.0%	2.7%	2.9%
Public sector	0.1%	0.1%	0.1%
NPL Ratio (loans and contingent liabilities)	**2.7%**	**2.7%**	**2.7%**

(2) Following an in-depth analysis of the loan book, the specific segmentation and allocation of certain non-inventoried items have been improved, mainly resulting in reclassifications from Business to Individuals (home purchases and consumer lending). The NPL ratios have been restated for comparison purposes. The impact on the NPL ratios by segment is immaterial.

CHANGES IN PROVISIONS FOR INSOLVENCY RISK[1]

€ million	4Q22	1Q23	2Q23	3Q23	4Q23
Opening balance	7,867	7,867	7,921	7,880	7,725
Allowances for insolvency risk	434	255	200	282	359
Amounts used	(427)	(195)	(237)	(434)	(412)
Transfers and other changes	(7)	(7)	(4)	(3)	(7)
Closing balance	7,867	7,921	7,880	7,725	7,665

(1) Including loans and contingent liabilities.

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. The quarterly change is impacted by, among others, the recognition of non-performing loans and the allocation of collective funds to specific risks.

31 Dec. 2023	Loan book exposure				Provisions			
€ million	Stage 1	Stage 2	Stage 3	TOTAL	Stage 1	Stage 2	Stage 3	TOTAL
Loans and advances	315,215	28,837	10,046	354,098	(670)	(1,167)	(5,502)	(7,339)
Contingent liabilities	26,580	2,860	470	29,910	(23)	(66)	(237)	(326)
Total loans and contingent liabilities	341,795	31,697	10,516	384,008	(693)	(1,233)	(5,738)	(7,665)

30 Sep. 2023	Loan book exposure				Provisions			
€ million	Stage 1	Stage 2	Stage 3	TOTAL	Stage 1	Stage 2	Stage 3	TOTAL
Loans and advances	315,949	29,439	9,669	355,057	(1,190)	(1,283)	(4,765)	(7,238)
Contingent liabilities	26,856	1,983	532	29,371	(29)	(88)	(369)	(487)
Total loans and contingent liabilities	**342,805**	**31,423**	**10,200**	**384,428**	**(1,219)**	**(1,371)**	**(5,134)**	**(7,725)**

31 Dec. 2022	Loan book exposure				Provisions			
€ million	Stage 1	Stage 2	Stage 3	TOTAL	Stage 1	Stage 2	Stage 3	TOTAL
Loans and advances	322,610	28,615	10,098	361,323	(1,346)	(1,370)	(4,692)	(7,408)
Contingent liabilities	27,283	2,001	592	29,876	(38)	(58)	(363)	(459)
Total loans and contingent liabilities	**349,893**	**30,616**	**10,690**	**391,199**	**(1,383)**	**(1,429)**	**(5,055)**	**(7,867)**

LOAN-TO-VALUE[2] BREAKDOWN OF THE GROUP'S HOME PURCHASE PORTFOLIO

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

31 Dec. 2023

€ million	LTV ≤ 40%	40% < LTV ≤ 60%	60% < LTV ≤ 80%	LTV > 80%	TOTAL
Gross amount	42,835	41,733	34,063	13,640	132,272
of which: Non-performing	522	685	692	1,571	3,470

30 Sep. 2023

€ million	LTV ≤ 40%	40% < LTV ≤ 60%	60% < LTV ≤ 80%	LTV > 80%	TOTAL
Gross amount	42,953	42,118	33,659	14,106	132,836
of which: Non-performing	490	656	663	1,580	3,390

31 Dec. 2022

€ million	LTV ≤ 40%	40% < LTV ≤ 60%	60% < LTV ≤ 80%	LTV > 80%	TOTAL
Gross amount	42,220	44,868	35,543	15,311	137,942
of which: Non-performing	413	613	662	1,593	3,280

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

| REFINANCING OPERATIONS

	31 Dec. 2022		30 Sep. 2023		31 Dec. 2023	
€ million	Total	of which: NPL	Total	of which: NPL	Total	of which: NPL
Individuals	4,523	2,736	4,497	2,387	4,385	2,270
Corporates and SMEs	6,164	2,664	5,110	2,165	4,982	2,503
Public sector	160	9	127	6	141	4
Total	10,848	5,408	9,735	4,558	9,508	4,776
Provisions	2,566	2,240	2,228	2,018	2,551	2,338

Foreclosed real estate assets

> The portfolio of **Net foreclosed available for sale real estate assets**[1] in Spain amounts to €1,582 million, after decreasing €311 million in the year and €106 million in the quarter.

The **coverage ratio with accounting provisions**[2] is 34% and **the coverage ratio including write-downs**[2] is 50%.

> Net foreclosed assets **held for rent** in Spain stand at €1,127 million (€-158 million in the year, of which €-42 million in the quarter).

> **Total sales**[3] **in 2023 of properties originating from foreclosures** amounts to €697 million.

(1) Does not include real estate assets in the process of foreclosure for €115 million, net, at 31 December 2023.

(2) See definition in 'Appendices'.

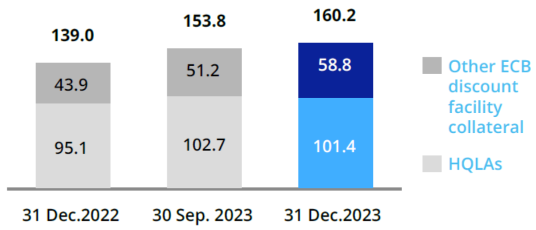
(3) At sale price.

07 LIQUIDITY AND FINANCING STRUCTURE

07. LIQUIDITY AND FINANCING STRUCTURE

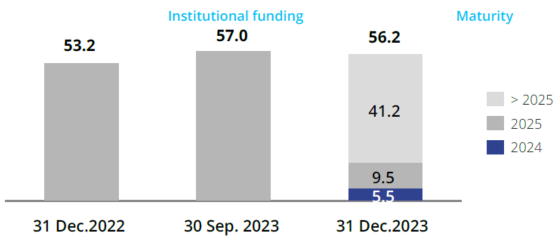
LIQUIDITY AND BALANCE SHEET STRUCTURE METRICS AND TOTAL LIQUID ASSETS
(€ BILLION / %)

	31 Dec. 2022	30 Sep. 2023	31 Dec. 2023
LCR	194%	205%	215%
Trailing LCR (12 months)	291%	210%	203%
NSFR	142%	139%	143%
LTD	91%	90%	89%



FINANCING STRUCTURE
(€ BILLION)

	31 Dec. 2022	30 Sep. 2023	31 Dec. 2023
Retail funding	386.0	383.2	385.5
Wholesale funding[1]	53.2	57.0	56.2
Net interbank	-1.6	-13.8	-23.3
Total Funding	437.6	426.5	418.4



- **Total liquid assets amounted to €160,204 million** at 31 December 2023, up €21,193 million in the year, mainly due to balance sheet liquidity generation, the positive evolution of the commercial gap and a higher volume of new issuances than maturities.
- No **balance drawn under the ECB facility** at 31 December 2023, following the early TLTRO III[2] repayment, with no outstanding financing at the end of the year.
- The Group's **Liquidity Coverage Ratio** (LCR) at 31 December 2023 was 215%, showing an ample liquidity position (203% LCR trailing 12 months) well clear of the minimum requirement of 100%.
- The **Net Stable Funding Ratio** (NSFR) stood at 143% at 31 December 2023, above the 100% regulatory minimum.
- Solid retail financing structure with a **loan-to-deposit** ratio of **89%.**
- **Wholesale funding**[3] amounted to €56,227 million, diversified by instruments, investors, currency and maturities.
- **Available capacity to issue** mortgage and regional public sector covered bonds at CaixaBank, S.A. came to €48,064 million at 31 December 2023.

(1) Wholesale funding for the purpose of managing ALCO's bank liquidity.

(2) In 2023 a TLTRO III balance of €15,620 million was repaid, of which €7,143 million correspond to ordinary repayments and €8,477 million early repayments.

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

INFORMATION ON ISSUANCES IN 2023

€ million

Issuance	Amount	Issue date	Maturity	Cost[1]	Demand	Category
Senior non-preferred debt[2,3]	USD 1,250	18 Jan. 2023	6 years	6.208 % (UST +2.50%)	USD 3,400	
Subordinated debt - Tier 2[2,4]	£500	25 Jan. 2023	10 years and 9 months	6.970% (UKT +3.70%)	£1,300	
Additional Tier1[2]	€750	13 Mar. 2023	Perpetual	8.25% (mid-swap +5.142%)	€2,500	
Senior non-preferred debt[2]	€1,000	16 May 2023	4 years	4.689% (mid-swap +1.50%)	€1,750	Social Bond
Subordinated debt - Tier 2[2]	€1,000	30 May 2023	11 years	6.138% (mid-swap +3.00%)	€2,400	
Mortgage covered bond	€100	15 Jun. 2023	3 years and 7 months	3.471% (mid-swap +0.245%)	Private placement	
Mortgage covered bond	€100	23 Jun. 2023	12 years and 9 months	3.732% (mid-swap +0.64%)	Private placement	
Covered Bond - BPI	€500	4 Jul. 2023	5 years	3.749% (mid-swap +0.58%)	€700	
Senior non-preferred debt[2]	€1,000	19 Jul. 2023	6 years	5.097% (mid-swap +1.65%)	€2,750	
Senior non-preferred debt[2]	€500	19 Jul. 2023	11 years	5.202% (mid-swap +1.95%)	€800	
Covered Bond - BPI	€250	23 Aug. 2023	4 years and 10 months	3.93% (mid-swap +0.58%)	Private placement	
Senior preferred debt	€1,250	6 Sep. 2023	7 years	4.311% (mid-swap +1.20%)	€3,100	
Senior non-preferred debt[2,5]	USD 1,000	13 Sep. 2023	4 years	6.684% (UST +1.95%)	USD 1,950	
Senior non-preferred debt[2,5]	USD 1,000	13 Sep. 2023	11 years	6.840% (UST +2.55%)	USD 2,350	
Senior preferred debt	€1,000	29 Nov. 2023	10 years	4.487% (mid-swap +1.45%)	€3,500	

(1) Meaning the yield on the issue;

(2) The issue is callable, meaning that the option to redeem them early can be executed before the maturity date

(3) Equivalent amount on the day of issuance, in euros: €1,166 million

(4) Equivalent amount on the day of issuance, in euros: €564 million

(5) Equivalent amount on the day of issuance, in euros: €931 million

Following the end of December, CaixaBank completed an **issuance of preferential shares eventually convertible into shares** (Additional Tier 1) **for €750 million** and paying a coupon 7.5%, equivalent to mid-swap +529.5 basis points on the date of issuance.

COLLATERALISATION OF MORTGAGE COVERED BONDS OF CAIXABANK, S.A.

€ million		31 Dec. 2023
Mortgage covered bonds issued	a	56,840
Total coverage (loans + liquidity buffer)[6]	b	103,418
Collateralisation	b/a	182%
Overcollateralisation	b/a -1	82%
Mortgage covered bond issuance capacity[7]		**41,654**

(6) At 31 December 2023, liquid assets were segregated in the total coverage.

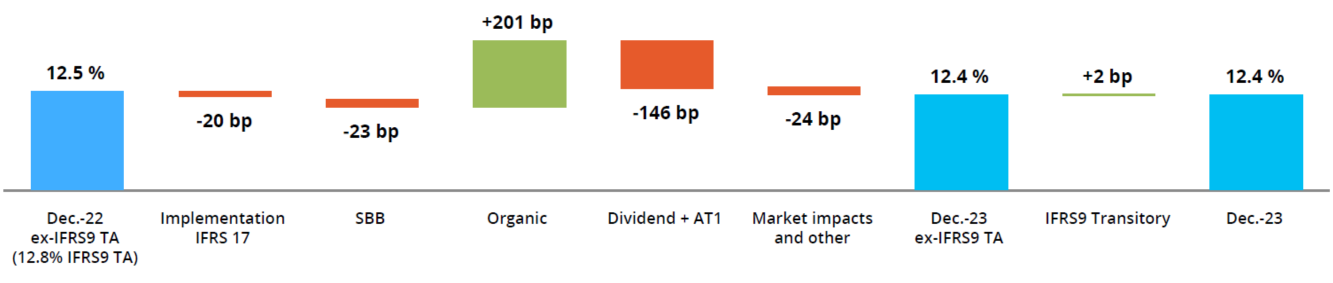
(7) There is also the capacity to issue €6,411 million in regional public sector covered bonds. The liquid assets segregated in the liquidity buffer, if any, are not included in the calculation of the issuance capacity.

08. CAPITAL MANAGEMENT

- The **Common Equity Tier 1 (CET1) ratio is 12.4%**, considering the extraordinary impact from the first application of IFRS 17 (-20 basis points) and the total repurchase from the SBB programme initiated in September[1] (€500 million, -23 basis points).

  The organic change in the year was +201 basis points (+39 basis points in the quarter), -146 basis points (-34 basis points in the quarter) caused by the proposed dividend charged to this year (60% payout) and AT1 coupon payment and an additional -24 basis points (+14 basis points in the quarter) by the performance of the markets and other factors. The impact of IFRS 9 phase in was +2 basis points at 31 December.
- The internal CET1 target ratio is set between **11.5% and 12%** (without applying the IFRS 9 transitional adjustments), which implies a margin of between 300 and 350 basis points in relation to the SREP requirements.
- The **Tier 1** ratio reaches **14.3%**. After year-end, in January 2024, a new AT1 issue for €750 million was completed and €605 million from a previous AT1 issue were repurchased. The proforma Tier 1 ratio after these two issuances stood at 14.4%.
- The **Total Capital** ratio stood at **17.1%**. Including the aforementioned AT1 issues and the early redemption of Tier 2 instruments for €1,000 million (forecasted for February 2024), the proforma ratio would stand at 16.7%.
- The **leverage ratio** stood at **5.8%**.
- On 31 December, the **subordinated MREL** ratio reached **23.2%** (22.9% proforma including previous issuances) and the **total MREL** ratio **26.8%** (26.4% proforma). One issuance of Senior preferred debt was carried out for €1,000 million in the fourth quarter.

| CHANGE IN CET1



- Similarly, **CaixaBank is subject to minimum capital requirements** on a non-consolidated basis. **The CET1 ratio** under this perimeter reached **12.1%**.
- **BPI** is also compliant with its minimum capital requirements. Capital ratios at a sub-consolidated level are as follows: **CET1 of 14.1%**, Tier1 of 15.5% and Total Capital of 17.9%.
- In terms of regulatory requirements, the Group's domestic systemic risk buffer rose to 0.50% for 2023. The countercyclical buffer is estimated at 0.10% for December 2023, considering the buffer's update in certain countries where CaixaBank has credit exposure.

(1) On 3 January 2024, CaixaBank reached the maximum planned investment with the acquisition of a total of 129,404,256 treasury shares, representing 1.72% of the share capital. As at 31 December 2023, CaixaBank had acquired 127,963,079 shares for €494,505,534, equivalent to 98.9% of the maximum monetary amount. See section 2 "Key information".

> As a result, the capital requirements for December 2023 are as follows:

	Minimum requirements 2023				Minimum requirements 2024			
	Total	Pillar 1	Pillar 2R	Buffers	Total	Pillar 1	Pillar 2R	Buffers
CET1	**8.53%**	4.50%	0.93%	3.10%	**8.58%**	4.50%	0.98%	3.10%
Tier 1	**10.34%**	6.00%	1.24%	3.10%	**10.41%**	6.00%	1.31%	3.10%
Total capital	**12.75%**	8.00%	1.65%	3.10%	**12.85%**	8.00%	1.75%	3.10%

> At 31 December, CaixaBank has a margin of 386 basis points, equating to €8,823 million, until the Group's MDA trigger.

> As for the MREL requirement, in March 2023 the Bank of Spain communicated to CaixaBank the Total and Subordinated minimum MREL requirements that it must meet at consolidated level:

	Requirements in % RWAs (including current RBC)		Requirements in % LRE	
	2022	2024	2022	2024
Total MREL	22.43%	**24.31%**	6.09%	**6.19%**
Subordinated MREL	16.60%	**18.47%**	6.09%	**6.19%**

> The Group's 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.

> The Board of Directors agreed, on 1 February 2024, to propose the distribution of a cash dividend of 0.3919 euros gross per share to the Ordinary Annual General Meeting, to be convened in February, to be paid out of 2023 profits during the month of April 2024. With the payment of this dividend, the amount of shareholder remuneration for 2023 will be equivalent to 60% of consolidated net profit.

In the same meeting, the Board of Directors approved the dividend plan for 2024, which consists of a cash distribution of between 50% and 60% of consolidated net profit, to be paid in two cash payments: an interim dividend to be paid during November 2024, amounting to between 30% and 40% of the consolidated net profit for the first half of 2024, and a final dividend to be paid in April 2025, subject to final approval by the General Meeting of Shareholders.

> Additionally, it is also CaixaBank's intention, after obtaining the relevant regulatory approval, to implement a new share buyback during the first half of 2024, aimed at bringing year-end 2023 %CET1 closer to 12%. Specific details of the share buy-back, including the maximum investment, will be disclosed once the regulatory approval is obtained.

PERFORMANCE AND KEY CAPITAL ADEQUACY INDICATORS

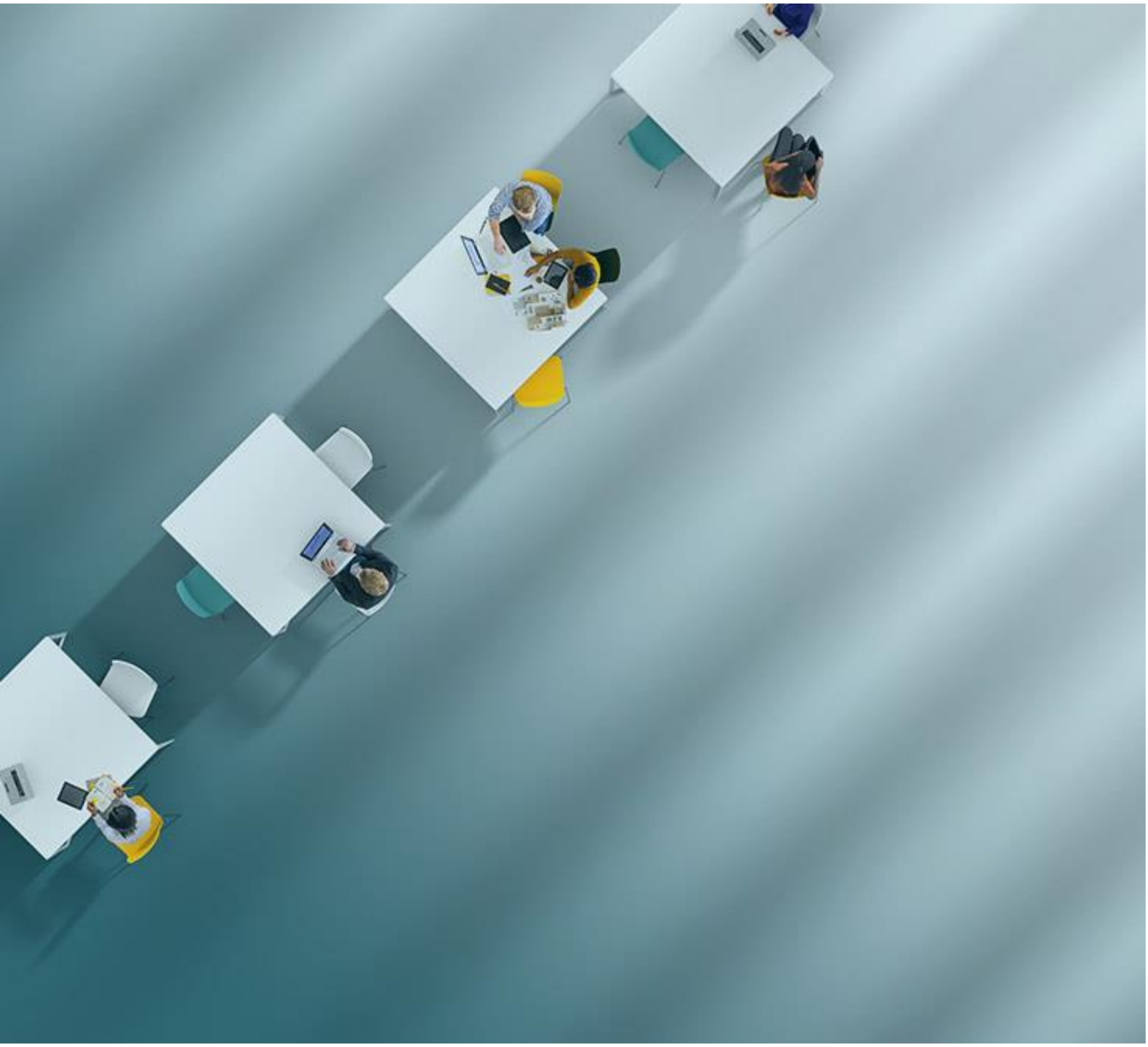
€ million	31 Dec. 2022	31 Mar. 2023	30 Jun. 2023	30 Sep. 2023	31 Dec. 2023	Quarter-on-quarter
CET1 Instruments	33,462	33,154	33,347	33,285	33,675	390
Shareholders' equity	36,639	34,965	36,168	37,549	38,206	657
Capital	7,502	7,502	7,502	7,502	7,502	0
Profit/(loss) attributable to the Group	3,145	855	2,137	3,659	4,816	1,157
Reserves and other	25,992	26,607	26,529	26,388	25,888	(500)
Other CET1 instruments[1]	(3,178)	(1,810)	(2,821)	(4,264)	(4,531)	(267)
Deductions from CET1	(5,968)	(5,966)	(6,063)	(6,008)	(5,362)	646
CET1	27,494	27,188	27,285	27,277	28,313	1,036
AT1 instruments	4,238	4,985	4,486	4,487	4,488	0
AT1 Deductions	0	0	0	0	0	0
TIER 1	31,732	32,173	31,771	31,764	32,800	1,036
T2 instruments	5,575	6,142	6,262	6,292	6,310	17
T2 Deductions	0	0	0	0	0	0
TIER 2	5,575	6,142	6,262	6,292	6,310	17
TOTAL CAPITAL	37,307	38,315	38,033	38,056	39,110	1,053
Other computable subordinated instruments MREL	11,048	11,200	11,717	15,115	14,001	(1,114)
MREL, subordinated	48,355	49,515	49,750	53,172	53,111	(61)
Other computable instruments MREL	7,448	6,951	5,954	7,200	8,190	990
MREL	55,803	56,466	55,704	60,371	61,301	930
Risk-weighted assets	215,103	215,179	217,970	222,423	228,619	6,196
CET1 ratio	12.8%	12.6%	12.5%	12.3 %	12.4%	0.1
Tier 1 Ratio	14.8%	15.0%	14.6%	14.3%	14.3%	0.1
Total Capital Ratio	17.3%	17.8%	17.4%	17.1%	17.1%	0.0
MDA Buffer[2]	9,565	8,941	8,757	8,320	8,823	503
MREL Ratio, subordinated	22.5%	23.0%	22.8%	23.9%	23.2%	(0.7)
MREL Ratio	25.9%	26.2%	25.6%	27.1%	26.8%	(0.3)
Leverage ratio	5.6%	5.6%	5.4%	5.6%	5.8%	0.3
CET1 Ratio - CABK (non-consolidated basis)	12.9%	12.8%	12.6%	12.1%	12.1%	0.0
Tier 1 Ratio CABK (non-consolidated basis)	15.0%	15.3%	14.8%	14.2%	14.1%	0.0
Total Capital Ratio - CABK (non-consolidated basis)	17.8%	18.3%	17.8%	17.2%	17.1%	(0.1)
Risk-weighted assets (non-consolidated basis)	199,250	200,586	203,946	209,799	215,652	5,853
Profit/loss (non-consolidated basis)	2,413	1,077	2,334	3,498	4,304	807
ADIs[3]	7,621	7,019	8,197	9,282	10,011	728
MDA Buffer- CABK (non-consolidated basis)[2]	11,656	11,507	11,183	10,386	10,698	312
Leverage Ratio - CABK (non-consolidated basis)	5.7%	5.6%	5.5%	5.6%	5.8%	0.2

Data at September 2023 updated using the latest official information.

(1) Mainly includes forecast for dividends, the total amount from the share buy-back programme completed in January 2024 (€500 million), 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) Does not include the issue premium.



09 SEGMENT REPORTING

09. SEGMENT REPORTING

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

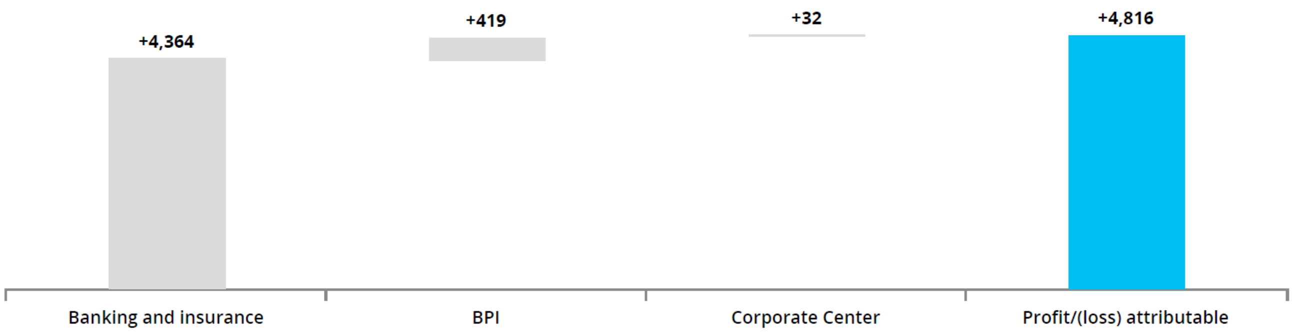
- **Banking and Insurance:** shows earnings from the Group's banking, insurance, asset management, real estate and ALCO's activity mainly in Spain.
- **BPI:** covers the income from the BPI's domestic banking business, essentially in Portugal. The income statement shows the reversal of the fair value adjustments of the assets and liabilities resulting from the business combination.
- **Corporate centre:** shows earnings, net of funding expenses, from the investees Telefónica, BFA, BCI, Coral Homes and Gramina Homes.

  In addition, the Group's excess capital is allocated to the corporate centre, which is calculated as the difference between the Group's total 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. The corporate expenses at Group level are assigned to the corporate centre.

Results for 2023 arranged by business are as follows:

CONTRIBUTION TO THE RESULT OF 2023 (€ MILLION)



€ million	Banking & Insurance	BPI	Corporate centre	Group
Net interest income	9,141	928	45	10,113
Dividend income and share of profit/(loss) of entities accounted for using the equity method	291	21	132	444
Net fee and commission income	3,366	291		3,658
Trading income	253	25	(42)	235
Insurance service result	1,118			1,118
Other operating income and expense	(1,254)	(77)	(6)	(1,337)
Gross income	12,915	1,188	128	14,231
Recurring administrative expenses, depreciation and amortisation	(5,249)	(501)	(63)	(5,812)
Extraordinary expenses	(9)			(9)
Pre-impairment income	7,657	687	66	8,410
Pre-impairment income stripping out extraordinary expenses	7,666	687	66	8,419
Allowances for insolvency risk	(1,046)	(51)		(1,097)
Other charges to provisions	(214)	(34)		(248)
Gains/(losses) on disposal of assets and others	(82)	(11)	(48)	(141)
Profit/(loss) before tax	6,315	592	18	6,924
Income tax expense	(1,950)	(173)	15	(2,108)
Profit/(loss) after tax	**4,364**	**419**	**32**	**4,816**
Profit/(loss) attributable to minority interest and others	(0)			(0)
Profit/(loss) attributable to the Group	**4,364**	**419**	**32**	**4,816**

Banking and insurance business

The **performance in 2023 amounts to €4,364 million**, up 59.8% when compared to 2022 (€2,731 million):

€ million	2023	2022	Change %	4Q23	3Q23	2Q23	1Q23	4Q22
INCOME STATEMENT								
Net interest income	9,141	6,004	52.2	2,480	2,476	2,210	1,975	1,794
Dividend income and share of profit/(loss) of entities accounted for using the equity method	291	166	75.6	46	93	59	94	9
Net fee and commission income	3,366	3,559	(5.4)	844	823	835	864	882
Trading income	253	289	(12.6)	20	66	92	75	23
Insurance service result	1,118	935	19.6	321	297	257	244	277
Other operating income and expense	(1,254)	(917)	36.7	(481)	(90)	(219)	(465)	(480)
Gross income	12,915	10,035	28.7	3,229	3,665	3,234	2,787	2,505
Recurring administrative expenses, depreciation and amortisation	(5,249)	(5,010)	4.8	(1,313)	(1,327)	(1,312)	(1,298)	(1,248)
Extraordinary expenses	(9)	(50)	(81.7)		(4)	(3)	(2)	(15)
Pre-impairment income	7,657	4,976	53.9	1,916	2,334	1,919	1,487	1,242
Pre-impairment income stripping out extraordinary expenses	7,666	5,026	52.5	1,916	2,338	1,922	1,490	1,257
Allowances for insolvency risk	(1,046)	(976)	7.2	(354)	(274)	(186)	(233)	(406)
Other charges to provisions	(214)	(99)		(40)	(76)	(74)	(24)	19
Gains/(losses) on disposal of assets and others	(82)	(69)	19.3	(32)	(14)	(17)	(19)	(13)
Profit/(loss) before tax	6,315	3,833	64.7	1,491	1,970	1,642	1,211	842
Income tax expense	(1,950)	(1,100)	77.4	(439)	(565)	(480)	(466)	(261)
Profit/(loss) after tax	4,364	2,734	59.6	1,052	1,406	1,162	745	581
Profit/(loss) attributable to minority interest and others	(0)	2		0	(0)	0	(0)	1
Profit/(loss) attributable to the Group	4,364	2,731	59.8	1,051	1,406	1,162	745	580
INCOME STATEMENT BREAKDOWN								
Core income	13,853	10,628	30.3	3,663	3,677	3,348	3,164	2,955
Banking services, securities and other fees	1,884	2,091	(9.9)	455	453	469	508	524
Recurring	1,646	1,844	(10.7)	400	410	413	424	450
Wholesale banking	238	247	(3.5)	55	43	56	84	74
Sale of insurance products	345	348	(0.8)	88	82	84	91	81
Assets under management	1,137	1,120	1.5	301	289	282	265	277
Mutual funds, managed accounts and SICAVs	826	804	2.8	212	214	209	191	196
Pension plans and other	310	316	(1.7)	89	75	73	74	81
Net fee and commission income	3,366	3,559	(5.4)	844	823	835	864	882
Personnel expenses	(3,211)	(3,071)	4.6	(794)	(821)	(802)	(794)	(757)
General expenses	(1,341)	(1,284)	4.5	(341)	(330)	(334)	(337)	(322)
Depreciation and amortisation	(697)	(655)	6.4	(178)	(175)	(176)	(167)	(168)
Recurring administrative expenses, depreciation and amortisation	(5,249)	(5,010)	4.8	(1,313)	(1,327)	(1,312)	(1,298)	(1,248)
Extraordinary expenses	(9)	(50)	(81.7)		(4)	(3)	(2)	(15)
FINANCIAL INDICATORS								
ROE (12 months)[1]	14.6%	9.0%	5.6	14.6%	13.0%	11.0%	9.4%	9.0%
ROTE (12 months)[1]	17.9%	11.0%	6.9	17.9%	16.0%	13.6%	11.6%	11.0%
Cost-to-income ratio stripping out extraordinary expenses (12 months)[1]	40.6%	49.9%	(9.3)	40.6%	42.5%	45.7%	48.5%	49.9%
Cost of risk (12 months)	0.29%	0.27%	0.02	0.29%	0.31%	0.28%	0.26%	0.27%

(1) The financial information published in 2022 has been restated in accordance with IFRS 17 / IFRS 9.

- **Gross income** grew to €12,915 million (+28.7%):

    - **Core income** rose 30.3% with respect to the same period of 2022, impacted by the good performance of net interest income (+52.2%) and of insurance service result (+19.6%). Drop in Fee and commission income (-5.4%).
    - **Trading income** stands at €253 million, €289 million in 2022.
    - **Other operating income and expense** totalled €-1,254 million (€-917 million in the previous year) and includes the recognition of the banking tax for €-373 million. Both years include the contribution to the Single Resolution Fund (SRF), €-154 million in 2023 and €-136 million in 2022, and to the Deposit Guarantee Fund (DGF), €-419 million in 2023 and €-407 million in 2022.

- **Recurring administrative expenses, depreciation and amortisation** amounted to €-5,249 million, up 4.8% when compared to the previous year.
- **Pre-impairment income increased by 53.9%** with respect to 2022.
- **Allowances for insolvency risk** stand at €-1,046 million (+7.2% with respect to 2022). The cost of risk (last 12 months) came to 29 bps.
- **Other charges to provisions** increased to €-214 million (€-99 million in 2022) following one-off impacts in both years.

The following table shows business activity and asset quality indicators at 31 December 2023:

- **Loans and advances to customers, gross stood at €324,135 million, down 2.4% in the year.**
- **Customer funds amounted to €596,631 million, up 3.6% in the year.**
- The **NPL ratio stands at 2.8%,** and the **coverage ratio 71%.**

€ million	31 Dec. 2023	30 Sep. 2023	Change %	31 Dec. 2022	Change %
BALANCE SHEET					
Assets	562,423	566,412	(0.7)	555,088	1.3
Liabilities	533,566	537,670	(0.8)	527,435	1.2
Assigned capital	28,824	28,709	0.4	27,621	4.4
LOANS AND ADVANCES TO CUSTOMERS					
Loans to individuals	159,567	161,122	(1.0)	167,884	(5.0)
Home purchases[1]	118,712	120,148	(1.2)	125,680	(5.5)
Other[1]	40,855	40,973	(0.3)	42,205	(3.2)
of which: Consumer lending[1]	18,466	18,318	0.8	18,014	2.5
Loans to business[1]	148,171	146,662	1.0	145,367	1.9
Public sector[1]	16,397	17,600	(6.8)	18,977	(13.6)
Loans and advances to customers, gross	324,135	325,384	(0.4)	332,229	(2.4)
of which: Performing loans	314,629	316,250	(0.5)	322,694	(2.5)
of which: Non-performing loans	9,506	9,135	4.1	9,535	(0.3)
Provisions for insolvency risk	(6,806)	(6,705)	1.5	(6,877)	(1.0)
Loans and advances to customers, net	317,329	318,679	(0.4)	325,353	(2.5)
Contingent liabilities	27,739	27,223	1.9	27,747	(0.0)
CUSTOMER FUNDS					
Customer funds	356,465	355,022	0.4	355,962	0.1
Demand deposits	315,098	320,182	(1.6)	338,333	(6.9)
Time deposits	41,366	34,841	18.7	17,630	
Insurance contract liabilities	74,538	73,128	1.9	68,986	8.0
of which: Unit Linked and other	19,980	19,150	4.3	18,310	9.1
Reverse repurchase agreements and other	3,196	2,263	41.2	2,623	21.8
On-balance sheet funds	434,199	430,413	0.9	427,571	1.6
Mutual funds, managed accounts and SICAVs[2]	110,326	106,504	3.6	99,115	11.3
Pension plans	46,006	44,306	3.8	43,312	6.2
Assets under management	156,332	150,809	3.7	142,428	9.8
Other accounts	6,100	5,316	14.7	5,647	8.0
Total customer funds	596,631	586,538	1.7	575,646	3.6
ASSET QUALITY					
Non-performing loan ratio (%)	2.8%	2.7%	0.1	2.8%	0.0
Non-performing loan coverage ratio (%)	71%	74%	(3)	73%	(1)
OTHER INDICATORS					
Customers (millions)	18.20	18.17	0.0	18.31	(0.1)
Relational individual customers (%)	71.5%	71.4%	0.1	70.4%	1.1
Employees	40,600	40,436	164	40,221	379
Branches	3,876	3,882	(6)	4,081	(205)
of which retail	3,618	3,622	(4)	3,818	(200)
ATMs	11,335	11,345	(10)	11,608	(273)

(1) Following an in-depth analysis of the loan book, the specific segmentation and allocation of certain non-inventoried items have been improved, mainly resulting in reclassifications from Business to Individuals (home purchases and consumer lending). The figures have been restated for comparison purposes.

(2) In April 2023 Banco BPI completed the sale of its stake in BPI Suisse to CaixaBank Wealth Management Luxembourg (wholly-owned subsidiary of CaixaBank, S.A.). From the perspective of the Group's business segments, this operation entails the balance as of April 2023 to include an increase of €1,017 million from the BPI segment.

Insurance activity

The banking and insurance business includes the results of the activity carried out mainly by VidaCaixa de Seguros y Reaseguros, with a highly specialised range of pensions and insurance products, all of which are marketed to the Group's customer base.

The following table shows the income statement of the VidaCaixa Group[1,2]:

€ million	2023	2022	Change %	4Q23	3Q23	2Q23	1Q23	4Q22
Net interest income	165	51		60	39	38	28	18
Dividend income and share of profit/(loss) of entities accounted for using the equity method	250	155	61.4	24	87	52	86	9
Net fee and commission income	152	147	3.1	56	32	35	30	47
Trading income	9	16	(45.6)	6	8	(11)	5	(4)
Insurance service result	1,107	924	19.8	318	294	254	241	274
Other operating income and expense	2	(0)		1	1	1	(0)	(1)
Gross income	1,684	1,293	30.3	464	461	369	390	344
Recurring administrative expenses, depreciation and amortisation	(151)	(111)	35.1	(43)	(38)	(37)	(33)	(16)
Extraordinary expenses	(10)	(15)	(34.5)		(3)	(4)	(2)	(6)
Pre-impairment income	1,524	1,167	30.6	421	420	328	354	322
Pre-impairment income stripping out extraordinary expenses	1,534	1,182	29.8	421	423	332	357	328
Allowances for insolvency risk	0	0		0	(0)	(0)		0
Other charges to provisions	(3)			(3)				
Gains/(losses) on disposal of assets and others	2	1		(3)	5			1
Profit/(loss) before tax	1,523	1,168	30.4	415	425	328	354	322
Income tax expense	(375)	(297)	26.3	(125)	(91)	(80)	(79)	(87)
Profit/(loss) after tax	**1,147**	**870**	**31.8**	**290**	**334**	**248**	**276**	**235**
Profit/(loss) attributable to minority interest and others								
Profit/(loss) attributable to the Group	**1,147**	**870**	**31.8**	**290**	**334**	**248**	**276**	**235**

(1) At VidaCaixa Group level prior to consolidation adjustments in CaixaBank. 2023 includes the results of 100% of Sa Nostra Vida integrated by global consolidation, acquired at the end of December 2022 (81.3% acquired from Caser and the remaining 18.7% corresponds to the stake held directly by CaixaBank following the merger), previously recognised in Share of profit/(loss) of entities accounted for using the equity method.

(2) In May VidaCaixa completed the purchase of Bankia Mediación, incorporating an accumulated result of €1 million in the first half of 2023.

The profit attributable to the VidaCaixa Group in 2023 stands at €1,147 million, up 31.8% with respect to 2022:

> **Net interest income** mainly includes the net return on assets under the insurance business maintained to pay ordinary claims, as well as the Group's financial margin for short-term savings insurance products.

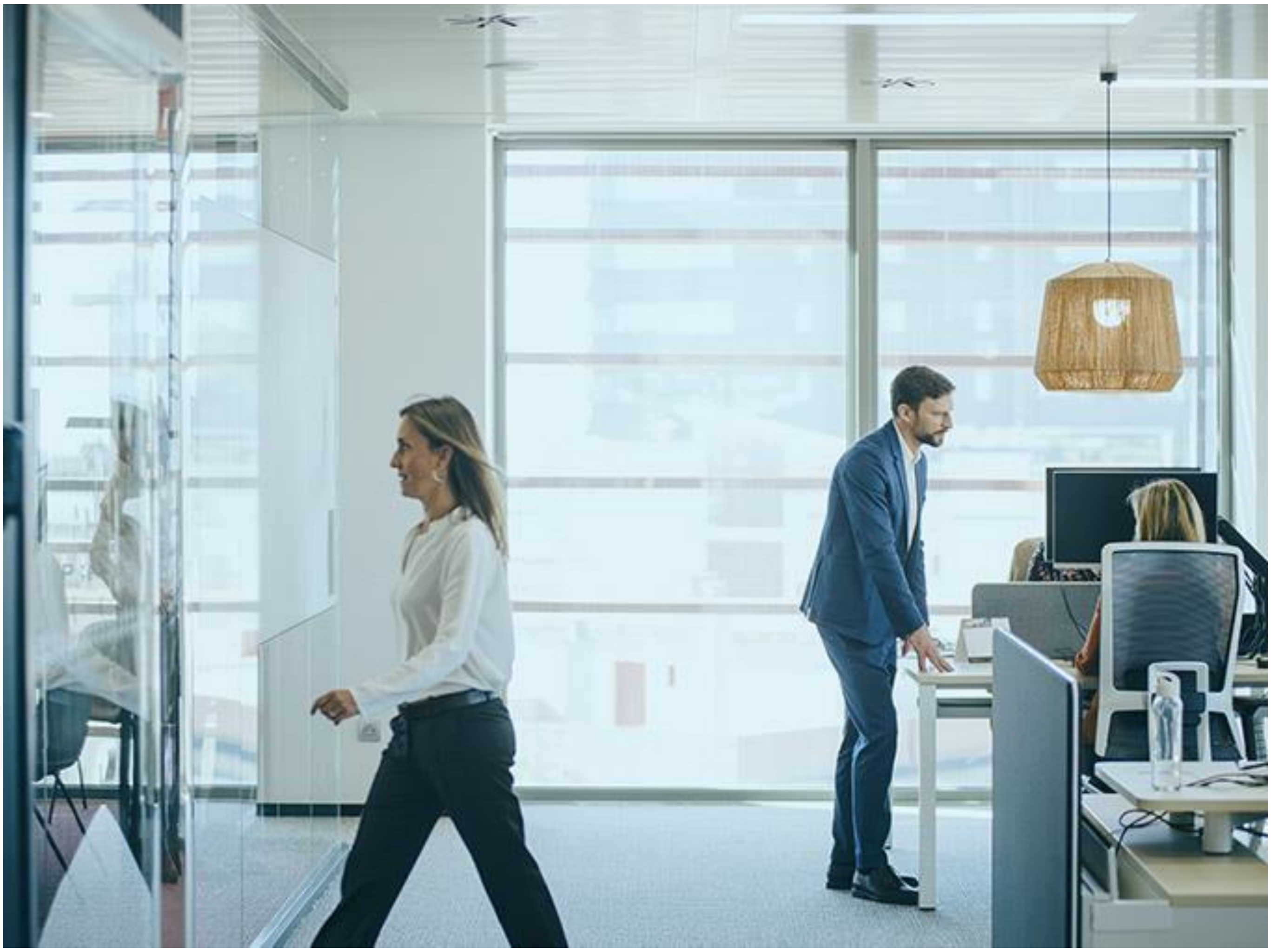
  It also includes the income from financial assets under the insurance business, and an expense for interest that includes the capitalisation of the new insurance liabilities is recognised at a very similar interest rate as the rate of return of asset acquisition. The difference between this income and the expense is not significant.

> **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, the year-on-year performance of which is impacted by the recognition of income associated with the revaluation of the stake held in IMQ after the participation increase.

> **Net fee and commission income**[1] mainly includes fees and commissions received by VidaCaixa for managing pension plans, net of fees and commissions paid to CaixaBank, S.A. and its subsidiaries for distributing them.

> The **Insurance service result** includes the results of life-savings, life-risk and Unit Linked products, net of expenses directly attributable to the contracts.

(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 €419 million, up 51.6% with respect to 2022 (€277 million).

€ million	2023	2022	Change %	4Q23	3Q23	2Q23	1Q23	4Q22
INCOME STATEMENT								
Net interest income	928	544	70.5	249	249	226	203	173
Dividend income and share of profit/(loss) of entities accounted for using the equity method	21	33	(36.2)	4	5	7	5	8
Net fee and commission income	291	296	(1.5)	73	71	74	73	77
Trading income	25	27	(7.7)	4	5	10	7	(2)
Insurance service result								
Other operating income and expense	(77)	(38)		(38)	2	(15)	(26)	3
Gross income	1,188	861	37.9	291	332	302	262	258
Recurring administrative expenses, depreciation and amortisation	(501)	(455)	10.1	(119)	(129)	(127)	(126)	(113)
Extraordinary expenses								
Pre-impairment income	687	407	69.1	173	204	175	136	145
Pre-impairment income stripping out extraordinary expenses	687	407	69.1	173	204	175	136	145
Allowances for insolvency risk	(51)	(6)		(6)	(9)	(14)	(22)	(28)
Other charges to provisions	(34)	(22)	52.6	(13)	(18)	(1)	(1)	(16)
Gains/(losses) on disposal of assets and others	(11)	(0)		(10)	(2)	3	(1)	(0)
Profit/(loss) before tax	592	378	56.6	143	175	162	111	100
Income tax expense	(173)	(101)	70.0	(32)	(53)	(48)	(39)	(24)
Profit/(loss) after tax	419	277	51.6	111	123	114	72	76
Profit/(loss) attributable to minority interest and others								
Profit/(loss) attributable to the Group	419	277	51.6	111	123	114	72	76
INCOME STATEMENT BREAKDOWN								
Core income	1,239	872	42.2	326	326	307	281	257
Banking services, securities and other fees	186	178	4.5	47	45	48	47	47
Recurring	184	176	4.7	46	45	47	46	47
Wholesale banking	2	2	(12.4)	1	0	0	0	1
Sale of insurance products	49	53	(6.9)	12	12	12	13	13
Assets under management	56	65	(13.4)	14	14	14	14	16
Mutual funds, managed accounts and SICAVs	30	36	(18.3)	7	7	7	8	8
Pension plans and other	27	29	(7.2)	7	7	7	6	8
Net fee and commission income	291	296	(1.5)	73	71	74	73	77
Personnel expenses	(255)	(241)	5.8	(68)	(63)	(62)	(62)	(68)
General expenses	(169)	(140)	21.3	(29)	(47)	(47)	(46)	(27)
Depreciation and amortisation	(76)	(74)	2.9	(21)	(19)	(18)	(18)	(19)
Recurring administrative expenses, depreciation and amortisation	(501)	(455)	10.1	(119)	(129)	(127)	(126)	(113)
Extraordinary expenses								
FINANCIAL INDICATORS								
ROE[1]	16.0%	9.3%	6.7	16.0%	14.2%	11.8%	9.5%	9.3%
ROTE[1]	17.0%	9.8%	7.2	17.0%	15.0%	12.5%	10.0%	9.8%
Cost-to-income ratio stripping out extraordinary expenses (12 months)[1]	42.1%	52.8%	(10.7)	42.1%	42.9%	45.8%	49.4%	52.8%

(1) Ratios (last 12 months). To calculate the ROTE and ROE, the coupon for the part of the AT1 issue assigned to this business has also been deducted.

- **Gross income** stands at €1,188 million, up 37.9% compared to 2022:
    - **Core income** up 42.2% following the 70.5% increase of Net interest income in a context of rising interest rates. Fee and commission income down 1.5%.
    - **Trading income** amounted to €25 million.
    - **Other operating income and expense** totalled €-77 million and includes the contribution paid to the SRF and BPI's contribution to the Portuguese *Fundo de Resoluçao* (€-15 million and €-23 million in 2023 and 2022, respectively).

      In addition, the first quarter of 2023 includes the contribution to the banking sector for €-22 million (€-21 million in the previous year) and €-4 million from the solidarity tax on the banking sector (€-4 million in 2022).

      In the fourth quarter, BPI recognised in the income statement €39 million corresponding to the cash disbursement of historical DGF charges in Portugal that were previously fulfilled through irrevocable payment commitments for which collateral had been provided.

- **Recurring administrative expenses, depreciation and amortisation** stood at €-501 million (+10.1%).
- **Allowances for insolvency risk** stood at €-51 million in 2023 (€-6 million in the previous year, which included one-off income). The cost of risk (last 12 months) was 0.16%.
- **Other charges to provisions** included the costs associated with the early retirement scheme 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 €29,963 million**, up 3.0% in the year.

> **Customer funds stood at €33,699 million**, down 5.5%[1] in the year.

> BPI's **NPL ratio** fell to 1.7%, as per the CaixaBank Group's NPL classification criteria.

> The NPL **coverage ratio** increases in the year to 98%.

€ million	31 Dec. 2023	30 Sep. 2023	Change %	31 Dec. 2022	Change %
BALANCE SHEET					
Assets	38,524	39,673	(2.9)	38,804	(0.7)
Liabilities	36,105	37,185	(2.9)	36,349	(0.7)
Assigned capital	2,419	2,488	(2.8)	2,455	(1.5)
LOANS AND ADVANCES TO CUSTOMERS					
Loans to individuals	16,240	16,285	(0.3)	15,982	1.6
Home purchases	14,557	14,560	—	14,183	2.6
Other	1,683	1,725	(2.5)	1,799	(6.5)
of which: Consumer lending	1,445	1,474	(1.9)	1,524	(5.2)
Loans to business	11,847	11,497	3.0	11,326	4.6
Public sector	1,876	1,890	(0.7)	1,786	5.0
Loans and advances to customers, gross	**29,963**	**29,672**	**1.0**	**29,094**	**3.0**
of which: Performing loans	29,423	29,138	1.0	28,531	3.1
of which: Non-performing loans	540	534	1.1	563	(4.1)
Provisions for insolvency risk	(533)	(533)	0.1	(532)	0.4
Loans and advances to customers, net	**29,430**	**29,139**	**1.0**	**28,563**	**3.0**
Contingent liabilities	2,171	2,148	1.1	2,129	2.0
CUSTOMER FUNDS					
Customer funds	29,042	28,209	3.0	30,055	(3.4)
Demand deposits	15,701	17,343	(9.5)	21,563	(27.2)
Time deposits	13,341	10,866	22.8	8,492	57.1
Reverse repurchase agreements and other	82	42	94.9	8	
On-balance sheet funds	29,124	28,251	3.1	30,063	(3.1)
Mutual funds, managed accounts and SICAVs[1]	4,496	4,454	0.9	5,510	(18.4)
Assets under management	4,496	4,454	0.9	5,510	(18.4)
Other accounts	79	80	(0.2)	81	(2.0)
Total customer funds	**33,699**	**32,785**	**2.8**	**35,654**	**(5.5)**
Memorandum items					
Insurance contracts sold[2]	4,263	4,257	0.1	4,313	(1.1)
ASSET QUALITY					
Non-performing loan ratio (%)	1.7%	1.7%		1.9%	(2)
Non-performing loan coverage ratio (%)	98%	98%		92%	6
OTHER INDICATORS					
Customers (millions)	1.86	1.87	(0.01)	1.86	(0.00)
Employees	4,263	4,335	(72)	4,404	(141)
Branches	315	317	(2)	323	(8)
of which retail	270	272	(2)	278	(8)
ATMs	1,259	1,263	(4)	1,339	(80)

(1) In April 2023 Banco BPI completed the sale of its stake in BPI Suisse to CaixaBank Wealth Management Luxembourg (wholly-owned subsidiary of CaixaBank, S.A.). From the perspective of the Group's business segments, this operation entails the BPI balance of April 2023 to decrease due to the transfer of €1,017 million to the Banking and Insurance segment.

(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 2023 stands at **€32 million.**

€ million	2023	2022	Change %	4Q23	3Q23	2Q23	1Q23	4Q22
INCOME STATEMENT								
Net interest income	45	4		20	15	6	4	4
Dividend income	133	156	(14.7)			73	61	30
Share of profit/(loss) of entities accounted for using the equity method	(1)	31		4	3	4	(12)	14
Net fee and commission income								
Trading income	(42)	12		(3)	1	(40)	(1)	(10)
Insurance service result								
Other operating income and expense	(6)	(7)	(17.1)			(6)		
Gross income	128	196	(34.6)	21	19	37	52	38
Recurring administrative expenses, depreciation and amortisation	(63)	(60)	3.5	(15)	(16)	(16)	(15)	(15)
Extraordinary expenses								
Pre-impairment income	66	136	(51.6)	6	3	21	36	23
Pre-impairment income stripping out extraordinary expenses	66	136	(51.6)	6	3	21	36	23
Allowances for insolvency risk								
Other charges to provisions		(9)						(9)
Gains/(losses) on disposal of assets and others	(48)	(19)		(10)	(8)	(30)		(19)
Profit/(loss) before tax	18	109	(83.6)	(4)	(6)	(9)	36	(4)
Income tax expense	15	12	21.2	(2)	(1)	15	2	7
Profit/(loss) after tax	**32**	**121**	**(73.1)**	**(6)**	**(6)**	**6**	**38**	**3**
Profit/(loss) attributable to minority interest and others								
Profit/(loss) attributable to the Group	**32**	**121**	**(73.1)**	**(6)**	**(6)**	**6**	**38**	**3**

> 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. Its performance is impacted by the adaptation of the financing rates to market conditions.

> **Dividend income** amounted to €133 million and includes the dividend from Telefónica for €61 million after its approval at the Annual General Meeting held on the first quarter of 2023. The recognition of dividends in 2022, which was carried out in the second and fourth quarter, must be considered in the year-on-year quarterly performance.
>
> In addition, the second quarter of both years includes the dividend from BFA (€73 million in 2023 versus €87 million in 2022).

> **Trading income** includes the impact of the fluctuations of the Angolan kwanza in relation to the payment of dividends from BFA.

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

€ million	31 Dec. 2023	30 Sep. 2023	Change %	31 Dec. 2022	Change %
BALANCE SHEET					
Assets	6,220	5,314	17.1	4,959	25.4
Investments (Financial assets at fair value with changes in OCI and Investments in JVs and associates) and other	1,567	1,625	(3.6)	1,797	(12.8)
Cash and cash balances at central banks and other demand deposits	4,654	3,689	26.2	3,162	47.2
Liabilities	1,157	1,212	(4.6)	1,358	(14.8)
Intra-group financing and other liabilities	1,157	1,212	(4.6)	1,358	(14.8)
Assigned capital	5,063	4,102	23.4	3,600	40.6
of which: associated with investees	410	413	(0.8)	439	(6.5)

10. SUSTAINABILITY

AND SOCIAL COMMITMENT

Sustainability as a driver of the 2022-2024 Strategic Plan

CaixaBank takes on the responsibility of driving the well-being of people and economic and social development. With this in mind, the 2022-2024 Strategic Plan establishes three major ambitions:

- **Boost the energy transition of businesses and society as a whole.**
- **Lead the positive social impact and foster financial inclusion.**
- **Promote a responsible culture to set a benchmark in governance.**

In line with these ambitions, CaixaBank has developed a set of initiatives and action plans that are included in the Sustainability Master Plan, with the following commitments:

COMMITMENT

Global:

- **€64,000 million made available in the sustainable finance[1]**
  In 2023, the mobilisation of sustainable finance amounts to €27,230 million , up 15% with respect to 2022. Since launching the plan accumulated sustainable finance amounts to €50,813 million, **which represents 79% of the target for 2022-2024.**
- **Maintain category "A" in the synthetic sustainability indicator[2]**
  In 4Q23, the synthetic indicator **has been maintained at Category "A"**

Environmental:

- **Make progress in decarbonisation to reach net zero emissions by 2050**
- **Reduce the emissions financed by 2030:**
  - Electricity: -30% ($KgCO_2e/MWh$)
  - Oil and gas: -23% ($MtCO_2e$)
  - Thermal coal: exposure to zero €
  - Automotive industry: -33% (gCO_2/vkm)
  - Iron and steel: -[10-20]% ($kgCO_2e/t$ steel)

Social:

- **413,300 beneficiaries of MicroBank, the CaixaBank Group's social bank**
  In 2023, the number of beneficiaries of microcredits granted by MicroBank reached 148,968, **+44% more than the previous year.** The number of beneficiaries since launching the plan has reached 252,149.

Good governance:

- **43% of women in managerial positions[3]**
  On 31 December 2023, the % of women in managerial positions already reached 43%, **reaching the objective set out for 2024, one year ahead.**

(1) The mobilisation of sustainable financing is the sum of the following items: - Sustainable mortgage financing (with energy performance certificate "A" or "B"), financing for home energy refurbishment, financing for hybrid/electric vehicles, financing for photovoltaic panels, agricultural ecofinancing and microloans granted by MicroBank; Sustainable financing to Business, Developer and CIB & IB; The sum considered for the mobilisation of sustainable financing is the limit of risk arranged in sustainable financing operations with customers, including long-term financing, working capital and off-balance sheet exposure. Novations and tacit or explicit renewals of sustainable financing are also included. - CaixaBank's share in the issuance and placement of client sustainable bonds (green, social or mixed) by customers; - Net increase of Assets under management in CaixaBank Asset Management, in products classified under Article 8 and Article 9 of SFDR (includes new funds/fund mergers registered as per Article 8 and Article 9, plus net contributions and market effect); Gross increase of Assets under management in VidaCaixa, in products classified under Article 8 and Article 9 of SFDR (includes gross contributions —without considering withdrawals or the market effect— to Pension Funds, Voluntary Social Security Entities (EPSV) and Unit Linked classified under Article 8 and Article 9 of SFDR).

(2)- Synthetic ESG index created by CaixaBank based on methodology developed by KPMG that provides aggregate information from the main ESG analysis institutions. The indicator objectively weights the results obtained by the company in the scores awarded by the main international ESG analysts (S&P Global, Sustainalytics, MSCI and ISS ESG).

(3) % of women in managerial positions, starting from asst. manager at large branches (A and B branches).

Key features within the scope of sustainability

> In terms of **sustainability and good governance**, CaixaBank has positioned itself in 2023 as one of the world's most sustainable banks, according to the Dow Jones Sustainability Index. It has been the first Spanish financial institution to request being rated by Sustainable Fitch, obtaining a solicited rating of "2"[1], and it has become a constituent of the new indices created in the Spanish market, Ibex ESG and IBEX ESG Weighted (made up of 47 Spanish listed companies).

Furthermore, CaixaBank has been acknowledged as the "Best Bank in Sustainability in Spain 2023", "Best Bank for Corporate Responsibility in Spain 2023" and "Best Bank for Digital Solutions in Spain 2023" by the British magazine Euromoney.

In line with good governance, the Company has received the Fifth Manuel Olivencia Award for Good Corporate Governance and the "T" for tax transparency seal from the Haz Foundation.

In line with the portfolio decarbonisation commitments, as a founding member of the Net Zero Banking Alliance, the Company committed in 2023 to cease financing companies related to thermal coal[2], thus reducing its exposure to zero until 2030, and it established decarbonisation targets in the automotive and iron and steel industries, which are added to those already published in 2022 (oil & gas and the electricity sector). The Company also established goals linked to the UN's Collective Commitment to Financial Health.

In relation to responsible investment, the asset managers of the group, CaixaBank Asset Management, VidaCaixa and BPI Gestão de Ativos have been awarded the maximum score, of 5 stars, in the category policy, governance and strategy granted by the U.N. promoted Principles for Responsible Investment (PRI).

> With regard to **sustainable financing**, CaixaBank has been recognised by Global Finance for its "Outstanding Leadership in ESG-Related Loans in the World 2023" and "Outstanding Financial Leadership in Sustaining Communities in Western Europe 2023", as well as leading the Refinitiv ranking of "Sustainable Financing in Europe 2023"

The publication in 2023 of its "Sustainable Financing Identification Guide" and the advice provided to several companies in designing their green and sustainable Financing Frameworks particularly stand out. Moreover, CaixaBank has launched the ESG Engagement project, a pioneering, personalised advisory service for its customers carried out by a team of experts in sustainability.

The Company has also drafted the "Sustainable Financing Toolkit", a free guide on sustainable financing, and has held a series of sessions, with more than 400 participating companies, aimed at promoting and helping its customers in the sustainable transition. In order to promote environmental awareness, the Company has provided its individual customers, self-employed and business via a "carbon footprint calculator", which is a tool that has been validated and verified by AENOR.

Among the noteworthy activity carried out within the scope of ESG this year, CaixaBank has acted as the coordinating bank in the €750 million green financing of a renewable energy operation and in the syndicated loan linked to ESG indicators of a cement company for €300 million, incorporating a price mechanism aligned with the company's decarbonisation strategy. CaixaBank has also participated in the financing of the first offshore wind farm in Poland and has signed the largest green property credit granted by the Bank of Spain for €200 million.

> Within the **social scope**, CaixaBank cements its position as a leading European bank when it comes to ESG matters with the **issue of a new social bond for €1 billion**.

In support of **gender equality and diversity**, the Company has the Wengage diversity programme in place, a wide-ranging project with internal and external initiatives. In 2023, it has also participated in the Closingap initiative, which measures the economic impact of gender inequality in Spain, and has launched the National Meeting of Rural Women, together with the Ministry of Agriculture, Fisheries and Food (MAPA). Together with Microsoft, CaixaBank launched the WONNOW Awards to highlight the best technical and scientific degree students in Spain, and it held the seventh edition of the 2023 CaixaBank Women in Business Awards. Furthermore, it has become the first Spanish company to obtain the AENOR certification for its mentoring programme. Thanks to all this, CaixaBank is ranked third worldwide in the "Bloomberg Gender-Equality Index".

As part of its commitment to financial inclusion, it received the Seres Award for its "Senior Commitment Programme", consolidating it as the benchmark entity in assistance to seniors, and signed an agreement with Correos to offer home cash delivery in the whole of Spain. In the beginning of the year CaixaBank had mobile branches that served 783 rural municipalities, and it is the only financial institution in Spain with branches in 483 municipalities.

CaixaBank has continued supporting the most disadvantaged groups through fund-raising campaigns, such as "No home without food" or "The Tree of Dreams", and it has facilitated fund-raising at no cost for various humanitarian emergencies and causes. Thanks to its branch network, it has channelled €25 million from the "la Caixa" Foundation to social projects of local entities. With regard to Volunteering, over 25,137 solidarity activities have been launched in 2023, with the participation of more than 17,240 volunteers and 2,238 local social entities, benefiting over 372,669 people.

(1) Rating from 1 to 5, where 1 is the best possible rating and 5 the worst. Fitch published their rating on 23 October 2023; (2) Coal phase-out: Customers whose revenues from thermal coal mining and/or thermal coal-based electricity generation represent more than 5% of their total revenues.

ESG Indices - Ratings	CaixaBank	Worst ← Rating scale → Best
Sustainable Fitch	2	ESG Entity Rating Score (solicited): 5 · 4 · 3 · **2** · 1
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	82	Sustainability score: 0 · **82** · 100
MSCI ESG RATINGS	A (Average)	ESG rating: CCC · B · BB · BBB · **A** · AA · AAA (Laggard: CCC, B; Average: BB, BBB, A; Leader: AA, AAA)
STOXX · Sustainalytics	Low Risk (16.1)	ESG risk rating: Severe (40+) · High (30-40) · Medium (20-30) · **Low (10-20)** · Negligible (0-10)
QUALITYSCORE · ISS ESG	1 | 1 | 1 E | S | G	ESG QualityScore: 10 · 9 · 8 · 7 · 6 · 5 · 4 · 3 · 2 · **1**
Corporate ESG Performance · Prime · ISS ESG	C+ Status: **Prime** Transparency: **very high** Decile rank: **#1**	ESG corporate rating: D- · D · D+ · C- · C · **C+** · B- · B · B+ · A- · A · A+ Transparency level: Very low · Low · Medium · High · **Very high**
FTSE4Good	4.2	ESG rating: 0 · 1 · 2 · 3 · 4 · 5 (**4.2**)
CDP A LIST 2022 CLIMATE	A (Leadership)	Climate change rating: D- · D (Disclosure) · C- · C (Awareness) · B- · B (Management) · A- · **A** (Leadership)
Moody's ESG Solutions	67 (Advanced)	Sustainability index: 0 · <30 (Weak) · 30-49 (Limited) · 50-59 (Robust) · **67** · 100 (Advanced)

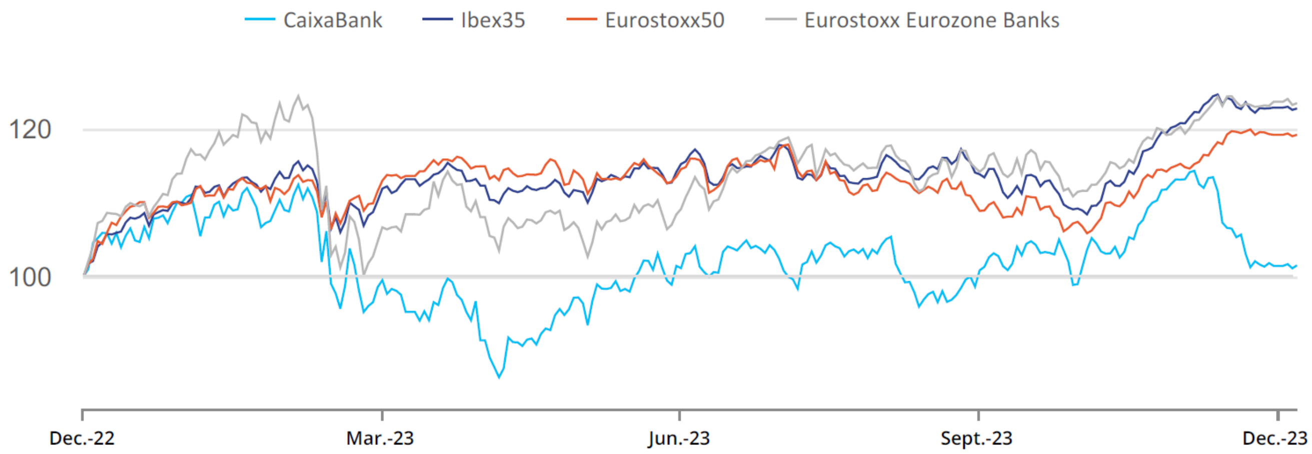
11. THE CAIXABANK SHARE

- **The CaixaBank share closed trading in 2023 at €3.726/share**, up 1.5% in the year (-1.6% in the fourth quarter).
- The change in the year of the selective bank benchmarks compares favourably to that of the general indices: +27.8% IBEX 35 Banks and +23.5% EURO STOXX Banks vs. +22.8% IBEX 35 and +19.2% EURO STOXX 50. However, in the last quarter of the year, the general indices performed slightly better than the selective bank benchmarks: +7.1% IBEX 35 and +8.3% EURO STOXX 50 vs. +3.4% IBEX 35 Banks and +5.8% EURO STOXX Banks.
- The trading volume in shares and euros in the year were 33.6% and 20.7% down, respectively, with respect to 2022.
- In the fourth quarter of 2023, the number of CaixaBank shares traded[1] increased 34.6% with respect to the previous quarter (+40.4% in value in euros[1]) and reached -14.5% below the trading volume of the same period of the previous year (-2.7% in euros).

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

PERFORMANCE OF THE CAIXABANK SHARE
COMPARED TO THE MAIN SPANISH AND EUROPEAN INDICES (2022 CLOSE = 100)

CaixaBank	Eurostoxx 50	IBEX 35	Eurostoxx Eurozone Banks
+1.5%	+19.2%	+22.8%	+23.5%



KEY PERFORMANCE INDICATORS FOR THE CAIXABANK SHARE

	31 Dec. 2023
Market capitalisation (€ million)[1]	27,450
Number of outstanding shares[1]	7,367,126
Share price (€/share)	
Share price at the beginning of the period (30 December 2022)	3.672
Share price at closing of the period (29 December 2023)	3.726
Maximum price[2]	4.197
Minimum price[2]	3.168
Trading volume in 2023 (number of shares, excluding special transactions, in thousands)	
Maximum daily trading volume	72,312
Minimum daily trading volume	4,956
Average daily trading volume	19,289
Stock market ratios[3]	
EPS - Net income attributable per share (€/share) (12 months)	0.64
Book value (€/share)	4.93
Tangible book value (€/share)	4.20
PER (Price / EPS; times)	5.78
P/tangible BV (Market value / tangible book value)	0.89
Dividend yield	6.19%

(1) Number of shares, in thousands, excluding treasury shares. These treasury shares include the shares repurchased under the last share-buy-back programme. Including treasury shares, the total number of shares at the end of 2023 would be 7,502,132 thousand, whereas the market capitalisation would reach €27,953 million.
(2) Price at close of trading.
(3) See additional information in 'Appendices – Alternative Performance Measures'.

Shareholder returns

- On 12 April 2023, **the bank paid its shareholders 0.2306 euros per share, corresponding to the ordinary dividend charged** to 2022 profits and following the approval at the Annual General Meeting held on 31 March. This total dividend distribution amounted to €1,730 million and is equivalent to 55% of the consolidated net profit of 2022. In addition, a share buy-back programme was completed between May and December 2022 for an amount of €1.8 billion.
- After receiving the regulatory approval, the Board also agreed on September to approve and **initiate an open-market a share buy-back programme for a maximum amount of €500 million**, with the aim of reducing the share capital by means of their redemption (See Other Relevant Information of 18 September 2023). On 3 January 2024, CaixaBank reached the maximum planned investment with the acquisition of a total of 129,404,256 treasury shares, representing 1.72% of the share capital[4]. In order to comply with the Programme's purpose, the reduction of CaixaBank, S.A.'s share capital by €500 million, through the redemption of the 129,404,256 treasury shares acquired, is to be submitted for approval at the Annual General Meeting to be held in 2024.
- The Board of Directors agreed, on 1 February 2024, to propose the distribution of a cash dividend of 0.3919[5] euros gross per share to the Ordinary Annual General Meeting, to be convened in February, to be paid out of 2023 profits during the month of April 2024. With the payment of this dividend, the amount of shareholder remuneration for 2023 will be equivalent to 60% of consolidated net profit. In the same meeting, the Board of Directors approved the dividend plan for 2024, which consists of a cash distribution of between 50% and 60% of consolidated net profit, to be paid in two cash payments: an interim dividend to be paid during November 2024, amounting to between 30% and 40% of the consolidated net profit for the first half of 2024, and a final dividend to be paid in April 2025, subject to final approval by the General Meeting of Shareholders.
- Additionally, it is also CaixaBank's intention, after obtaining the relevant regulatory approval, to implement a new share buyback during the first half of 2024, aimed at bringing year-end 2023 %CET1 closer to 12%. Specific details of the share buy-back, including the maximum investment, will be disclosed once the regulatory approval is obtained.

(4) As at 31 December 2023, CaixaBank has acquired 127,963,079 shares for €494,505,534, equivalent to 98.9% of the maximum monetary amount.
(5) The DPS of gross €0.3919 per share is the quotient between:
> 60% of the consolidated net profit 2023 (payout that The Board of Directors will propose to the Annual General Meeting).
> Total number of shares, 7,502,132 thousand, less the number of shares (129,404 thousand) bought back within the share buy-back program initiated in September 2023 and completed in January 2024.

12. INVESTMENT PORTFOLIO

Main investees at 31 December 2023:

	%	Business segment
SegurCaixa Adeslas	49.9%	Banking and insurance
Comercia Global Payments	20.0%	Banking and insurance
Telefónica[1]	3.5%	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) At the end of 2023, CaixaBank holds a hedge for 1.88% of Telefónica's share capital.

13. RATINGS

	Issuer Rating						
Agency	Long-Term	Short-Term	Outlook	Senior Preferred Debt	Last review date	Mortgage covered bonds	Last review date mortgage covered bonds
S&P Global	A-	A-2	Stable	A-	25 Apr. 2023	AA+	26 Jan. 2023
Fitch Ratings	BBB+	F2	Stable	A-	13 June 2023	-	-
Moody's	Baa1	P-2	Stable	Baa1	6 Dec. 2023	Aa1	14 Apr. 2023
DBRS	A	R-1 (low)	Stable	A	14 Mar. 2023	AAA	12 Jan. 2024

14. RESTATEMENT

OF 2022 FINANCIAL INFORMATION AFTER IMPLEMENTATION OF IFRS 17 AND IFRS 9 (IN INSURANCE BUSINESS)

The Group has applied **IFRS 17: "Insurance Contracts" and IFRS 9: "Financial Instruments"** to the assets and liabilities of the insurance business as of 1 January 2023. IFRS 17 is the new accounting standard that sets out the principles for recognition, measurement and presentation of contracts that transfer significant insurance risk, whereas IFRS 9 is the accounting standard that the Group has already been applying to recognise and measure its financial assets and liabilities in its banking business.

Considering that, in accordance with IFRS 17, a minimum of one year of comparative information is required, the income statement for the fiscal year 2022 and the balance sheet at 31 December 2022 have been restated for comparative purposes, also taking into account IFRS 9 requirements.

Income statement 2022

Below is the **income statement for 2022** reported to the market (IFRS 4), as well as after applying IFRS 17 and IFRS 9 to the insurance contracts:

	2022		
€ million	**Reported IFRS 4**	**IFRS 17/9 adjustments**	**IFRS 17/9**
Net interest income	6,916	(363)	6,553
Dividend income	163	—	163
Share of profit/(loss) of entities accounted for using the equity method	264	(42)	222
Net fee and commission income	4,009	(155)	3,855
Trading income	338	(10)	328
Income and expense under insurance or reinsurance contracts	866	(866)	—
Insurance service result	—	935	935
Other operating income and expense	(963)	—	(963)
Gross income	11,594	(501)	11,093
Recurring administrative expenses, depreciation and amortisation	(6,020)	495	(5,525)
Extraordinary expenses	(50)	—	(50)
Pre-impairment income	5,524	(6)	5,519
Pre-impairment income stripping out extraordinary expenses	5,574	(6)	5,568
Allowances for insolvency risk	(982)	—	(982)
Other charges to provisions	(129)	0	(130)
Gains/(losses) on disposal of assets and others	(87)	—	(87)
Profit/(loss) before tax	4,326	(6)	4,320
Income tax expense	(1,179)	(10)	(1,189)
Profit/(loss) after tax	**3,147**	**(16)**	**3,131**
Profit/(loss) attributable to minority interest and others	2	—	2
Profit/(loss) attributable to the Group	**3,145**	**(16)**	**3,129**

The total impact of the restatement on 2022 net income is not significant (€-16 million), as a result of a number of non-material adjustments of different sign. The main change is centred on the presentation of the income statement, as almost the entire insurance business is now reported under the heading 'Insurance service result', net of the expenses directly attributable to insurance contracts.

In this respect, the table above shows the differences between both standards in the "adjustments" column, which mainly corresponds to the aforementioned reclassification of the following line items in the income statement:

> **Net interest income:** in accordance with IFRS 17, it mainly includes the net return on assets under the insurance business maintained to pay ordinary claims, as well as the Group's financial margin for short-term savings insurance products. It also includes the income from financial assets under the insurance business, and an expense for interest that includes the capitalisation of the new insurance liabilities is recognised at a very similar interest rate as the rate of return of asset acquisition. The difference between this income and the expense is not significant.

The margin on savings insurance contracts will now be recognised under the heading 'Insurance service result'.

> **Share of profit/(loss) of entities accounted for using the equity method:** this line item includes the impacts resulting from applying IFRS 17 and IFRS 9 in affiliated companies with an insurance business, and they mainly focus on valuation differences in insurance liabilities and financial assets, with a particular impact on the income statement for 2022.

> **Fee and commission income:** the fee and commission income generated by Unit Linked and other, as well as the fees and commissions paid to third-party intermediaries and agents related to the insurance business, is reported in the heading 'Insurance service result'.

> **Insurance service result:** it includes the accrual of the margin on savings insurance contracts, as well as on Unit Linked products, and the recognition of income and expenses from claims corresponding to short term risk-related insurance. For the entire insurance business, this line item is reported net of expenses directly attributable to the contracts.

> The **expenses directly attributable** to insurance contracts are reported as lower income in the heading 'Insurance service result', and were previously recognised in **Operating expenses** and **Fee and commission income**.

Quarterly income statement for 2022 restated

€ million	1Q22	2Q22	3Q22	4Q22	2022
Net interest income	1,459	1,520	1,603	1,970	6,553
Dividend income	1	130	—	32	163
Share of profit/(loss) of entities accounted for using the equity method	51	60	81	30	222
Net fee and commission income	936	992	968	959	3,855
Trading income	142	102	73	11	328
Income and expense under insurance or reinsurance contracts	—	—	—	—	—
Insurance service result	209	214	236	277	935
Other operating income and expense	(141)	(256)	(89)	(477)	(963)
Gross income	2,658	2,762	2,872	2,801	11,093
Recurring administrative expenses, depreciation and amortisation	(1,406)	(1,367)	(1,375)	(1,376)	(5,525)
Extraordinary expenses	(8)	(16)	(11)	(15)	(50)
Pre-impairment income	1,244	1,379	1,485	1,410	5,519
Pre-impairment income stripping out extraordinary expenses	1,252	1,395	1,496	1,425	5,568
Allowances for insolvency risk	(228)	(147)	(172)	(434)	(982)
Other charges to provisions	(45)	(45)	(33)	(6)	(130)
Gains/(losses) on disposal of assets and others	(9)	(26)	(20)	(32)	(87)
Profit/(loss) before tax	961	1,161	1,260	938	4,320
Income tax expense	(255)	(293)	(364)	(278)	(1,189)
Profit/(loss) after tax	**707**	**868**	**896**	**660**	**3,131**
Profit/(loss) attributable to minority interest and others	1	0	0	1	2
Profit/(loss) attributable to the Group	**706**	**867**	**896**	**659**	**3,129**

Below is a table showing the '**Insurance service result**' arranged by business and the '**Recurring administrative expenses, depreciation and amortisation**' restated by quarter:

€ million	1Q22	2Q22	3Q22	4Q22	2022
Risk business	130	129	156	175	590
Savings business	58	63	58	66	245
Unit Linked business	21	22	21	36	100
Insurance service result	209	214	236	277	935

€ million	1Q22	2Q22	3Q22	4Q22	2022
Personnel expenses	(865)	(826)	(832)	(836)	(3,360)
General expenses	(364)	(360)	(360)	(352)	(1,435)
Depreciation and amortisation	(177)	(182)	(183)	(188)	(730)
Recurring administrative expenses, depreciation and amortisation	(1,406)	(1,367)	(1,375)	(1,376)	(5,525)

Balance sheet

The following table shows the **balance sheet at 31 December 2022** reported to the market, as well as the restated balance sheet after applying IFRS 17 and IFRS 9:

	31 December 2022		
€ million	**Reported IFRS 4**	**IFRS 17/9 adjustments**	**IFRS 17/9[1]**
Cash and cash balances at central banks and other demand deposits	20,522	—	20,522
Financial assets held for trading	7,382	—	7,382
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	183	11,168	11,351
Equity instruments	127	11,168	11,295
Debt securities	6	—	6
Loans and advances	50	—	50
Financial assets designated at fair value through profit or loss	—	8,022	8,022
Financial assets at fair value with changes in other comprehensive income	12,942	51,590	64,532
Financial assets at amortised cost	442,754	3,414	446,168
Credit institutions	12,187	210	12,397
Customers	352,834	—	352,834
Debt securities	77,733	3,204	80,937
Derivatives - Hedge accounting	649	813	1,462
Investments in joint ventures and associates	2,034	20	2,054
Assets under the insurance business	68,534	(68,534)	—
Assets under reinsurance contracts	—	63	63
Tangible assets	7,516	—	7,516
Intangible assets	5,219	(195)	5,024
Non-current assets and disposal groups classified as held for sale	2,426	—	2,426
Other assets	22,075	253	22,328
Total assets	**592,234**	**6,616**	**598,850**
Liabilities	557,972	7,170	565,142
Financial liabilities held for trading	4,030	—	4,030
Financial liabilities designated at fair value through profit or loss	—	3,409	3,409
Financial liabilities at amortised cost	482,501	546	483,047
Deposits from central banks and credit institutions	28,810	—	28,810
Customer deposits	393,060	574	393,634
Debt securities issued	52,608	—	52,608
Other financial liabilities	8,022	(27)	7,995
Derivatives - Hedge accounting	1,371	6,398	7,769
Liabilities under the insurance business	65,654	(65,654)	—
Insurance contract liabilities	—	62,595	62,595
Provisions	5,263	(32)	5,231
Other liabilities	(847)	(92)	(939)
Equity	34,263	(555)	33,708
Shareholders' equity	36,639	(731)	35,908
Minority interest	32	—	32
Accumulated other comprehensive income	(2,409)	177	(2,232)
Total liabilities and equity	**592,234**	**6,616**	**598,850**

(1) Opening balance sheet at 1 January 2023, after the unaudited restatement of IFRS 17 / IFRS 9.

The restated balance sheet includes the assets and liabilities under the insurance business in different line items in accordance with their nature. Previously, they were grouped in two specific line items.

Below is a summary of the main restatement adjustments:

> Portfolio of financial investments related to Unit Linked products and other: it is classified in its entirety in 'Financial assets designated at fair value through profit or loss', except equity instruments, which are reported in 'Financial assets not designated for trading compulsorily measured at fair value through profit or loss'.

> Rest of the portfolio of financial investments under the insurance business: they are mostly fixed-income assets that are eligible to be classified in 'Financial assets at fair value with changes in other comprehensive income'. Shares in mutual funds are compulsorily measured at fair value through profit or loss. A part of the fixed-income portfolio has been classified in 'Financial assets at amortised cost' to mitigate the volatility in other comprehensive income generated under IFRS 17.

> Derivatives used to adjust the flows of financial instruments to the claims expected to be paid to the insured: these derivatives are classified in 'Derivatives – Hedge accounting' in accordance with IFRS 9. This item explains most of the increase in the balance sheet's total under IFRS 17. Under the previous accounting standard, it was reported at fair value together with the valuation of the associated financial instrument.

> Intangible assets from business combinations carried out before the transition must be derecognised in accordance with IFRS 17, except those related to the short-term risk-related business.

> With regard to Unit Linked products and other, the valuation of insurance liabilities is reported in 'Insurance contract liabilities', except those which do not bear significant insurance risk, which are included in 'Financial liabilities designated at fair value through profit or loss' and 'Financial liabilities at amortised cost'.

> In accordance with IFRS 17, the new valuation of the rest of the insurance business is reported in 'Insurance contract liabilities', except for reinsurance contracts held which are reported separately in 'Assets under reinsurance contracts'. A component of this valuation is the specific estimate of the future profit expected and generated by each policy issued and not cancelled at year-end (known as the contractual service margin). The accrual of this margin throughout the life of the contract is included in the heading 'Insurance service result' of the income statement.

> The tax effects of the above adjustments are included in 'Other assets' and 'Other liabilities'.

Following the restatement, the Group's total assets increase by €6,616 million and liabilities by €7,170 million. The impact on equity amounts to €-555 million, of which €-731 million correspond to Shareholders' equity and €+177 million to Accumulated other comprehensive income.

Main ratios

The following table shows the impact of the restatement on the main **cost-to-income, profitability and stock market ratios after applying IFRS 17 and IFRS 9**:

	2022		
	Reported IFRS 4	IFRS 17/9	Change
Administrative expenses, depreciation and amortisation stripping out extraordinary expenses	6,020	5,525	(495)
Gross income	11,594	11,093	(501)
Recurring cost-to-income ratio (12 months)	51.9%	49.8%	(2.1)
Profit/(loss) attributable to the Group adjusted by AT1	2,884	2,868	(16)
Average shareholder equity + valuation adjustments	34,880	34,578	(302)
ROE (12 months)	8.3%	8.3%	—
Profit/(loss) attributable to the Group adjusted by AT1	2,884	2,868	(16)
Average shareholder equity + valuation adjustments excluding intangible assets	29,533	29,368	(165)
ROTE (12 months)	9.8%	9.8%	—
Net profit adjusted by AT1	2,888	2,871	(17)
Average total assets	698,644	705,478	6,834
ROA (12 months)	0.4%	0.4%	—
Equity adjusted by minority interest	34,230	33,675	(555)
Shares outstanding, net of treasury shares	7,494	7,495	1
Book value per share at 31 Dec. 2022	4.57	4.49	(0.08)
Equity adjusted by minority interest and intangible assets	28,636	28,277	(359)
Shares outstanding, net of treasury shares	7,494	7,495	1
Tangible book value per share at 31 Dec. 2022	3.82	3.77	(0.05)

Results by business segment

The table below shows the **quarterly income statement for 2022 and the main balance sheet figures by business segment** reported to the market and restated after applying IFRS 17 / IFRS 9.

The **Banking and Insurance** business, which shows earnings from the insurance firm VidaCaixa, is the business most impacted by this adjustment, as it includes most of the Group's insurance business.

In **BPI**, the adjustment is due to the restatement of Allianz Portugal's net income (BPI holds a 35% stake in the company and markets its general insurance products in Portugal, recognising its income using the equity method).

The **Corporate centre** includes the difference between the Group's equity and the capital assigned to the businesses following the restatement:

€ million	Banking and Insurance 2022 reported IFRS 4	Banking and Insurance IFRS 17/9 adjustments	Banking and Insurance 2022 IFRS 17/9	BPI 2022 reported IFRS 4	BPI IFRS 17/9 adjustments	BPI 2022 IFRS 17/9
Net interest income	6,366	(362)	6,004	544	—	544
Dividend income and share of profit/(loss) of entities accounted for using the equity method	212	(46)	166	29	4	33
Net fee and commission income	3,714	(155)	3,559	296	—	296
Trading income	299	(10)	289	27	—	27
Income and expense under insurance or reinsurance contracts	866	(866)	—	—	—	—
Insurance service result	—	935	935		—	
Other operating income and expense	(918)	0	(917)	(38)	—	(38)
Gross income	10,539	(504)	10,035	857	4	861
Recurring administrative expenses, depreciation and amortisation	(5,505)	495	(5,010)	(455)	—	(455)
Extraordinary expenses	(50)	—	(50)		—	
Pre-impairment income	4,984	(8)	4,976	402	4	407
Pre-impairment income stripping out extraordinary expenses	5,034	(8)	5,026	402	4	407
Allowances for insolvency risk	(976)	—	(976)	(6)	—	(6)
Other charges to provisions	(98)	(1)	(99)	(22)	—	(22)
Gains/(losses) on disposal of assets and others	(69)	—	(69)	—	—	—
Profit/(loss) before tax	3,842	(9)	3,833	374	4	378
Income tax expense	(1,089)	(11)	(1,100)	(101)	—	(101)
Profit/(loss) after tax	**2,753**	**(20)**	**2,734**	**272**	**4**	**277**
Profit/(loss) attributable to minority interest and others	2	—	2	—	—	—
Profit/(loss) attributable to the Group	**2,751**	**(20)**	**2,731**	**272**	**4**	**277**
Assets	**548,046**	**7,042**	**555,088**	**38,795**	**9**	**38,804**
Liabilities	**520,274**	**7,161**	**527,435**	**36,340**	**9**	**36,349**
Assigned capital	**27,740**	**(119)**	**27,621**	**2,455**	**—**	**2,455**

€ million	Corporate centre 2022 reported IFRS 4	Corporate centre IFRS 17/9 adjustments	Corporate centre 2022 IFRS 17/9
Net interest income	6	(2)	4
Dividend income and share of profit/(loss) of entities accounted for using the equity method	187	—	187
Net fee and commission income	—	—	—
Trading income	12	—	12
Income and expense under insurance or reinsurance contracts	—	—	—
Insurance service result	—	—	—
Other operating income and expense	(7)	—	(7)
Gross income	198	(2)	196
Recurring administrative expenses, depreciation and amortisation	(60)	—	(60)
Extraordinary expenses	—	—	—
Pre-impairment income	138	(2)	136
Pre-impairment income stripping out extraordinary expenses	138	(2)	136
Allowances for insolvency risk	—	—	—
Other charges to provisions	(9)	—	(9)
Gains/(losses) on disposal of assets and others	(19)	—	(19)
Profit/(loss) before tax	110	(2)	109
Income tax expense	12	—	12
Profit/(loss) after tax	**122**	**(1)**	**121**
Profit/(loss) attributable to minority interest and others	—	—	—
Profit/(loss) attributable to the Group	**122**	**(1)**	**121**
Assets	**5,394**	**(435)**	**4,959**
Liabilities	**1,358**	**—**	**1,358**
Assigned capital	**4,036**	**(435)**	**3,600**

15 APPENDICES

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.

		4Q22	1Q23	2Q23	3Q23	4Q23
Numerator	Annualised quarterly income from loans and advances to customers	7,986	10,747	12,687	14,136	14,775
Denominator	Net average balance of loans and advances to customers	340,765	338,447	338,029	334,372	330,720
(a)	**Average yield rate on loans (%)**	**2.34**	**3.18**	**3.75**	**4.23**	**4.47**
Numerator	Annualised quarterly cost of on-balance sheet retail customer funds	603	1,213	2,086	2,698	3,412
Denominator	Average balance of on-balance sheet retail customers funds	384,810	378,532	378,501	382,179	381,748
(b)	**Average cost rate of retail customer funds (%)**	**0.16**	**0.32**	**0.55**	**0.71**	**0.89**
	Customer spread (%) (a - b)	2.18	2.86	3.20	3.52	3.58

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.

		4Q22	1Q23	2Q23	3Q23	4Q23
Numerator	Annualised quarterly interest income	11,490	14,628	17,624	19,702	20,853
Denominator	Average total assets for the quarter	686,491	616,023	622,732	621,007	615,471
(a)	**Average return rate on assets (%)**	**1.67**	**2.37**	**2.83**	**3.17**	**3.39**
Numerator	Annualised quarterly interest expenses	3,674	5,779	7,829	8,831	9,946
Denominator	Average total funds for the quarter	686,491	616,023	622,732	621,007	615,471
(b)	**Average cost of fund rate (%)**	**0.54**	**0.94**	**1.26**	**1.42**	**1.62**
	Balance sheet spread (%) (a - b)	1.13	1.43	1.57	1.75	1.77

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.

		IFRS 4	IFRS 17/9				
		4Q22	4Q22	1Q23	2Q23	3Q23	4Q23
(a)	Profit/(loss) attributable to the Group 12M	3,145	3,129	3,278	3,692	4,318	4,816
(b)	Additional Tier 1 coupon	(261)	(261)	(253)	(257)	(269)	(277)
Numerator	**Adjusted profit/(loss) attributable to the Group 12M (a+b)**	**2,884**	**2,868**	**3,025**	**3,435**	**4,049**	**4,539**
(c)	Average shareholder equity 12M	36,822	36,225	36,042	35,832	36,080	36,563
(d)	Average valuation adjustments 12M	(1,943)	(1,647)	(1,880)	(2,003)	(2,099)	(2,124)
Denominator	**Average shareholder equity + valuation adjustments 12M (c+d)**	**34,880**	**34,578**	**34,162**	**33,830**	**33,981**	**34,438**
	ROE (%)	8.3%	8.3%	8.9%	10.2%	11.9%	13.2%

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.

		IFRS 4	IFRS 17/9				
		4Q22	4Q22	1Q23	2Q23	3Q23	4Q23
(a)	Profit/(loss) attributable to the Group 12M	3,145	3,129	3,278	3,692	4,318	4,816
(b)	Additional Tier 1 coupon	(261)	(261)	(253)	(257)	(269)	(277)
Numerator	**Adjusted profit/(loss) attributable to the Group 12M (a+b)**	**2,884**	**2,868**	**3,025**	**3,435**	**4,049**	**4,539**
(c)	Average shareholder equity 12M	36,822	36,225	36,042	35,832	36,080	36,563
(d)	Average valuation adjustments 12M	(1,943)	(1,647)	(1,880)	(2,003)	(2,099)	(2,124)
(e)	Average intangible assets 12M	(5,347)	(5,210)	(5,269)	(5,312)	(5,355)	(5,382)
Denominator	**Average shareholder equity + valuation adjustments excluding intangible assets 12M (c+d+e)**	**29,533**	**29,368**	**28,893**	**28,517**	**28,626**	**29,056**
	ROTE (%)	9.8%	9.8%	10.5%	12.0%	14.1%	15.6%

e. ROA:

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

Purpose: measures the level of return relative to assets.

		IFRS 4	IFRS 17/9				
		4Q22	4Q22	1Q23	2Q23	3Q23	4Q23
(a)	Profit/(loss) after tax and before minority interest 12M	3,149	3,132	3,281	3,694	4,321	4,818
(b)	Additional Tier 1 coupon	(261)	(261)	(253)	(257)	(269)	(277)
Numerator	**Adjusted net profit 12M (a+b)**	**2,888**	**2,871**	**3,028**	**3,438**	**4,052**	**4,542**
Denominator	**Average total assets 12M**	**698,644**	**705,478**	**681,570**	**658,680**	**636,714**	**618,813**
	ROA (%)	0.4%	0.4%	0.4%	0.5%	0.6%	0.7%

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.

		IFRS 4	IFRS 17/9				
		4Q22	4Q22	1Q23	2Q23	3Q23	4Q23
(a)	Profit/(loss) after tax and before minority interest 12M	3,149	3,132	3,281	3,694	4,321	4,818
(b)	Additional Tier 1 coupon	(261)	(261)	(253)	(257)	(269)	(277)
Numerator	**Adjusted net profit 12M (a+b)**	**2,888**	**2,871**	**3,028**	**3,438**	**4,052**	**4,542**
Denominator	**Risk-weighted assets (regulatory) 12M**	**215,077**	**215,077**	**215,207**	**215,623**	**216,837**	**219,389**
	RORWA (%)	1.3%	1.3%	1.4%	1.6%	1.9%	2.1%

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.

		IFRS 4	IFRS 17/9				
		4Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Numerator	**Administrative expenses, depreciation and amortisation 12M**	**6,070**	**5,574**	**5,603**	**5,677**	**5,765**	**5,822**
Denominator	**Gross income 12M**	**11,594**	**11,093**	**11,537**	**12,346**	**13,491**	**14,231**
	Cost-to-income ratio	52.4%	50.3%	48.6%	46.0%	42.7%	40.9%
Numerator	**Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M**	**6,020**	**5,525**	**5,558**	**5,645**	**5,741**	**5,812**
Denominator	**Gross income 12M**	**11,594**	**11,093**	**11,537**	**12,346**	**13,491**	**14,231**
	Cost-to-income ratio stripping out extraordinary expenses	51.9%	49.8%	48.2%	45.7%	42.6%	40.8%
Numerator	**Administrative expenses, depreciation and amortisation stripping out extraordinary expenses 12M**	**6,020**	**5,525**	**5,558**	**5,645**	**5,741**	**5,812**
Denominator	**Core income 12M**	**11,997**	**11,504**	**12,307**	**13,197**	**14,343**	**15,137**
	Core cost-to-income ratio	50.2%	48.0%	45.2%	42.8%	40.0%	38.4%

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.

		4Q22	1Q23	2Q23	3Q23	4Q23
Numerator	**Allowances for insolvency risk 12M**	**982**	**1,009**	**1,062**	**1,172**	**1,097**
Denominator	**Average of gross loans + contingent liabilities 12M**	**386,862**	**389,593**	**390,562**	**389,044**	**387,028**
	Cost of risk (%)	0.25%	0.26%	0.27%	0.30%	0.28%

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.

		4Q22	1Q23	2Q23	3Q23	4Q23
Numerator	**Non-performing loans and contingent liabilities**	**10,690**	**10,447**	**10,317**	**10,200**	**10,516**
Denominator	**Total gross loans and contingent liabilities**	**391,199**	**390,190**	**393,583**	**384,428**	**384,008**
	Non-performing loan ratio (%)	2.7%	2.7%	2.6%	2.7%	2.7%

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.

		4Q22	1Q23	2Q23	3Q23	4Q23
Numerator	**Provisions on loans and contingent liabilities**	**7,867**	**7,921**	**7,880**	**7,725**	**7,665**
Denominator	**Non-performing loans and contingent liabilities**	**10,690**	**10,447**	**10,317**	**10,200**	**10,516**
	Coverage ratio (%)	74%	76%	76%	76%	73%

d. Real estate available for sale coverage ratio:

Explanation: quotient between:

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

> gross debt cancelled at the foreclosure or surrender of the real estate asset.

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

		4Q22	1Q23	2Q23	3Q23	4Q23
(a)	Gross debt cancelled at the foreclosure	3,774	3,622	3,486	3,376	3,158
(b)	Net book value of the foreclosed assets	1,893	1,826	1,759	1,688	1,582
Numerator	**Total coverage of the foreclosed asset (a - b)**	**1,881**	**1,796**	**1,727**	**1,688**	**1,576**
Denominator	**Gross debt cancelled at the foreclosure**	**3,774**	**3,622**	**3,486**	**3,376**	**3,158**
	Real estate available for sale coverage ratio (%)	50%	50%	50%	50%	50%

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

Explanation: quotient between:

> Accounting coverage: charges to provisions of foreclosed assets.

> Book value of the foreclosed asset: sum of net carrying amount and the accounting provision.

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

		4Q22	1Q23	2Q23	3Q23	4Q23
Numerator	**Accounting provisions of the foreclosed assets**	**952**	**903**	**874**	**865**	**813**
(a)	Net book value of the foreclosed assets	1,893	1,826	1,759	1,688	1,582
(b)	Accounting provisions of the foreclosed assets	952	903	874	865	813
Denominator	**Gross book value of the foreclosed asset (a + b)**	**2,845**	**2,729**	**2,633**	**2,554**	**2,395**
	Real estate available for sale accounting coverage (%)	33%	33%	33%	34%	34%

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.

		4Q22	1Q23	2Q23	3Q23	4Q23
(a)	**High Quality Liquid Assets (HQLAs)**	**95,063**	**95,798**	**98,110**	**102,659**	**101,384**
(b)	**Available balance under the ECB facility (non-HQLAs)**	**43,947**	**37,069**	**48,536**	**51,155**	**58,820**
	Total liquid assets (a + b)	139,010	132,867	146,646	153,813	160,204

b. Loan-to-deposits:

Explanation: quotient between:

- Net loans and advances to customers using management criteria excluding brokered loans (funded by public institutions).
- Customer deposits and accruals.

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

		4Q22	1Q23	2Q23	3Q23	4Q23
Numerator	**Loans and advances to customers, net (a-b-c)**	**350,670**	**350,504**	**353,539**	**344,655**	**343,758**
(a)	Loans and advances to customers, gross	361,323	361,077	363,952	355,057	354,098
(b)	Provisions for insolvency risk	7,408	7,437	7,376	7,238	7,339
(c)	Brokered loans	3,245	3,136	3,037	3,163	3,001
Denominator	**Customer deposits and accruals (d+e)**	**386,054**	**380,859**	**388,380**	**383,549**	**385,881**
(d)	Customer deposits	386,017	380,761	388,183	383,232	385,507
(e)	Accruals included in Reverse repurchase agreements and other	37	99	197	318	375
	Loan to Deposits (%)	91%	92%	91%	90%	89%

4. Stock market ratios

a. EPS (Earnings per share): Profit/(loss) attributed to the Group divided by the average number of shares outstanding.

*Note: The **average number of shares outstanding** is calculated as the average number of shares issued less the average number of treasury shares (includes the impact of the share buy-back programme for the executed volume associated with share buy-backs). The average is calculated as the average number of shares at the closing of each month of the analysed period.*

		IFRS 4	IFRS 17/9				
		4Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Numerator	**Profit/(loss) attributable to the Group 12M**	**3,145**	**3,129**	**3,278**	**3,692**	**4,318**	**4,816**
Denominator	**Average number of shares outstanding, net of treasury shares**	**7,819**	**7,819**	**7,690**	**7,566**	**7,505**	**7,472**
	EPS (Earnings per share)	0.40	0.40	0.43	0.49	0.58	0.64
	Additional Tier 1 coupon	(261)	(261)	(253)	(257)	(269)	(277)
Numerator	**Numerator adjusted by AT1 coupon**	**2,884**	**2,868**	**3,025**	**3,435**	**4,049**	**4,539**
	EPS (Earnings per share) adjusted by AT1 coupon	0.37	0.37	0.39	0.45	0.54	0.61

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

		IFRS 4	IFRS 17/9				
		4Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Numerator	**Share price at the end of the period**	**3.672**	**3.672**	**3.584**	**3.787**	**3.786**	**3.726**
Denominator	**Earnings per share (EPS)**	**0.40**	**0.40**	**0.43**	**0.49**	**0.58**	**0.64**
	PER (Price-to-earnings ratio)	9.13	9.18	8.41	7.76	6.58	5.78

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

		4Q22	1Q23	2Q23	3Q23	4Q23
Numerator	**Dividends paid (in shares or cash) last year**	**0.15**	**0.23**	**0.23**	**0.23**	**0.23**
Denominator	**Share price at the end of the period**	**3.672**	**3.584**	**3.787**	**3.786**	**3.726**
	Dividend yield	3.98%	6.43%	6.09%	6.09%	6.19%

d. BVPS (Book value per share): equity less minority interests divided by the number of shares outstanding at a specific date.

*The **book value** and **tangible book value** per share include the impact of the share buy-back programme for the amount executed at the end of the quarter, in both the numerator (excluding the repurchased shares from shareholder equity, in spite of not having been redeemed yet) and the denominator (the number of shares does not include the repurchased shares).*

Outstanding shares equals shares issued (less treasury shares) at a specific date.

TBVPS (Tangible book value per share): quotient between:

> equity less minority interests and intangible assets.

> the number of 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.

		IFRS 4	IFRS 17/9				
		4Q22	4Q22	1Q23	2Q23	3Q23	4Q23
(a)	Equity	34,263	33,708	33,034	34,044	35,332	36,339
(b)	Minority interest	(32)	(32)	(33)	(32)	(33)	(32)
Numerator	**Adjusted equity (c = a+b)**	**34,230**	**33,675**	**33,001**	**34,012**	**35,299**	**36,307**
Denominator	**Shares outstanding, net of treasury shares (d)**	**7,494**	**7,495**	**7,495**	**7,495**	**7,477**	**7,367**
e= (c/d)	Book value (€/share)	4.57	4.49	4.40	4.54	4.72	4.93
(f)	Intangible assets (reduce adjusted equity)	(5,594)	(5,399)	(5,371)	(5,363)	(5,382)	(5,367)
g=((c+f)/d)	Tangible book value (€/share)	3.82	3.77	3.69	3.82	4.00	4.20
(h)	Share price at the end of the period	3.672	3.672	3.584	3.787	3.786	3.726
h/e	P/BV (Share price divided by book value)	0.80	0.82	0.81	0.83	0.80	0.76
h/g	P/TBV tangible (Share price divided by tangible book value)	0.96	0.97	0.97	0.99	0.95	0.89

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 at fair value through profit or loss (net).
- Gains/(losses) on financial assets and liabilities held for trading, net.
- Gains/(losses) from hedge accounting, net.
- Exchange differences (net).

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

- Administrative expenses.
- Depreciation and amortisation.

Pre-impairment income.

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

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

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss or 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.
- Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (net).

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

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

Reconciliation of activity indicators using management criteria

| LOANS AND ADVANCES TO CUSTOMERS, GROSS

December 2023

€ million	
Financial assets at amortised cost - Customers (Public Balance Sheet)	**344,384**
Clearing houses and sureties provided in cash	(1,584)
Other, non-retail, financial assets	(260)
Fixed income bonds considered retail financing (Financial assets at amortised cost - Public debt securities, Balance Sheet)	4,219
Provisions for insolvency risk	7,339
Loans and advances to customers (gross) using management criteria	**354,098**

| INSURANCE CONTRACT LIABILITIES

December 2023

€ million	
Insurance contract liabilities (Public Balance Sheet)	**70,240**
Financial component's correction as a result of updating the liabilities in accordance with IFRS 17 (excluding Unit Link and other)	278
Financial liabilities designated at fair value through profit or loss (Public Balance Sheet)	3,283
Other financial liabilities not considered as Insurance contract liabilities	(2)
Financial liabilities of BPI Vida registered under Financial liabilities at amortised cost - Customer deposits	739
Insurance contract liabilities, using management criteria	**74,538**

| CUSTOMER FUNDS

December 2023

€ million	
Financial liabilities at amortised cost - Customer deposits (Public balance sheet)	**397,499**
Non-retail financial liabilities (registered under Financial liabilities at amortised cost - Customer deposits)	**(10,148)**
Multi-issuer covered bonds and subordinated deposits	(4,043)
Counterparties and other	(6,105)
Retail financial liabilities (registered under Financial liabilities at amortised cost - Debt securities)	**1,433**
Retail issues and other	1,433
Liabilities under insurance contracts, using management criteria	**74,538**
Total on-balance sheet customer funds	**463,323**
Assets under management	**160,827**
Other accounts[1]	**6,179**
Total customer funds	**630,330**

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

| INSTITUTIONAL FINANCING FOR BANKING LIQUIDITY PURPOSES

December 2023

€ million	
Financial liabilities at amortised cost - Debt securities issued (Public Balance Sheet)	**56,755**
Institutional financing not considered for the purpose of managing bank liquidity	**(4,570)**
Securitised bonds	(918)
Value adjustments	(2,576)
Retail	(1,433)
Issues acquired by companies within the group and other	356
Customer deposits for the purpose of managing bank liquidity[1]	**4,043**
Institutional financing for the purpose of managing bank liquidity	**56,227**

(1) A total of €4,010 million in multi-issuer covered bonds (net of retained issues) and €33 million in subordinated deposits.

| FORECLOSED REAL ESTATE ASSETS (AVAILABLE FOR SALE AND HELD FOR RENT)

December 2023

€ million	
Non-current assets and disposal groups classified as held for sale (Public Balance Sheet)	**2,121**
Other non-foreclosed assets	(571)
Inventories under the heading - Other assets (Public Balance Sheet)	**32**
Foreclosed available for sale real estate assets	**1,582**
Tangible assets (Public Balance Sheet)	**7,300**
Tangible assets for own use	(5,877)
Other assets	(296)
Foreclosed rental real estate assets	**1,127**

HISTORICAL FIGURES FOR THE CABK AND BPI PERIMETERS

| A. QUARTERLY PERFORMANCE OF THE INCOME STATEMENT AND SOLVENCY RATIOS

€ million	CABK 4Q23	3Q23	2Q23	1Q23	4Q22
Net interest income	**2,495**	**2,486**	**2,212**	**1,975**	**1,795**
Dividend income	18	0	3	68	31
Share of profit/(loss) of entities accounted for using the equity method	15	88	54	63	6
Net fee and commission income	844	823	835	864	882
Trading income	20	66	92	75	23
Insurance service result	321	297	257	244	277
Other operating income and expense	(481)	(90)	(219)	(465)	(480)
Gross income	**3,232**	**3,670**	**3,233**	**2,825**	**2,534**
Recurring administrative expenses, depreciation and amortisation	(1,329)	(1,343)	(1,327)	(1,313)	(1,263)
Extraordinary expenses		(4)	(3)	(2)	(15)
Pre-impairment income	**1,903**	**2,323**	**1,903**	**1,509**	**1,256**
Pre-impairment income stripping out extraordinary expenses	**1,903**	**2,327**	**1,906**	**1,512**	**1,271**
Allowances for insolvency risk	(354)	(274)	(186)	(233)	(406)
Other charges to provisions	(40)	(76)	(74)	(24)	19
Gains/(losses) on disposal of assets and others	(42)	(22)	(47)	(19)	(31)
Profit/(loss) before tax	**1,468**	**1,951**	**1,596**	**1,233**	**838**
Income tax expense	(439)	(563)	(476)	(463)	(257)
Profit/(loss) after tax	**1,029**	**1,388**	**1,120**	**771**	**580**
Profit/(loss) attributable to minority interest and others	0	(0)	0	(0)	1
Profit/(loss) attributable to the Group	**1,029**	**1,388**	**1,120**	**771**	**580**
Risk-weighted assets	*209,657*	*203,876*	*199,543*	*197,014*	*197,823*
CET1	*12.2%*	*12.1%*	*12.3 %*	*12.5%*	*12.6%*
Total capital	*17.0%*	*17.0%*	*17.4%*	*17.8%*	*17.2%*

€ million	BPI 4Q23	3Q23	2Q23	1Q23	4Q22
Net interest income	**254**	**254**	**230**	**207**	**175**
Dividend income	0	0	75	0	0
Share of profit/(loss) of entities accounted for using the equity method	20	13	12	16	25
Net fee and commission income	73	71	74	73	77
Trading income	1	6	(30)	6	(12)
Insurance service result					
Other operating income and expense	(38)	2	(21)	(26)	3
Gross income	**310**	**346**	**339**	**277**	**267**
Recurring administrative expenses, depreciation and amortisation	(119)	(129)	(127)	(126)	(113)
Extraordinary expenses					
Pre-impairment income	**192**	**218**	**212**	**150**	**154**
Pre-impairment income stripping out extraordinary expenses	**192**	**218**	**212**	**150**	**154**
Allowances for insolvency risk	(6)	(9)	(14)	(22)	(28)
Other charges to provisions	(13)	(18)	(1)	(1)	(25)
Gains/(losses) on disposal of assets and others	(10)	(2)	3	(1)	(0)
Profit/(loss) before tax	**162**	**189**	**199**	**125**	**100**
Income tax expense	(34)	(55)	(38)	(41)	(21)
Profit/(loss) after tax	**128**	**134**	**161**	**84**	**80**
Profit/(loss) attributable to minority interest and others					
Profit/(loss) attributable to the Group	**128**	**134**	**161**	**84**	**80**
Risk-weighted assets	*18,962*	*18,547*	*18,427*	*18,119*	*17,280*
CET1	*14.1%*	*14.5%*	*14.3%*	*14.3%*	*14.8%*
Total capital	*17.9%*	*18.4%*	*18.2%*	*18.3%*	*18.9%*

| B. QUARTERLY COST AND INCOME AS PART OF NET INTEREST INCOME

		CAIXABANK														
		4Q23			3Q23			2Q23			1Q23			4Q22		
€ million		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		52,704	564	4.24	51,127	518	4.02	47,410	414	3.50	42,433	277	2.65	103,621	293	1.12
Loans and advances	(a)	305,211	3,405	4.43	309,046	3,266	4.19	312,753	2,904	3.72	313,243	2,438	3.16	315,500	1,853	2.33
Debt securities		79,984	313	1.55	82,027	293	1.42	83,495	266	1.28	83,698	201	0.97	85,525	168	0.78
Other assets with returns		60,153	502	3.31	59,538	437	2.91	59,106	427	2.90	57,929	381	2.67	56,321	341	2.40
Other assets		83,754	89		85,598	96		86,169	74		85,733	57		88,146	39	
Total average assets	**(b)**	**581,806**	**4,873**	**3.32**	**587,336**	**4,610**	**3.11**	**588,933**	**4,085**	**2.78**	**583,036**	**3,354**	**2.33**	**649,113**	**2,694**	**1.65**
Financial Institutions		40,509	(458)	4.49	46,361	(481)	4.12	55,846	(498)	3.58	49,825	(352)	2.86	110,786	(208)	0.74
Retail customer funds	(c)	352,935	(775)	0.87	353,491	(623)	0.70	349,629	(480)	0.55	349,635	(278)	0.32	354,686	(143)	0.16
Wholesale marketable debt securities & other		48,150	(597)	4.92	46,503	(521)	4.44	43,764	(420)	3.85	45,101	(331)	2.98	46,295	(184)	1.58
Subordinated liabilities		9,997	(87)	3.44	10,617	(82)	3.06	10,893	(73)	2.70	9,798	(53)	2.19	8,796	(25)	1.15
Other funds with cost		76,176	(449)	2.34	75,742	(400)	2.09	74,163	(390)	2.11	72,999	(355)	1.97	70,969	(330)	1.84
Other funds		54,039	(12)		54,622	(17)		54,638	(12)		55,678	(10)		57,581	(9)	
Total average funds	**(d)**	**581,806**	**(2,378)**	**1.62**	**587,336**	**(2,124)**	**1.43**	**588,933**	**(1,873)**	**1.28**	**583,036**	**(1,379)**	**0.96**	**649,113**	**(899)**	**0.55**
Net interest income		**2,495**			**2,486**			**2,212**			**1,975**			**1,795**		
Customer spread (%)	**(a-c)**	**3.56**			**3.49**			**3.17**			**2.84**			**2.17**		
Balance sheet spread (%)	**(b-d)**	**1.70**			**1.68**			**1.50**			**1.37**			**1.10**		

		BPI														
		4Q23			3Q23			2Q23			1Q23			4Q22		
€ million		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		3,361	32	3.74	3,038	29	3.76	2,798	22	3.18	2,627	18	2.78	6,421	25	1.55
Loans and advances	(a)	25,577	319	4.95	25,391	299	4.67	25,341	259	4.10	25,260	212	3.40	25,319	160	2.50
Debt securities		8,201	46	2.22	8,639	43	1.99	8,602	39	1.82	8,380	30	1.45	8,328	22	1.06
Other assets with returns			2			2			2			2			4	
Other assets		2,230	3		2,213			2,663	2		2,444	2		3,276	2	
Total average assets	**(b)**	**39,369**	**402**	**4.05**	**39,281**	**373**	**3.77**	**39,404**	**324**	**3.30**	**38,711**	**264**	**2.77**	**43,344**	**213**	**1.95**
Financial Institutions		1,996	(21)	4.19	2,802	(26)	3.74	3,337	(28)	3.35	2,380	(18)	3.03	5,932	(10)	0.67
Retail customer funds	(c)	28,937	(86)	1.18	28,571	(58)	0.80	28,674	(40)	0.55	29,096	(21)	0.29	30,093	(10)	0.13
Wholesale marketable debt securities & other		2,643	(32)	4.86	2,501	(27)	4.30	1,899	(19)	4.06	1,899	(13)	2.69	1,899	(12)	2.60
Subordinated liabilities		425	(8)	7.33	425	(7)	6.90	425	(7)	6.76	425	(6)	5.25	425	(5)	4.70
Other funds with cost																
Other funds		5,368	(1)		4,982			5,068			4,911			4,995		
Total average funds	**(d)**	**39,369**	**(148)**	**1.49**	**39,281**	**(119)**	**1.20**	**39,404**	**(94)**	**0.96**	**38,711**	**(57)**	**0.60**	**43,344**	**(38)**	**0.34**
Net interest income		**254**			**254**			**230**			**207**			**175**		
Customer spread (%)	**(a-c)**	**3.77**			**3.87**			**3.55**			**3.11**			**2.37**		
Balance sheet spread (%)	**(b-d)**	**2.56**			**2.57**			**2.34**			**2.17**			**1.61**		

C. QUARTERLY CHANGE IN FEES AND COMMISSIONS

€ million	CAIXABANK 4Q23	3Q23	2Q23	1Q23	4Q22
Banking services, securities and other fees	455	453	469	508	524
Sale of insurance products	88	82	84	91	81
Mutual funds, managed accounts and SICAVs	212	214	209	191	196
Pension plans and other	89	75	73	74	81
Net fee and commission income	**844**	**823**	**835**	**864**	**882**

€ million	BPI 4Q23	3Q23	2Q23	1Q23	4Q22
Banking services, securities and other fees	47	45	48	47	47
Sale of insurance products	12	12	12	13	13
Mutual funds, managed accounts and SICAVs	7	7	7	8	8
Pension plans and other	7	7	7	6	8
Net fee and commission income	**73**	**71**	**74**	**73**	**77**

D. QUARTERLY CHANGE IN ADMINISTRATIVE EXPENSES, DEPRECIATION AND AMORTISATION

€ million	CAIXABANK 4Q23	3Q23	2Q23	1Q23	4Q22
Gross income	**3,232**	**3,670**	**3,233**	**2,825**	**2,534**
Personnel expenses	(806)	(834)	(814)	(806)	(769)
General expenses	(343)	(333)	(337)	(340)	(325)
Depreciation and amortisation	(179)	(176)	(176)	(168)	(169)
Recurring administrative expenses, depreciation and amortisation	**(1,329)**	**(1,343)**	**(1,327)**	**(1,313)**	**(1,263)**
Extraordinary expenses		(4)	(3)	(2)	(15)

€ million	BPI 4Q23	3Q23	2Q23	1Q23	4Q22
Gross income	**310**	**346**	**339**	**277**	**267**
Personnel expenses	(68)	(63)	(62)	(62)	(68)
General expenses	(29)	(47)	(47)	(46)	(27)
Depreciation and amortisation	(21)	(19)	(18)	(18)	(19)
Recurring administrative expenses, depreciation and amortisation	**(119)**	**(129)**	**(127)**	**(126)**	**(113)**
Extraordinary expenses					

E. CHANGES IN THE NPL RATIO

	CAIXABANK			BPI		
	31 Dec. 2023	30 Sep. 2023	31 Dec. 2022	31 Dec. 2023	30 Sep. 2023	31 Dec. 2022
Loans to individuals	**3.2%**	**3.2%**	**3.1%**	**1.6%**	**1.5%**	**1.7%**
Home purchases	2.8%	2.7%	2.5%	1.1%	1.0%	1.2%
Other	4.5%	4.6%	4.8%	5.6%	5.1%	5.9%
Loans to business	**2.9%**	**2.7%**	**3.0%**	**2.4%**	**2.6%**	**2.6%**
Public sector	**0.1%**	**0.1%**	**0.1%**			
NPL Ratio (loans and contingent liabilities)	**2.8%**	**2.7%**	**2.8%**	**1.7%**	**1.7%**	**1.9%**

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 Ativos, 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 Dec. 2023	30 Sep. 2023	Change %	31 Dec. 2022	Change %
LOANS AND ADVANCES TO CUSTOMERS					
Loans to individuals	**159,411**	**160,972**	**(1.0)**	**167,711**	**(5.0)**
Home purchases	118,712	120,148	(1.2)	125,680	(5.5)
Other	40,699	40,823	(0.3)	42,031	(3.2)
of which: Consumer lending	18,389	18,245	0.8	17,927	2.6
Loans to business	**148,097**	**146,587**	**1.0**	**145,328**	**1.9**
Public sector	**16,397**	**17,600**	**(6.8)**	**18,977**	**(13.6)**
Loans and advances to customers, gross	**323,905**	**325,160**	**(0.4)**	**332,017**	**(2.4)**
CUSTOMER FUNDS					
Customer deposits	356,465	355,022	0.4	355,962	0.1
Demand deposits	315,098	320,182	(1.6)	338,333	(6.9)
Time deposits	41,366	34,841	18.7	17,630	
Insurance contract liabilities	70,275	68,871	2.0	64,673	8.7
of which: Unit Linked and other	16,670	15,877	5.0	14,903	11.9
Reverse repurchase agreements and other	3,196	2,263	41.2	2,623	21.8
On-balance sheet funds	**429,936**	**426,156**	**0.9**	**423,258**	**1.6**
Mutual funds, managed accounts and SICAVs[1]	110,326	106,504	3.6	99,115	11.3
Pension plans	42,749	41,307	3.5	40,224	6.3
Assets under management	**153,075**	**147,810**	**3.6**	**139,339**	**9.9**
Other accounts	**6,100**	**5,316**	**14.7**	**5,647**	**8.0**
Total customer funds	**589,111**	**579,282**	**1.7**	**568,245**	**3.7**

Portugal

€ million	31 Dec. 2023	30 Sep. 2023	Change %	31 Dec. 2022	Change %
LOANS AND ADVANCES TO CUSTOMERS					
Loans to individuals	**16,396**	**16,435**	**(0.2)**	**16,156**	**1.5**
Home purchases	14,557	14,560	-	14,183	2.6
Other	1,839	1,875	(1.9)	1,972	(6.8)
of which: Consumer lending	1,523	1,547	(1.6)	1,611	(5.5)
Loans to business	**11,921**	**11,572**	**3.0**	**11,365**	**4.9**
Public sector	**1,876**	**1,890**	**(0.7)**	**1,786**	**5.0**
Loans and advances to customers, gross	**30,193**	**29,897**	**1.0**	**29,307**	**3.0**
CUSTOMER FUNDS					
Customer deposits	29,042	28,209	3.0	30,055	(3.5)
Demand deposits	15,701	17,343	(9.5)	21,563	(27.2)
Time deposits	13,341	10,866	22.8	8,492	57.1
Insurance contract liabilities	4,263	4,257	0.1	4,313	(1.1)
of which: Unit Linked and other	3,310	3,273	1.1	3,407	(2.8)
Reverse repurchase agreements and other	82	42	94.9	8	
On-balance sheet funds	**33,387**	**32,508**	**2.7**	**34,376**	**(2.9)**
Mutual funds, managed accounts and SICAVs[1]	4,496	4,454	0.9	5,510	(18.4)
Pension plans	3,257	2,999	8.6	3,088	5.5
Assets under management	**7,753**	**7,453**	**4.0**	**8,598**	**(9.8)**
Other accounts	**79**	**80**	**(0.2)**	**81**	**(2.0)**
Total customer funds	**41,219**	**40,041**	**2.9**	**43,055**	**(4.3)**

(1) In April 2023 Banco BPI completed the sale of its stake in BPI Suisse to CaixaBank Wealth Management Luxembourg (wholly-owned subsidiary of CaixaBank, S.A.). This sale entails the annual change to include a transfer of €1,017 million from Portugal to Spain.

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This report contains a number of the Alternative Performance Measures (APMs) set out in the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415) ("the ESMA Guidelines") so as to provide a clearer picture of the company's financial performance and situation. Please be advised that these APMs have not been audited. These measures constitute additional information and should be treated accordingly. In no event are they intended to replace the financial information drawn up in accordance with International Financial Reporting Standards (IFRS). Moreover, the way the Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. As such, they may not be comparable. Please consult the report's section that includes the details of the APMs used. The report also provides a reconciliation between certain management indicators and the indicators presented in the consolidated financial statements prepared under IFRS. The Group has applied IFRS 17: "Insurance Contracts" and IFRS 9: "Financial Instruments" to the assets and liabilities under the insurance business as of 1 January 2023 and hence the income statement for the fiscal year 2022 and the balance sheet at 31 December 2022 have been restated for comparative purposes. The Group has also considered the IFRS 9 requirements, an accounting standard that it had already been applying to recognise and measure its financial assets and liabilities in its banking business. The financial information published in the Business Activity and Results Report of the first quarter of 2023 has been restated in the second quarter after obtaining more detailed information (Other Relevant Information of 5 May 2023). See 'Relevant aspects in the half' and 'IFRS 17 and IFRS 9 Restatement'.

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