Creditreform Bank Rating
CaixaBank S.A. (Group)

Creditreform Rating

Rating Object	Rating Information
CaixaBank S.A. Creditreform ID: 175316	Long Term Issuer Rating / Outlook: **A / stable** Short Term: **L2** Type: Update / Unsolicited
Rating Date: **20 June 2024** Monitoring until: withdrawal of the rating Rating Methodology: CRA "Bank Ratings v.3.3" CRA "Rating of Bank Capital and Unsecured Debt Instruments v.2.2" CRA "Environmental, Social and Governance Score for Banks v.1.1" CRA "Rating Criteria and Definitions v.1.3" Rating History: www.creditreform-rating.de	Rating of Bank Capital and Unsecured Debt Instruments: Preferred Senior Unsecured (PSU): **A** Non-Preferred Senior Unsecured (NPS): **A-** Tier 2 (T2): **BBB-** 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 A-, Tier 2 Capital to BBB- and AT1 Capital to BB+.

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

Key Rating Drivers

- Large O-SII, market leadership in Spain in key retail products
- Continued, rapid improvement of profitability
- Slight improvement of asset quality
- Steady, solid capitalization. Good profits allow generous disbursements.
- Temporary banking tax weighs on profitability
- Upgrade of the CRA Long-Term Sovereign Rating of the Kingdom of Spain

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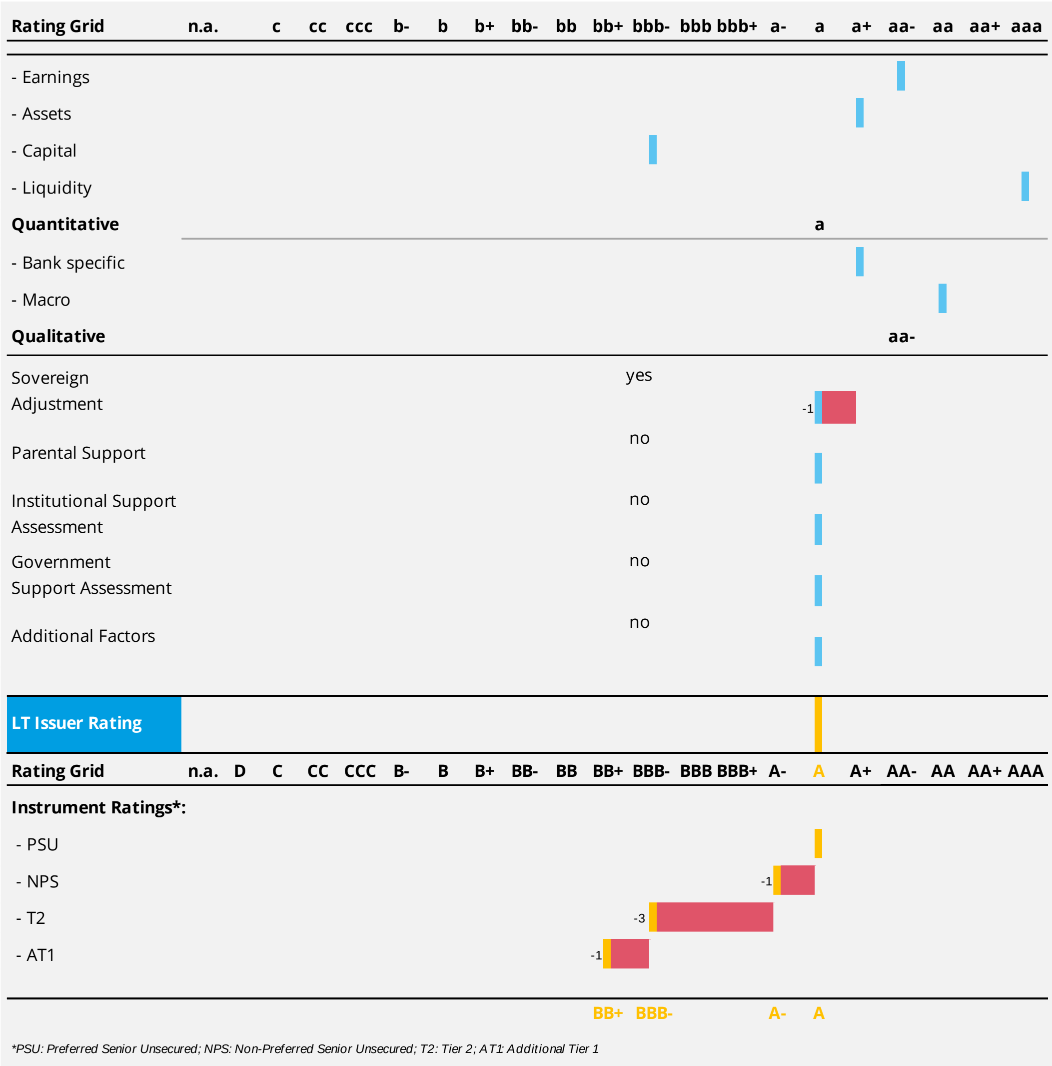
Executive Summary



The rating of CaixaBank S.A. (in the following: CaixaBank or CB) is prepared on the basis of group consolidated accounts.

The Long-Term Issuer Rating and all Debt and Bank Capital Ratings of CaixaBank are upgraded by one notch each.

The upgrade of the LT Issuer Rating of CaixaBank and the associated ratings of Bank Capital and Unsecured Debt is due to the combination of a strong increase in profitability and the upgrade of the Long-Term Sovereign Rating of the Kingdom of Spain, which previously limited the rating to A-. At the same time, asset quality improved slightly, while capitalization remained essentially stable despite a generous distribution policy.

Sovereign Adjustment:

The bank's rating is limited by the high exposure to its home market of Spain and thus the rating of the Kingdom of Spain (A/stable, CRA Sovereign Rating as of 14 June, 2024). 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. 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, 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 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 planned to pay out EUR 9bn in dividends and share buybacks. This figure has since been upgraded to EUR 12bn. 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. In early 2024, CaixaBank had to pay EUR 493mn.

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. Certain key ratios are also taken or calculated from the Bank's Pillar III Report for reasons of comparability. Balance sheet and income statement figures are taken from the consolidated financial statements of the respective years. One-off or exceptional items are, where possible, relegated to the line items non-recurring revenue and expense.

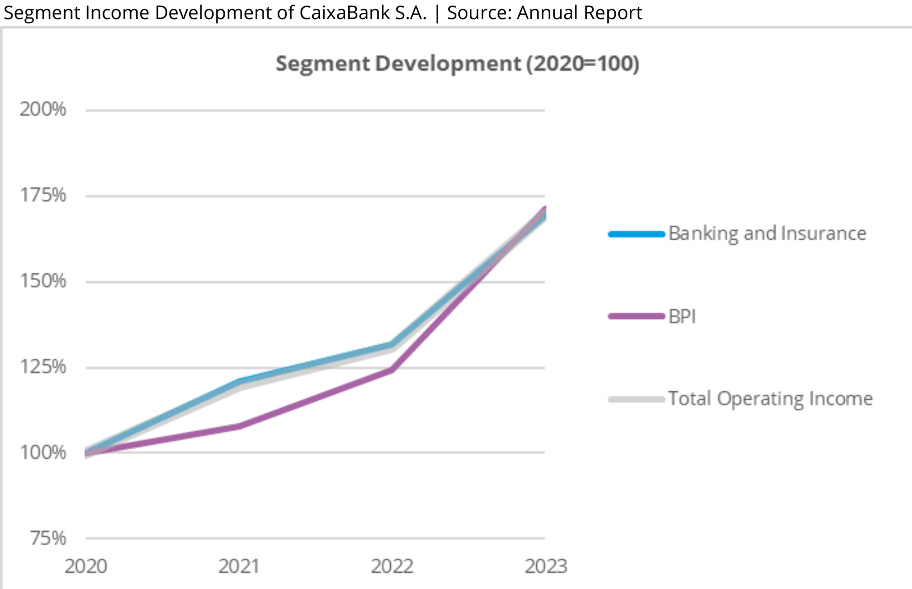
In operating performance terms, CaixaBank took a major step forward in 2023, mainly due to the strong expansion in net interest income following the new interest environment.

Net interest income (NII) increased massively by EUR 3.6bn (+54.4%). Interest expenses more than tripled and interest income almost doubled. Interest-bearing investments decreased overall compared to the previous year, meaning that the increase was mainly due to the new interest rate environment. Net fees and commission income, on the other hand, fell by just under EUR 0.2bn compared to the previous year due to lower banking fees; the increase in income in the wealth management segment was unable to offset this decline. The insurance business recorded robust growth of EUR 0.2bn, while net trading and securities income fell by just under EUR 0.1bn due to lower trading income.

As a result, operating income increased by just under EUR 3.5bn (+27.4%) to EUR 16.2bn.

The following chart shows the segment development of the CaixaBank Group. Operating income has increased by around 70% in the Banking and Insurance (CaixaBank, mostly Spain) and BPI (Portugal) segments since 2020. The positive kink due to the new interest rate environment is clearly recognizable, and there was also a significant increase due to the Bankia acquisition in 2021.

Chart 1: Segment Income Development of CaixaBank S.A. | Source: Annual Report



Following a sharp decline compared to the previous year, operating expenses rose sharply, but significantly less than operating income, both in absolute and relative terms.

The main reason for the increase was the temporary bank tax in Spain, which amounted to EUR 373mn in 2023 and thus explains the majority of the increase in operating expenses. Personnel expenses increased by just under EUR 0.2bn. A decline in wages and salaries was more than offset by a sharp rise in social security contributions, pension obligations and other personnel expenses. After absorbing Bankia, IT related expense was down significantly from the previous year.

In total, operating expenses increased by just under EUR 0.5bn (+6.5%).

Cost of Risk/Impairment Expense increased by EUR 0.3bn (+23.5%) compared to the previous year. Net allowances increased significantly due to the sharp rise in prices, while direct write-downs were lower than in the previous year.

Overall, the pre-tax result was considerably higher than in the previous year (+EUR 2.6bn, +60.3%); the net profit for the year amounted to EUR 4.8bn, an increase of 53.8% on the previous year.

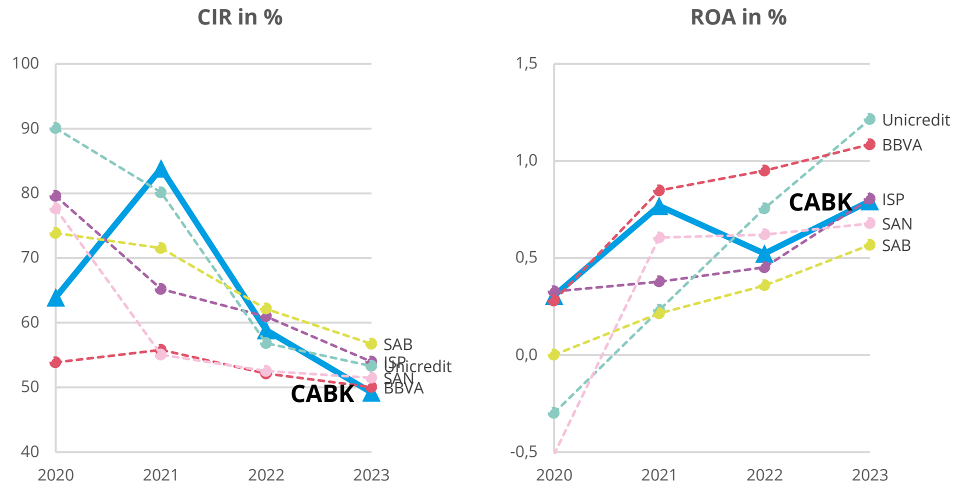
The first quarter went well for CaixaBank, with net income of over EUR 1bn, compared with EUR 0.9bn in the same quarter of the previous year (+17.5%). This was due to the increase in NII, while inflationary trends and the temporary bank levy (EUR 493mn in 2024 after 373mn in 2023) were the main factors on the cost side. In terms of the main sources of income, CaixaBank is planning for mid-single digit growth in NII and low single digit growth in fees and commission income, while costs are expected to grow by less than 5% overall. Creditreform Rating AG therefore expects a result at or above that of the previous year, excluding extraordinary factors.

With the improvement in CaixaBank's operating situation, the key earnings figures under review also improved across the board. The cost income ratio (CIR) improved to below 50%, while the return on equity (ROE) of 13.3% is still above the previous year's figure, despite high dividend payments and share-buybacks weighing on equity growth. As expected, the net interest margin is also well above the long-term average.

Further improvements are expected if CaixaBank evolves in line with its guidance.

Compared to a peer group of major southern European banks, CaixaBank is at the top of the league in the CIR category and in the middle of the field in the ROA category. However, a definite positive trend can be seen at all banks. With the acquisition of Bankia, the bank's 2021 performance is distorted, but the general trend is clearly positive over the four-year period under review.

Chart 2: CIR and ROA of CaixaBank in comparison to the peer group | Source: eValueRate / CRA



Asset Situation and Asset Quality

The balance sheet has not changed significantly compared to the previous year. Lending has stagnated since the acquisition of Bankia.

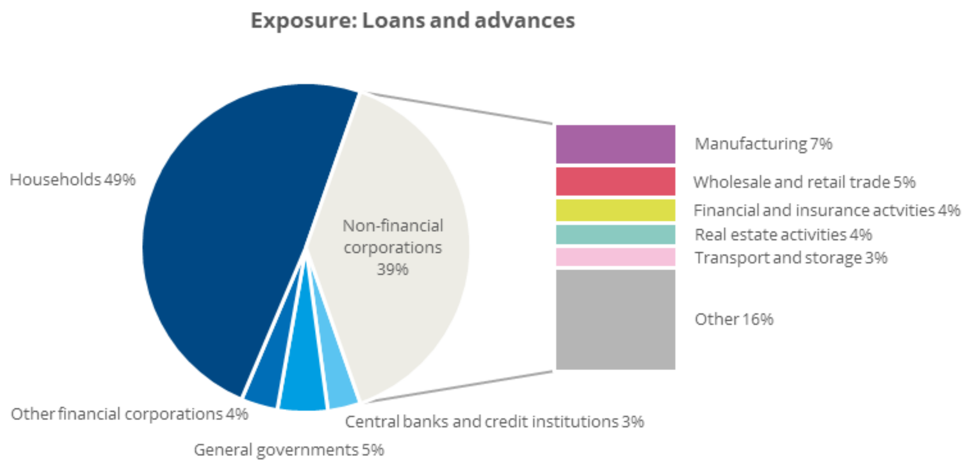
In detail, liquidity has normalized following the repayment of TLTRO funds. Loans to customers fell by EUR 8.5bn (-2.4%), while investments in securities rose slightly by EUR 3.6bn (+2.2%). Overall, the balance sheet expanded by just EUR 8.3bn (+1.4%).

The asset situation remained largely unchanged in Q1-24.

More than three-quarters of CaixaBank's portfolio is located in Spain, followed by Portugal in second place with well under 10%. The remainder of the credit risk is essentially located in other advanced western economies.

Households make up the majority of Caixabank's loan portfolio at 49%; non-financial corporations account for 39%. Within the non-financial corporations, there is no identified sector concentration or significant overexposure to high-risk sectors apart from the geographical concentration on the Iberian Peninsula.

Chart 3: Exposure Loans and Advances | Source: Pillar III

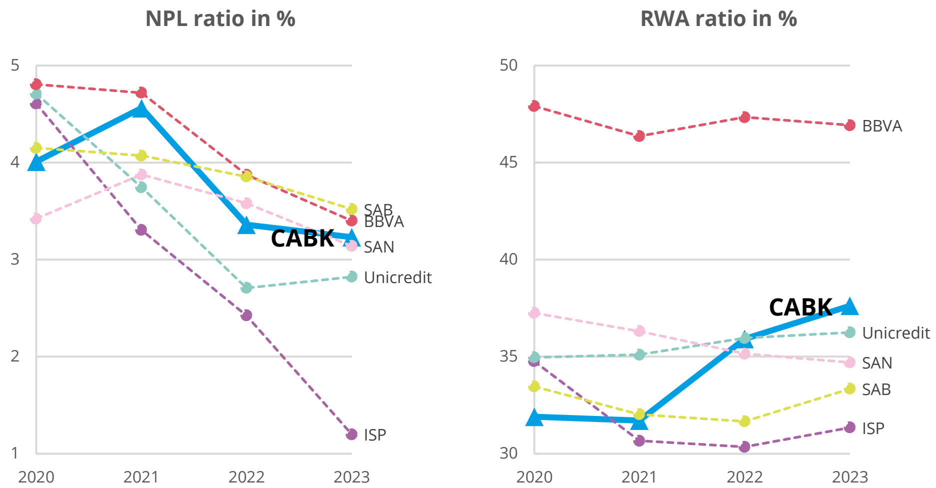


The key asset figures improved slightly compared to the previous year. Key ratios improved over the course of the year, with the NPL ratio falling to just over 3%. However, a gradual bottoming out can be observed. The cost of risk increased slightly as a result of high inflation, among other things, but remains historically low overall. RWA increased by 6.2% compared to the previous year with exposure remaining largely unchanged. The increase stems largely from credit risk.

Asset quality improved very slightly in the first quarter compared to the end of 2023.

In a peer group comparison assessing asset-quality, non-performing loans fell for all peer group banks, including Caixabank, in the period under review. CaixaBank is in the midfield overall, but the distribution of NPL ratios among the peer group observed is narrow with the exception of a clear outlier. In contrast, the RWA ratio developed very inconsistently for all the banks under review, although at least a consolidation to slight increase can be observed in recent years. The reasons for this are generally to be found in higher regulatory requirements as a result of output floors or are technical in nature due to significantly lower balance sheet totals as a result of the reduction in excess liquidity. An overall increase in risk appetite cannot be identified.

Chart 4: NPL and RWA ratios of CaixaBank in comparison to the peer group | Source: eValueRate /Pillar III



Refinancing, Capital Quality and Liquidity

In the period under review, CaixaBank was refinanced on a stable basis mainly through customer deposits, with borrowed capital accounting for less than 10% of total assets. However, the volume of debt rose robustly in the past year.

In detail, customer deposits remained virtually unchanged compared to the previous year, while total debt increased by 7.9% or EUR 4.2bn. Deposits from banks continued to fall significantly (EUR -16.2bn, -72%). TLTRO III was also repaid in full in the previous year. Equity increased robustly by EUR 2.6bn (+7.8%). The increase of equity was significantly reduced by OCI and distributions, but the bottom line is still a substantial increase.

There was little change on the liabilities side in Q1-24, but equity decreased sharply due to the dividend payment for 2023 and a share buyback of EUR 500mn.

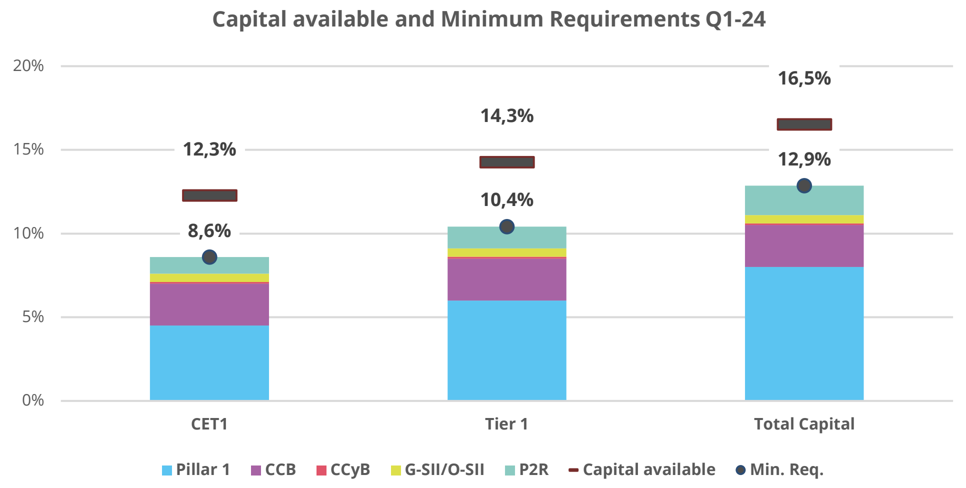
The capital ratios have deteriorated slightly compared to the previous year. Although the balance sheet equity ratio rose due to higher equity and stable assets, and the leverage ratio also increased, regulatory equity decreased in all three ratios.

Specifically, the equity ratio increased from 5.6% to 6.6% and the leverage ratio from 5.6% to 5.8%. In turn, the CET1, Tier 1 and Total Capital ratios decreased due to the increase in RWA and dividends and AT1 disbursements, despite strong issuing activity and robust organic growth. The CET1 buffer fell well below 4% (2023: 3.9%, 2022: 4.4%).

Q1-24 saw further relative erosion of the capital base, though there was a nominal increase in CET1 and Tier 1 capital. The CET1 ratio remains above 12%, the target ratio of CaixaBank.

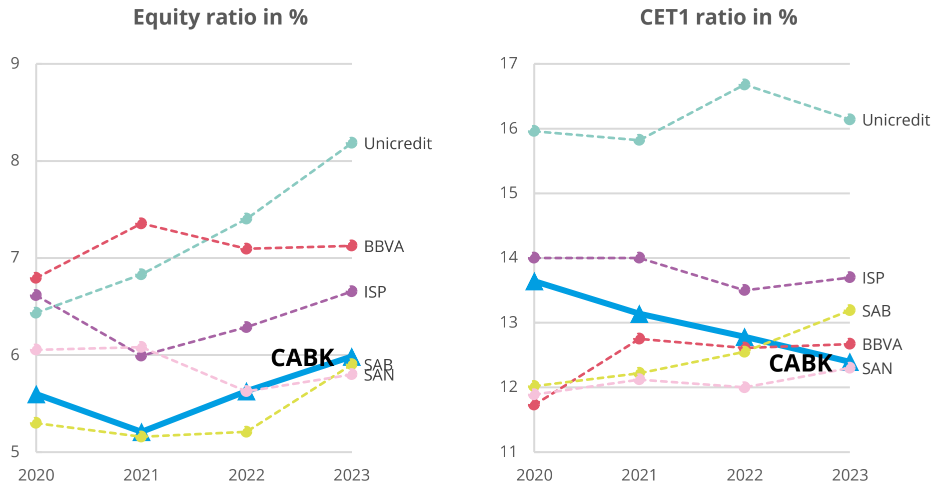
The minimum requirements for regulatory capital increased slightly compared to the previous year; the combined minimum CET ratio amounted to 8.59% as at Q1-24, which corresponds to a regulatory buffer of 3.67%, compared to 4.44% as at Q4-22 over a year prior.

Chart 5: Regulatory Capital Ratios and Minimum Requirements as per Q1-24| Source: Q1-24 Business Activity and Results



The development of the capital ratios for CaixaBank and the peer group under review are heterogeneous. The balance sheet equity ratios are generally trending upwards, including at CB. At the same time, regulatory capital is largely stagnating, with a clear negative trend at CB towards the 12% target. This is due to both distributions and the general increase in RWA in the period under review, both in relative and absolute terms. Overall, CaixaBank is therefore comparatively undercapitalized in relation to the peer group, although this is in line with management's lean planning.

Chart 6: Equity and CET1 ratios of CaixaBank in comparison to the peer group | Source: eValueRate / Pillar III



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

Environmental, Social and Governance (ESG) Score Card

CaixaBank SA has one significant and two moderate ESG rating drivers

• Corporate Governance is identified as a highly 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 very positive due to 's strong and sustainable earning figures, the widespread ESG policies and its ambitious ESG targets.

• Corporate Behaviour and Green Financing / Promoting are identified as moderate rating driver. While Green Financing / Promoting is rated neutral, Coporate Behaviour is rated positive

ESG Bank Grade

4,2 / 5

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

	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 neutral 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.	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.	1	(+)

Governance	3.1 Corporate Governance	The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated very positive 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.	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 Grade is based on the Methodology "Environmental, Social and Governance Grade 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 S.A. is stable. In the medium term, CRA expects significantly higher operating profits for CaixaBank due to the new interest environment compared to previous years, while at the same time inflationary tendencies, while on retreat, as well as 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 CaixaBank improves its good asset quality further and reaches previous levels of high capitalization. At the same time, the bank would need to keep up current levels of profitability with stable expenses and low costs of risk. 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 costs of risk. 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. High disbursements should not erode the capital base. Finally, grounds for a downgrade might be a sudden reversal of the current interest rate policy by the ECB, eroding the newly gained profitability. All these factors, either 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 Caixa Bank 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):	**A-**
Tier 2 (T2):	**BBB-**
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
Rating Update	20.06.2024	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
PSU / NPS / T2 / AT1	20.06.2024	A / A- / BBB / BB+

Tables Group

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

Income Statement (EUR m)	2023	%	2022	2021	2020
Income					
Net Interest Income	10.113	+54,3	6.552	5.975	4.900
Net Fee & Commission Income	3.658	-5,1	3.855	3.705	2.576
Net Insurance Income	1.118	+19,4	936	650	598
Net Trading & Fair Value Income	235	-28,4	328	221	238
Equity Accounted Results	281	+26,6	222	425	307
Dividends from Equity Instruments	163	+0,0	163	192	147
Other Income	635	-3,9	661	871	703
Operating Income	**16.203**	**+27,4**	**12.717**	**12.039**	**9.469**
Expense					
Depreciation and Amortisation	849	+2,0	832	853	759
Personnel Expense	3.516	+5,6	3.331	5.588	2.841
Tech & Communications Expense	473	-22,5	610	893	594
Marketing and Promotion Expense	156	-4,9	164	173	168
Other Provisions	115	-49,3	227	418	221
Other Expense	2.864	+23,3	2.323	2.170	1.468
Operating Expense	**7.973**	**+6,5**	**7.487**	**10.095**	**6.051**
Operating Profit & Impairment					
Operating Profit	**8.230**	**+57,4**	**5.230**	**1.944**	**3.418**
Cost of Risk / Impairment	1.396	+23,5	1.130	-3.261	2.259
Net Income					
Non-Recurring Income	90	-59,1	220	110	441
Non-Recurring Expense	-	-	-	-	-
Pre-tax Profit	**6.924**	**+60,3**	**4.320**	**5.315**	**1.600**
Income Tax Expense	2.108	+77,3	1.189	88	219
Discontinued Operations	2	+0,0	2	2	0
Net Profit	**4.818**	**+53,8**	**3.133**	**5.229**	**1.381**
Attributable to minority interest (non-controlling interest)	2	-50,0	4	3	-
Attributable to owners of the parent	4.816	+53,9	3.129	5.226	1.381

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

Income Ratios (%)	2023	%	2022	2021	2020
Cost Income Ratio (CIR)	49,21	-9,67	58,87	83,85	63,90
Cost Income Ratio ex. Trading (CIRex)	49,93	-10,50	60,43	85,42	65,55
Return on Assets (ROA)	0,79	+0,27	0,52	0,77	0,31
Return on Equity (ROE)	13,26	+3,96	9,29	14,76	5,46
Return on Assets before Taxes (ROAbT)	1,14	+0,42	0,72	0,78	0,35
Return on Equity before Taxes (ROEbT)	19,05	+6,24	12,82	15,00	6,33
Return on Risk-Weighted Assets (RORWA)	2,11	+0,65	1,46	2,42	0,96
Return on Risk-Weighted Assets before Taxes (RORWAbT)	3,03	+1,02	2,01	2,46	1,11
Net Financial Margin (NFM)	1,81	+0,58	1,23	1,12	1,48
Pre-Impairment Operating Profit / Assets	1,36	+0,48	0,87	0,29	0,76

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 have necessary to 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)	2023	%	2022	2021	2020
Cash and Balances with Central Banks	37.861	+84,5	20.522	104.279	51.615
Net Loans to Banks	11.882	-4,4	12.434	7.806	5.847
Net Loans to Customers	344.383	-2,4	352.884	344.591	237.073
Total Securities	168.780	+2,2	165.174	85.385	45.267
Total Derivative Assets	7.314	-4,7	7.672	12.308	7.102
Other Financial Assets	-	-	-	-	-
Financial Assets	**570.220**	**+2,1**	**558.686**	**554.369**	**346.904**
Equity Accounted Investments	1.918	-6,6	2.054	2.534	3.443
Other Investments	1.423	-10,9	1.597	1.865	2.007
Insurance Assets	54	-14,3	63	83.464	77.241
Non-current Assets & Discontinued Ops	2.121	-12,6	2.426	3.038	1.198
Tangible and Intangible Assets	10.864	-0,7	10.943	11.331	8.899
Tax Assets	18.747	-8,4	20.464	21.298	10.626
Total Other Assets	1.820	-30,5	2.617	2.137	1.202
Total Assets	**607.167**	**+1,4**	**598.850**	**680.036**	**451.520**

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

Asset Ratios (%)	2023	%	2022	2021	2020
Net Loans to Customers / Assets	56,72	-2,21	58,93	50,67	52,51
Risk-weighted Assets[1] / Assets	37,62	+1,70	35,92	31,71	0,00
NPL[2]/ Loans to Customers[3]	3,23	-0,13	3,36	4,56	4,01
NPL[2]/ Risk-weighted Assets[1]	4,72	-0,59	5,31	7,05	6,32
Potential Problem Loans[4]/ Loans to Customers[3]	8,50	+0,19	8,31	9,35	8,68
Reserves[5]/ NPL[2]	96,31	+3,32	92,99	96,84	94,67
Cost of Risk / Loans to Customers[3]	0,42	+0,09	0,33	-0,98	0,99
Cost of Risk / Risk-weighted Assets[1]	0,61	+0,09	0,53	-1,51	1,57
Cost of Risk / Total Assets	0,23	+0,04	0,19	-0,48	0,50

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)	2023	%	2022	2021	2020
Total Deposits from Banks	6.296	-72,0	22.486	86.822	54.597
Total Deposits from Customers	393.386	-0,3	394.466	389.203	243.163
Total Debt	56.755	+7,9	52.608	53.684	35.813
Derivative Liabilities	6.959	+15,9	6.004	6.468	2.002
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	25.704	+67,4	15.351	15.732	7.635
Total Financial Liabilities	**489.100**	**-0,4**	**490.915**	**551.909**	**343.210**
Insurance Liabilities	70.240	+12,2	62.595	79.834	75.129
Non-current Liabilities & Discontinued Ops	170	> +100	16	17	14
Tax Liabilities	2.094	+8,4	1.932	2.337	1.231
Provisions	4.472	-14,5	5.231	6.535	3.195
Total Other Liabilities	4.752	+6,7	4.454	3.979	3.463
Total Liabilities	**570.828**	**+1,0**	**565.143**	**644.611**	**426.242**
Total Equity	**36.339**	**+7,8**	**33.707**	**35.425**	**25.278**
Total Liabilities and Equity	**607.167**	**+1,4**	**598.850**	**680.036**	**451.520**

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

Capital Ratios and Liquidity (%)	2023	%	2022	2021	2020
Total Equity / Total Assets	5,99	+0,36	5,63	5,21	5,60
Leverage Ratio[1]	5,80	+0,20	5,60	5,30	5,60
Common Equity Tier 1 Ratio (CET1)[2]	12,39	-0,39	12,78	13,14	13,64
Tier 1 Ratio (CET1 + AT1)[2]	14,36	-0,39	14,75	15,45	15,71
Total Capital Ratio (CET1 + AT1 + T2)[2]	17,12	-0,22	17,34	17,86	18,08
CET1 Minimum Capital Requirements[1]	8,53	+0,19	8,34	8,19	8,10
Net Stable Funding Ratio (NSFR)[1]	143,61	+1,96	141,65	153,82	-
Liquidity Coverage Ratio (LCR)[1]	203,00	-88,35	291,35	321,71	249,62

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 (v3.3)
- Rating of bank capital and unsecured debt instruments (v2.2)
- Environmental, Social and Governance Score for Banks (v1.1)

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https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html

On 20 June 2024, 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 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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1. Aggregated data base by eValueRate

2. Annual Report and interim reports

3. Investors relations information and other publications

4. Website of the rated bank

5. Public and internal market analyses

6. Internet research

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