## Creditreform Bank Rating
CaixaBank S.A.

Creditreform Rating

| Rating Object | Rating Information | |
|---|---|---|
| CaixaBank S.A. | Long Term Issuer Rating / Outlook: **A- / stable** | Short Term: **L2** |
| Creditreform ID: 175316 | Type: Update / Unsolicited | |

| | | Rating of Bank Capital and Unsecured Debt Instruments: | |
|---|---|---|---|
| Rating Date: | **15 August 2023** | Preferred Senior Unsecured (PSU): | **A-** |
| Monitoring until: | withdrawal of the rating | Non-Preferred Senior Unsecured (NPS): | **BBB+** |
| Rating Methodology: | CRA "Bank Ratings v.3.2"<br>CRA "Rating of Bank Capital and Unsecured Debt Instruments v.2.1"<br>CRA "Environmental, Social and Governance Score for Banks v.1.0"<br>CRA "Rating Criteria and Definitions v.1.3" | Tier 2 (T2): | **BB+** |
| Rating History: | www.creditreform-rating.de | Additional Tier 1 (AT1): | **BB** |

## Rating Action

**Creditreform Rating upgrades CaixaBank's Long-Term Issuer Rating to A- (Outlook: stable)**

Creditreform Rating (CRA) upgrades CaixaBank's Long-Term Issuer Rating to A-. The rating outlook is stable.

CRA upgrades CaixaBank's Preferred Senior Unsecured Debt to A-, Non-Preferred Senior Unsecured Debt to BBB+, Tier 2 Capital to BB+ and AT1 Capital to BB.

Please find a complete list of rating actions regarding the bank at the end of this rating update.

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## Key Rating Drivers

- Large O-SII, market leadership in Spain in key retail products
- Continued increases in profitability due to cost discipline and higher operating income in light of changing interesting environment
- Quick absorption of Bankia S.A. and transformation
- Good asset quality
- Solid capitalization
- High dependence on the economic development of the Iberian peninsula
- New banking tax may lead to competitive disadvantages

## Executive Summary

| | |
|---|---|
| Quantitative: | Good |
| Earnings | Good |
| Assets | Good |
| Capital | Satisfactory |
| Liquidity | Very Good |
| Qualitative: | Good |

The rating of CaixaBank S.A. is prepared on the basis of group consolidated accounts.

The Long-Term Issuer Rating of CaixaBank S.A. has been upgraded due to a combination of increased profitability, strictly maintained cost discipline and well-executed merger with Bankia, while maintaining a low risk profile and adequate capitalization.

CaixaBank's rating is negatively influenced by the high exposure to its homemarket of Spain and thus the rating of the Kingdom of Spain (A-/stable, CRA Long-Term Sovereign Rating as of 16 June, 2023). This confines the Long-Term Issuer Rating of CaixaBank S.A. to A-.

## Company Overview

CaixaBank S.A. (in the following: CaixaBank or CB) is a universal bank with activities in the insurance business and is primarily active in Spain and Portugal, serving 20mn customers in 4,400 branches. After the merger with Bankia S.A. in 2021, in which CaixaBank acted as the absorbing company, CB assumed market leadership in key retail segments in Spain and Portugal, while domestic competitors are either substantially smaller or assume a more international footprint. CB operates three segments, mainly *Banking and Insurance*, its Portuguese branch *BPI* and *Corporate Centre*. 92% of gross income is earned in the *Banking and Insurance Segment*, which consolidates all Spanish operations of CB.

Major subsidiaries are aforementioned Banco BPI in Portugal as well as the insurance arm of CB, VidaCaixa. In June 2022, CaixaBank reached an agreement with Caja de Seguros Reunidos (CASER) for VidaCaixa to buy their 81.31% interest in Sa Nostra Vida, a life insurance company. Caixabank transferred its existing stake of 18.69% to VidaCaixa. Sa Nostra Vida is now wholly owned by VidaCaixa and thus finalizes reorganization of Bankia's former insurance business under VidaCaixa.

In May 2022, CB unveiled the 2022-2024 Strategic Plan with the explicit goal of driving the business forward and strengthening market leadership and revenues. Financial targets by 2024 are a return on tangible equity (ROTE) of over 12%, a cost income ratio (CIR) of below 48%, and annual revenue growth of 7% and profit growth before provisions of 15%. The bank is targeting a high payout ratio in the coming years, over the period from 2022 to 2024 CB plans to pay out EUR 9bn in dividends and share buybacks. The share buyback program 2022 in the amount of EUR 1.8bn has already been successfully implemented. A cash dividend ratio of over 50% is targeted. Furthermore, the NPL ratio is to be kept below 3% in the long term and the cost of risk is not to exceed 35 basis points on average.

At the end of 2022, a so-called windfall tax came into force in Spain with Law 38/2022. This tax is intended to contribute to reducing the sharp increase in the cost of living for the population. Banks that generated net interest income and commission income of more than EUR 800mn in 2019 will have to pay 4.8% of net interest and commission income for each of the years 2022 and 2023. The first payment for 2022 was already made by CaixaBank in early 2023 in the amount of EUR 373mn. All major Spanish banks have or are planning to appeal this tax.

# Business Development

## Profitability

Creditreform Rating AG follows a structural approach in the presentation of the income statement and balance sheet as well as in the calculation of key ratios. The presentation may therefore differ from that of the bank. Creditreform Rating pursues the goal of making financial statements of different banks as well as within the scope of consolidation as comparable as possible. For the year 2021, the costs of the labor agreement and the badwill incurred as part of the merger with Bankia have been allocated to non-recurring revenue. Certain key ratios are also taken or calculated from the Bank's Pillar 3 Report for reasons of comparability.

CaixaBank achieved a very good result of EUR 3.1bn in 2022 and, adjusted for special M&A effects in connection with the merger with Bankia in 2021, posted a profit that was almost EUR 0.7bn higher than in the previous year.

Operating profit was significantly higher than in the previous year, driven mainly by a sharp rise in operating income. Net interest income increased by EUR 0.9bn, corresponding to an increase of almost one sixth compared with the previous year.

The increase in net interest income was largely attributable to customer loans, but also to loans to financial institutions and debt securities in line with their total volume. However, the strong increase in average total assets also contributed to the significant growth in net interest income. The average interest rate on loans increased from 1.68% to 1.86%. On the expense side, customer deposits continued to earn only a very low average interest rate of 0.04%. With the repayment of a large part of the TLTRO III exposure and the expiration of negative interest, there was no further positive contribution to net interest income from the end of November 2022.

Fee income rose by EUR 0.3bn or remained virtually unchanged pro forma excluding special effects. Banking services, securities and other fees as well as long-term savings products, in particular mutual funds and managed accounts, remain the main income components.

Dividend income and equity accounted results decreased by a total of EUR 0.2bn, resulting from lower dividends from Telefónica (partially result of reduction of its stake in Telefónica) and BFA and significantly from the sale of the stake in Erste Group Bank AG in November 2021.

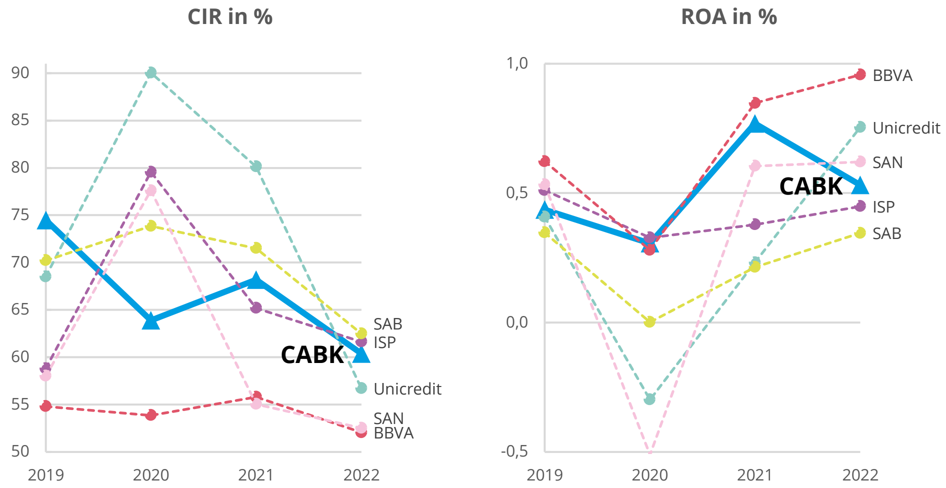
Adjusted for the one-time effects of the 2021 labor agreement, operating expenses were slightly lower than in the previous year.

Personnel costs decreased slightly compared with the previous year, adjusted for one-time effects of the 2021 labor agreement amounting to EUR 1.9bn. Compared to the previous year, almost 3,000 fewer employees worked at CB. Significantly lower expenses for IT and systems were offset by a general increase in other expense, while other provisions were significantly lower than in the previous year.

Compared with the previous year excluding special items, profitability improved further. The cost income ratio is at rather average 60.4%, while the return on assets (ROA) and return on equity (ROE) are above average at 0.5% and 9.2% respectively. The restructuring and in particular the new interest rate regime are helping CB to achieve significantly improved profitability compared with the previous year.

Chart 1 below shows the development of two representative key figures of CB in comparison with a peer group. The fundamentally positive trend in the development of both CIR and ROA can be seen. However, the year of the Bankia acquisition in 2021 should be taken into account. Overall, CB is in the midfield of the peer group under consideration, but despite the takeover it shows significantly lower fluctuations in earning power and profitability.

Chart 1: CIR, ROA & ROE of CaixaBank in comparison to the peer Group | Source: eValueRate / CRA




The recently published half-year figures indicate a further significant improvement in profitability. This is due to the further strong increase in net interest income, while fee income developed slightly negatively. Strong cost discipline leads to a strong increase in operating profit, which, coupled with continued comparatively low risk costs, should result in a very good financial year. The special tax for banks in 2022 will lead to costs of EUR 0.4bn, but will hardly dampen the overall outlook of CRA. Overall, the earnings trend is excellent thanks to the new interest rate regime. For 2023 as a whole, CB expects net interest income of EUR 9bn, compared with EUR 6.9bn in 2022, fee income at the previous year's level, and moderately rising costs. Profitability should thus again increase significantly, despite higher expected risk costs.

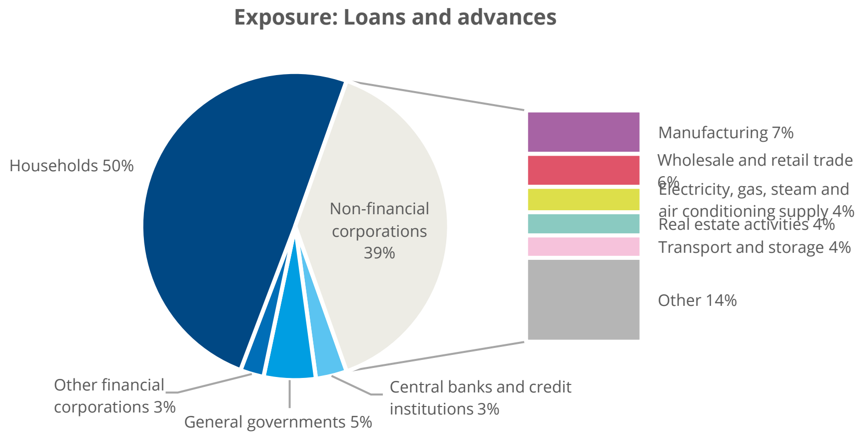
## Asset Situation and Asset Quality

Total assets decreased significantly in 2022 compared with the previous year. This was triggered by a very high pre-payment of the TLTRO III exposure of EUR 51.6bn and regular amortization of EUR 13.5bn (total EUR 65.1bn, a decrease of 81%). Liquidity was more than adequate at all times, with an LCR of 194% at year-end. High-quality liquid assets (HQLA) amounted to EUR 95bn at the end of the year. Robust growth was achieved in the area of loans and advances to customers and banks. While loans and advances to individuals remained flat year-on-year, strong growth was achieved in the corporate customer segment.

The majority of the bank's large exposure (just under 79%) is still located in Spain, with a further 7% in Portugal. CB thus continues to be a bank that is mainly active on the Iberian Peninsula, with smaller exposures all across the globe. The credit portfolio is composed of 50% households and 39% non-financial corporations. The bank's non-financial exposure is well diversified by sector, with the highest exposures in capital-intensive sectors such as manufacturing, power generation and real estate activities. Wholesale and retail is the second largest non-financial exposure. The portfolio of debt securities consists of 91% government bonds.

Chart 2 shows the gross exposure of CB for loans and advances.

Chart 2: Exposure: Loans and Advances | Source: Pillar 3 (EU CQ5 and CR1)



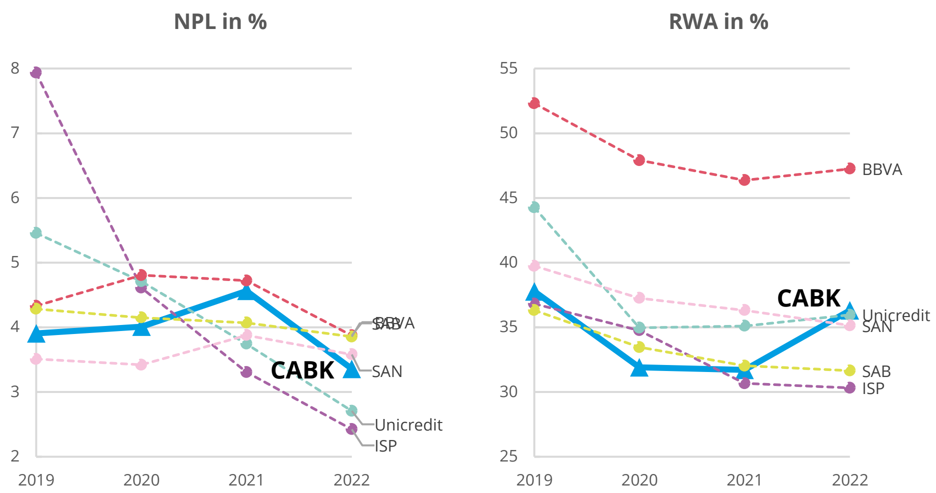

Special attention should be paid to the mortgage portfolio; 70% of performing mortgages are floating according to the bank. While this fact should generate significant additional income for the bank, the risks involved are not insignificant.

By year-end 2022, asset quality has improved further, however. The NPL-ratio was 3.4% in 2022 and even lower in the first half of 2023. The markedly increased interest rates as well as the inflationary environment have yet to have a significant impact on asset quality as a whole. The development of asset-quality (NPL specifically) has bottomed out, however and loan loss charges are increasing again, albeit from a low base.

Due to the large decrease in total assets, the risk-weighted assets ratio (RWA) increased markedly in 2022, while no general increase in risk appetite was observed.

Chart 3 shows the asset quality and risk appetite of CB in comparison to a peer group. The NPL ratio generally decreased in the entire peer group in the observed time frame, while the RWA ratio has bottomed out in most cases and increased in some. Large increases in liquidity has been the major reason for strong reduction in the ratios in the past, while risk appetite has not decreased markedly in the observed period.

Chart 3: Asset quality and risk appetite of CaixaBank in comparison to the peer group | Source eValueRate / Pillar 3



## Refinancing, Capital Quality and Liquidity

The reduction in the TLTRO position is evident in the sharp decrease in total deposits from banks. Customer deposits, still by far the largest source of debt capital, remained virtually unchanged overall in 2022. Total debt decreased by just under EUR 1bn. Total equity decreased by just under EUR 1.2bn. This was mainly due to the dividend of EUR 1.2bn and the share buyback program of EUR 1.8bn.

However, the high reduction in total assets did not reduce balance sheet equity, which actually rose to just under 5.8% of total assets, as did the leverage ratio to 5.6%. In contrast, the regulatory capital ratios decreased significantly, with the CET1 buffer at year-end 2022 amounting to 4.4%, compared with just under 5% in the previous year. This was partly due to higher buffer requirements and the aforementioned reduction in the CET1 ratio. Despite the reduction in TLTRO funds, the liquidity position is very comfortable; on average for the year the LCR ratio was 291% and even after repayment at the end of the year it was still an extremely comfortable 194%. The net stable funding ratio is also a very adequate 142% at year-end 2022.

The capital position can still be regarded as adequate, high distributions continue to be offset by a solid capital buffer, and capital generation during the year in the wake of high profits is also substantial.

Chart 4: CET1 ratio and regulatory buffer of CaixaBank in comparison to the peer group | Source: eValueRate / CRA / P3

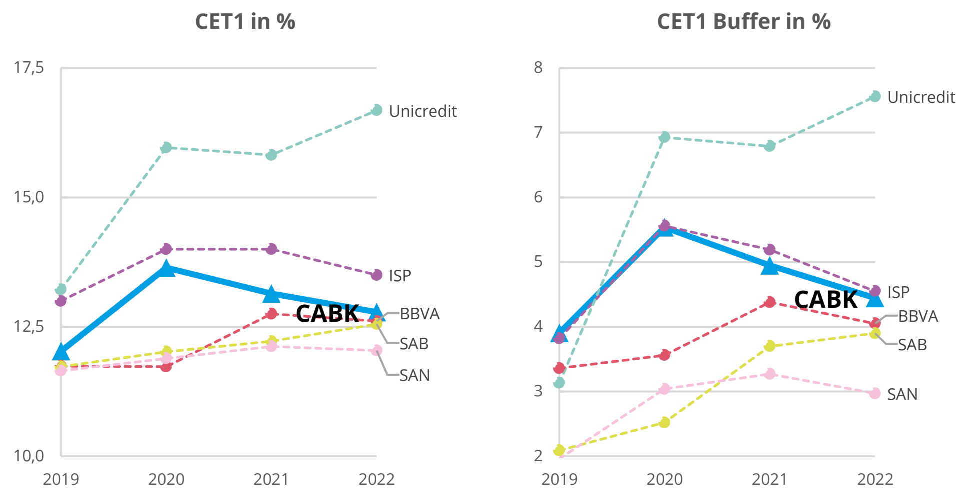
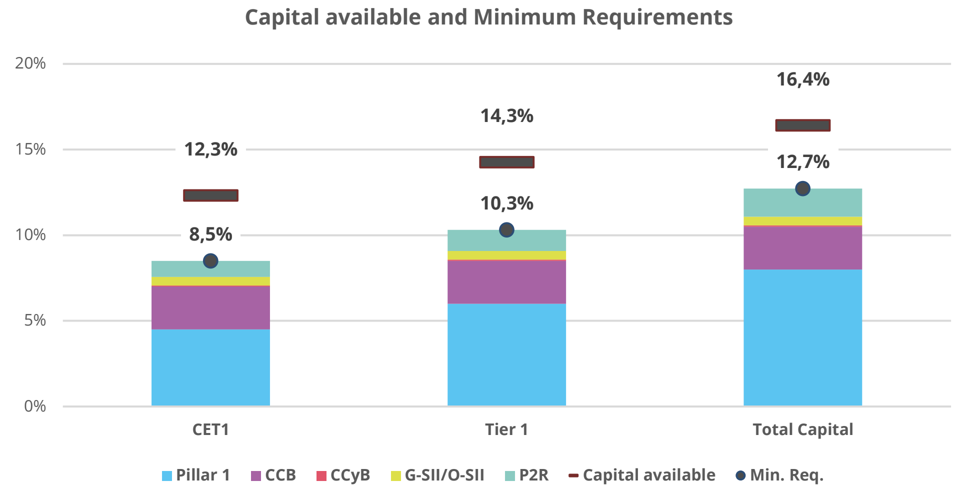



Chart 4 shows the capital development of CB and the peer group on the basis of representative key figures. The development of CB and the peer group is heterogeneous, but a trend toward tighter capital buffers can be observed, especially in the past year. With the exception of the outlier Unicredit, CB is positioned in the upper midfield in terms of capital quality.

As a result of higher total assets, the bank tax and capital distributions, the capital ratios at the end of the first half of 2023 are worse than at the end of 2022. The CET1 buffer also continues to shrink due to further increases in the minimum requirement, but at 3.8% can still be described as solid. A further EUR 500mn in share buybacks is planned by the end of 2023, and the CET1 ratio is 12.3% at the end of the first half of 2023, in line with the target of 12% for the full year.

Chart 5 shows the available capital as well as the minimum requirements.

Chart 5: CET1 ratio and regulatory buffer | Source: Q2-23 Reporting




All instrument classes have been notched up by one notch in line with the upgrade of the Long-Term Issuer Rating. Due to CaixaBank's bank capital and debt structure, as well as its status as an O-SII, the bank's Preferred Senior Unsecured Debt instruments are not notched down in comparison to the Long-Term Issuer Rating and are now rated A-. Due to the seniority structure, CB's Non-Preferred Senior Unsecured debt is now rated BBB+. Tier 2 Capital is now rated BB+ based on CB's capital structure and seniority in accordance with our rating methodology. Additional Tier 1 Capital is now rated BB, reflecting the capital structure, seniority and a high bail-in risk in the event of resolution.

## Environmental, Social and Governance (ESG) Score Card

CaixaBank has one significant and two moderate ESG rating drivers

• Corporate Governance is identified as a significant rating driver. The relevance for the credit rating results from the impact of the Corporate Governance factor on all other ESG factors and the overall well-being of the bank. This sub-factor is rated neutral due to the bank's relatively late integration of ESG factors in its general strategy; however we perceive a catch-up in this regard.

• Corporate Behaviour and Green Financing / Promoting are identified as moderate rating drivers. Green Financing / Promoting is rated positive due to increasing amount of green financing activities, especially green bonds. Corporate Behaviour is rated positive due its accelerated approach of implementing ESG policies.

**ESG Score**

3,8 / 5

| ESG Score Guidance | |
|---|---|
| > 4,25 | Outstanding |
| >3,5 - 4,25 | Above-average |
| >2,5 - 3,5 | Average |
| >1,75 - 2,5 | Substandard |
| < = 1,75 | Poor |

| Factor | Sub-Factor | Consideration | Relevance Scale 2022 | Eval. |
|---|---|---|---|---|
| Environmental | 1.1 Green Financing / Promoting | The sub-factor "Green Financing/Promoting" has a moderate relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria. | 3 | (+) |
| | 1.2 Exposure to Environ-mental Factors | The sub-factor "Exposure to Environmental Factors" has a low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria. | 2 | (+) |
| | 1.3 Resource Efficiency | The sub-factor "Resource Efficiency" has no significant relevance for the credit rating, and is rated very positive in terms of the CRA ESG criteria. | 1 | (+ +) |
| Social | 2.1 Human Capital | The sub-factor "Human Capital" has low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria. | 2 | (+) |
| | 2.2 Social Responsibility | The sub-factor "Social Responsibility" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria. | 1 | (+) |
| Governance | 3.1 Corporate Governance | The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated neutral in terms of the CRA ESG criteria. | 4 | ( ) |
| | 3.2 Corporate Behaviour | The sub-factor "Corporate Behaviour" has a moderate relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria. | 3 | (+) |
| | 3.3 Corporate Transparency | The sub-factor "Corporate Transparency" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria. | 1 | (+) |

| ESG Relevance Scale | |
|---|---|
| 5 | Highest Relevance |
| 4 | High Relevance |
| 3 | Moderate Relevance |
| 2 | Low Relevance |
| 1 | No significant Relevance |

| ESG Evaluation Guidance | |
|---|---|
| (+ +) | Strong positive |
| (+) | Positive |
| ( ) | Neutral |
| ( - ) | Negative |
| ( - - ) | Strong negativ |

The ESG Score is based on the Methodology "Environmental, Social and Governance Score of Banken (Version 1.0)" of Creditreform Rating AG, which is available on our homepage https://creditreform-rating.de/en/about-us/regulatory-requirements.html. In addition, we refer to CRA's position paper "Consodering the Impact of ESG Factors".

## Outlook

The outlook of the Long-Term Issuer Rating of CaixaBank is stable. In the medium term, CRA expects significantly higher operating profits for CaixaBank due to the new interest environment, while at the same time inflationary tendencies and a general slowdown of economic activity will put a damper on growth opportunities. Likewise, CRA expects higher costs of risk associated in this changing environment.

## Scenario Analysis

Best-case scenario: A

Worst-case scenario: BBB+

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

In a scenario analysis, the bank is able to reach a Long-Term Issuer Rating of A in the “Best-Case-Scenario” and a Long-Term Issuer Rating of BBB+ in the “Worst-Case-Scenario”. The ratings of Bank Capital and Senior Unsecured Debt would respond similarly based on our rating methodology. These ratings are especially sensitive to changes in total equity and to the bank capital and debt structure in general.

We might upgrade CaixaBank’s Long-Term Issuer Rating and the ratings of Bank Capital and Senior Unsecured Debt if the economic downturn and period of high inflation should prove to be transitory and, in the wake of this, risk costs should not increase significantly. At the same time, cost discipline should be maintained. However, CaixaBank's rating is currently upward limited by the Long-Term Sovereign Rating of the Kingdom of Spain.

In contrast, the long-term issuer rating could be downgraded if inflation remains high in the longer term and neither the ECB nor the Spanish government have effective means to combat it. At the same time, high interest rates could trigger an insolvency cascade of both private sector and individual players, which would result in significantly higher risk costs. Further action by the Spanish government, whether through permanentization of the new bank tax or new taxes, could reduce the long-term competitiveness of Spanish banks. All these factors individually or in combination could lead to a downgrade.

# Appendix

### Bank ratings CaixaBank S.A.

The bank ratings are dependent on a host of quantitative and qualitative factors. An improvement in either sub-category may result in a higher rating score.

Long-Term Issuer / Outlook / Short-Term **A- / L2 / stable**

### Bank Capital and Debt Instruments Ratings CaixaBank S.A.

The ratings for bank capital and debt instruments are inter alia dependent on subordination and relative size of the instrument class, based on the long-term issuer rating of the bank.

| | |
|---|---|
| Preferred Senior Unsecured (PSU): | **A-** |
| Non-Preferred Senior Unsecured (NPS): | **BBB+** |
| Tier 2 (T2): | **BB+** |
| Additional Tier 1 (AT1): | **BB** |

### Rating History

Please consult our website www.creditreform-rating.de for additional information regarding the dates of publication.

Figure 1: Rating History

| Bank Issuer Rating | Rating Date | Result |
|---|---|---|
| Initialrating | 23.05.2018 | BBB / stable / L3 |
| Rating Update | 08.07.2019 | BBB+ / stable / L3 |
| Monitoring | 24.03.2020 | BBB+ / NEW / L3 |
| Rating Update | 13.10.2020 | BBB / stable / L3 |
| Rating Update | 02.11.2021 | BBB+ / stable / L3 |
| Rating Update | 06.12.2022 | BBB+ / stable / L3 |
| Rating Update | 15.08.2023 | A- / stable / L2 |
| **Bank Capital and Debt Instruments** | **Rating Date** | **Result** |
| PSU / NPS / T2 / AT1 (Initial) | 23.05.2018 | BBB- / BB- / B+ |
| PSU / NPS / T2 / AT1 | 08.07.2019 | BBB / BBB- / BB / BB- |
| PSU / NPS / T2 / AT1 (NEW) | 24.03.2020 | BBB / BBB- / BB / BB- |
| PSU / NPS / T2 / AT1 | 13.10.2020 | BBB- / BB+ / BB- / B+ |
| PSU / NPS / T2 / AT1 | 02.11.2021 | BBB+ / BBB / BB / BB- |
| PSU / NPS / T2 / AT1 | 06.12.2022 | BBB+ / BBB / BB / BB- |
| PSU / NPS / T2 / AT1 | 15.08.2023 | A- / BBB+ / BB+ / BB |

## Tables Group (if applicable)

Figure 2: Income statement[1] | Source: eValueRate / CRA

| Income Statement (EUR m) | 2022 | % | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Net Interest Income | 6.916 | +15,7 | 5.975 | 4.900 | 4.951 |
| Net Fee & Commission Income | 4.010 | +8,2 | 3.705 | 2.576 | 2.598 |
| Net Insurance Income | 866 | +33,2 | 650 | 598 | 556 |
| Net Trading & Fair Value Income | 338 | +52,9 | 221 | 238 | 298 |
| Equity Accounted Results | 264 | -37,9 | 425 | 307 | 425 |
| Dividends from Equity Instruments | 163 | -15,1 | 192 | 147 | 163 |
| Other Income | 661 | -24,1 | 871 | 703 | 742 |
| **Operating Income** | **13.218** | **+9,8** | **12.039** | **9.469** | **9.733** |
| **Expense** | | | | | |
| Depreciation and Amortisation | 909 | +6,6 | 853 | 759 | 786 |
| Personnel Expense | 3.620 | -2,3 | 3.704 | 2.841 | 3.956 |
| Tech & Communications Expense | 640 | -28,3 | 893 | 594 | 580 |
| Marketing and Promotion Expense | 169 | -2,3 | 173 | 168 | 190 |
| Other Provisions | 227 | -45,7 | 418 | 221 | 186 |
| Other Expense | 2.417 | +11,4 | 2.170 | 1.468 | 1.551 |
| **Operating Expense** | **7.982** | **-2,8** | **8.211** | **6.051** | **7.249** |
| **Operating Profit & Impairment** | | | | | |
| **Operating Profit** | **5.236** | **+36,8** | **3.828** | **3.418** | **2.484** |
| Cost of Risk / Impairment | 1.130 | +8,8 | 1.039 | 2.259 | 425 |
| **Net Income** | | | | | |
| Non-Recurring Income | 220 | -95,0 | 4.410 | 441 | 18 |
| Non-Recurring Expense | - | - | 1.884 | - | - |
| **Pre-tax Profit** | **4.326** | **-18,6** | **5.315** | **1.600** | **2.077** |
| Income Tax Expense | 1.179 | > +100 | 88 | 219 | 369 |
| Discontinued Operations | 2 | +0,0 | 2 | 0 | - |
| **Net Profit** | **3.149** | **-39,8** | **5.229** | **1.381** | **1.708** |
| Attributable to minority interest (non-controlling interest) | 4 | +33,3 | 3 | - | 3 |
| Attributable to owners of the parent | 3.145 | -39,8 | 5.226 | 1.381 | 1.705 |

Figure 3: Key earnings figures| Source: eValueRate / CRA and Pillar III

| Income Ratios (%) | 2022 | % | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Cost Income Ratio (CIR) | 60,39 | -7,82 | 68,20 | 63,90 | 74,48 |
| Cost Income Ratio ex. Trading (CIRex) | 61,97 | -7,51 | 69,48 | 65,55 | 76,83 |
| Return on Assets (ROA) | 0,53 | -0,24 | 0,77 | 0,31 | 0,44 |
| Return on Equity (ROE) | 9,19 | -5,57 | 14,76 | 5,46 | 6,79 |
| Return on Assets before Taxes (ROAbT) | 0,73 | -0,05 | 0,78 | 0,35 | 0,53 |
| Return on Equity before Taxes (ROEbT) | 12,63 | -2,38 | 15,00 | 6,33 | 8,26 |
| Return on Risk-Weighted Assets (RORWA) | 1,46 | -0,96 | 2,42 | 0,96 | 1,15 |
| Return on Risk-Weighted Assets before Taxes (RORWAbT) | 2,01 | -0,45 | 2,46 | 1,11 | 1,40 |
| Net Financial Margin (NFM) | 1,50 | +0,38 | 1,12 | 1,48 | 1,82 |
| Pre-Impairment Operating Profit / Assets | 0,88 | +0,60 | 0,29 | 0,76 | 0,63 |

Change in %- Points

[1] Data by our data provider eValueRate, which is standardized for analytical reasons. Thus, the used data and the resulting figures do not necessarily match the presentation of the bank, which refers to this and all subsequent tables and figures.

Figure 4: Development of assets| Source: eValueRate / CRA

| Assets (EUR m) | 2022 | % | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Cash and Balances with Central Banks | 20.522 | -80,3 | 104.279 | 51.615 | 15.116 |
| Net Loans to Banks | 12.187 | +56,1 | 7.806 | 5.847 | 5.153 |
| Net Loans to Customers | 352.884 | +2,4 | 344.591 | 237.073 | 222.320 |
| Total Securities | 91.227 | +6,8 | 85.385 | 45.267 | 37.198 |
| Total Derivative Assets | 6.859 | -44,3 | 12.308 | 7.102 | 8.433 |
| Other Financial Assets | - | - | - | - | - |
| **Financial Assets** | **483.679** | **-12,8** | **554.369** | **346.904** | **288.220** |
| Equity Accounted Investments | 2.034 | -19,7 | 2.534 | 3.443 | 3.941 |
| Other Investments | 1.597 | -14,4 | 1.865 | 2.007 | 2.367 |
| Insurance Assets | 68.534 | -17,9 | 83.464 | 77.241 | 72.683 |
| Non-current Assets & Discontinued Ops | 2.426 | -20,1 | 3.038 | 1.198 | 1.354 |
| Tangible and Intangible Assets | 11.138 | -1,7 | 11.331 | 8.899 | 8.754 |
| Tax Assets | 20.457 | -3,9 | 21.298 | 10.626 | 11.113 |
| Total Other Assets | 2.369 | +10,9 | 2.137 | 1.202 | 2.982 |
| **Total Assets** | **592.234** | **-12,9** | **680.036** | **451.520** | **391.414** |

Figure 5: Development of asset quality| Source: eValueRate / CRA and Pillar III

| Asset Ratios (%) | 2022 | % | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Net Loans to Customers / Assets | 59,59 | +8,91 | 50,67 | 52,51 | 56,80 |
| Risk-weighted Assets[1] / Assets | 36,32 | +4,61 | 31,71 | 31,91 | 0,00 |
| NPL[2]/ Loans to Customers[3] | 3,36 | -1,20 | 4,56 | 4,01 | 3,91 |
| NPL[2]/ Risk-weighted Assets[1] | 5,31 | -1,73 | 7,05 | 6,32 | 5,72 |
| Potential Problem Loans[4]/ Loans to Customers[3] | 8,31 | -1,04 | 9,35 | 8,68 | 6,96 |
| Reserves[5]/ NPL[2] | 92,99 | -3,85 | 96,84 | 94,67 | 95,76 |
| Cost of Risk / Loans to Customers[3] | 0,33 | +0,02 | 0,31 | 0,99 | 0,20 |
| Cost of Risk / Risk-weighted Assets[1] | 0,53 | +0,04 | 0,48 | 1,57 | 0,29 |
| Cost of Risk / Total Assets | 0,19 | +0,04 | 0,15 | 0,50 | 0,11 |

Change in %- Points

1 RWA: Pillar 3, EU CR1
2 NPL: Gross; Non- Performing Loans of the categories Households, Non- Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1
3 Loans to Customers: Gross; Households, Non- Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1
4 Potential Problem Loans: Stage 2; Households, Non- Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1
5 Reserves: Impairment & Provisions and Collateral & Guarantees; Households, Non- Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

Figure 6: Development of refinancing and capital adequacy| Source: eValueRate / CRA

| Liabilities (EUR m) | 2022 | % | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Total Deposits from Banks | 22.486 | -74,1 | 86.822 | 54.597 | 19.738 |
| Total Deposits from Customers | 390.483 | +0,3 | 389.203 | 243.163 | 219.600 |
| Total Debt | 52.608 | -2,0 | 53.684 | 35.813 | 33.648 |
| Derivative Liabilities | -394 | < -100 | 6.468 | 2.002 | 3.856 |
| Securities Sold, not yet Purchased | - | - | - | - | - |
| Other Financial Liabilities | 15.375 | -2,3 | 15.732 | 7.635 | 9.952 |
| **Total Financial Liabilities** | **480.558** | **-12,9** | **551.909** | **343.210** | **286.794** |
| Insurance Liabilities | 65.654 | -17,8 | 79.834 | 75.129 | 70.807 |
| Non-current Liabilities & Discontinued Ops | 16 | -5,9 | 17 | 14 | 71 |
| Tax Liabilities | 2.113 | -9,6 | 2.337 | 1.231 | 1.296 |
| Provisions | 5.263 | -19,5 | 6.535 | 3.195 | 3.624 |
| Total Other Liabilities | 4.368 | +9,8 | 3.979 | 3.463 | 3.671 |
| **Total Liabilities** | **557.972** | **-13,4** | **644.611** | **426.242** | **366.263** |
| **Total Equity** | **34.262** | **-3,3** | **35.425** | **25.278** | **25.151** |
| **Total Liabilities and Equity** | **592.234** | **-12,9** | **680.036** | **451.520** | **391.414** |

Figure 7: Development of capital and liquidity ratios | Source: eValueRate / CRA and Pillar III

| Capital Ratios and Liquidity (%) | 2022 | % | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Total Equity / Total Assets | 5,79 | +0,58 | 5,21 | 5,60 | 6,43 |
| Leverage Ratio[1] | 5,60 | +0,30 | 5,30 | 5,60 | 5,90 |
| Common Equity Tier 1 Ratio (CET1)[2] | 12,78 | -0,36 | 13,14 | 13,64 | 12,03 |
| Tier 1 Ratio (CET1 + AT1)[2] | 14,75 | -0,70 | 15,45 | 15,71 | 13,54 |
| Total Capital Ratio (CET1 + AT1 + T2)[2] | 17,34 | -0,52 | 17,86 | 18,08 | 15,72 |
| CET1 Minimum Capital Requirements[1] | 8,34 | +0,15 | 8,19 | 8,10 | 8,12 |
| Net Stable Funding Ratio (NSFR)[1] | 141,65 | -12,17 | 153,82 | 145,00 | 0,00 |
| Liquidity Coverage Ratio (LCR)[1] | 291,35 | -30,36 | 321,71 | 249,62 | 179,21 |

Change in %- Points
1 Pillar 3 EU KM1
2 Regulatory Capital Ratios: Pillar 3 EU KM1

### Regulatory

Creditreform Rating AG was neither commissioned by the rating object nor by any other third party for the rating. The analysis took place on a voluntary basis by Creditreform Rating AG and is to be described in the regulatory sense as an unsolicited rating. The following table clarifies the level of participation of the rated entity (rating object):

| Unsolicited Credit Rating | |
|---|---|
| With Rated Entity or Related Third Party Participation | No |
| With Access to Internal Documents | No |
| With Access to Management | No |

The rating is based on publicly available information and internal evaluation methods for the rated bank. The quantitative analysis is based mainly on the latest annual accounts, interim reports, other investor relations information of the bank, and calculated key figures by eValueRate / CRA.

The information and documents processed met the requirements of the rating system of Creditreform Rating AG as published on the website www.creditreform-rating.de. The rating was carried out on the basis of the following methodologies and Rating Criteria and Definitions (v1.3):

- Bank ratings (v3.2)
- Rating of bank capital and unsecured debt instruments (v2.1)
- Environmental, Social and Governance Score for Banks (v1.0)

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions are published on our homepage:

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On 15 August 2023, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to CaixaBank S.A. and its subsidiaries, and the preliminary rating report was made available to the bank. There was no change in the rating.

The rating is valid until withdrawal and is subject to monitoring from the rating date (see cover page). The rating will be comprehensively reviewed at least once every year. Within this period, the rating can be updated.

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