CaixaBank, S.A. BME: CABK

Equity research note · **Earnings quality and the turn in credit costs**
Spanish retail & insurance banking · H1 2026 results

Price €13.34 · 8 Sep 2026 close
Market cap €92.8bn
TBV/share €4.744
P/TBV 2.81x

Net profit up 8.5%. Pre-provision profit up 3.2%. The gap is tax and one-offs: **77% of the growth came from outside the business**, while loan-loss provisions rose **29%**. At 2.81 times tangible book — and a 28% premium to its peers per point of return on a like-for-like basis — the market is paying for the headline rather than the engine that produced it.

ROTE 12M	COST-TO-INCOME	H1 PROVISIONS	CET1	NPL RATIO
18.0%	39.6%	+29%	12.5%	1.78%
↓ from 18.5%	↑ from 38.6%	€372 → 480m	stable	↓ from 2.1%

1 · THE CORE FINDING — WHERE THE EARNINGS CAME FROM

The half-year headline is 8.5% profit growth. Walking down the income statement shows that most of it did not come from banking.

H1 INCOME STATEMENT (€M)	H1 2025	H1 2026	CHG.
Gross income	8,040	8,338	+3.7%
Operating expenses	(3,179)	(3,320)	+4.5%
Pre-provision profit	4,862	5,018	+3.2%
Loan-loss provisions	**(372)**	**(480)**	**+29.0%**
Asset disposals (non-recurring)	**(31)**	**71**	**+102**
Pre-tax profit	4,353	4,539	+4.3%
Income tax	**(1,399)**	**(1,332)**	**−4.8%**
Net attributable profit	**2,951**	**3,203**	**+8.5%**

Pre-tax profit rose 4.3% while the tax charge *fell* 4.8%: the effective tax rate dropped from **32.1% to 29.3%**.

Bridging the 8.5%

Lower effective tax rate	+4.2 pp
Non-recurring disposal gains	+2.4 pp
Underlying operating growth	**+1.9 pp**

Percentage points of the reported growth: the three components add to the 8.5% headline.

The smoothed ratio masks the turn in credit. Trailing 12-month cost of risk reads flat at 0.24%, yet the half-year impairment charge is up **29.0%**. The rolling average spreads it across a growing loan book; the period charge is the leading indicator, and it has already moved.

Costs are outgrowing income — 4.5% against 3.7% — pushing the cost-to-income ratio from 38.6% to 39.6%.

At 39.6% the ratio remains competitive in Europe and management guides to the high 30s by 2027, but it leaves CaixaBank third of four among its Spanish peers (section 7). This corroborates the direction of travel; it is not a problem of level.

2 · WHERE THE SHARES HAVE COME FROM

Before arguing about whether the price is right, it is worth knowing how it was arrived at. The stock has more than quintupled since 2021 and beaten the IBEX 35 by 307 percentage points. The question is how much of that came from a bank worth more, and how much from a market willing to pay more for the same thing.

ANNUAL RETURN 2026 TO 9 SEP	CABK	IBEX 35	RELATIVE
2022	+52.3%	−5.6%	+57.9 pp
2023	+1.6%	+22.8%	−21.2 pp
2024	+40.5%	+14.8%	+25.7 pp
2025	+99.2%	+49.3%	+49.9 pp
2026 year to date	+23.0%	+13.4%	+9.6 pp
Cumulative since Dec 2021	**+432%**	**+125%**	**+307 pp**

And the dividend is no footnote. The table compares price with price, because the IBEX 35 is a price index. On the index side the effect is measured: over five years it returned **158.3% with dividends against 113.6% without**, a gap of some 45 points. On CaixaBank's side it is not measured — that would need its full dividend history — but its order of magnitude is known: the FY2025 distribution alone, **€0.50 per share**, is worth close to **9.5% of the December-2024 share price**. Since it pays out above the index average, CaixaBank's total return would beat the IBEX by *more* than the 307 points in the table: comparing on price does not overstate the run, it understates it. The annual IBEX returns above match BME's official figures to two decimal places.

FIVE-YEAR RETURN	PRICE	VS IBEX
Sabadell	+509.9%	+396 pp
CaixaBank	**+391.0%**	**+277 pp**
BBVA	+346.7%	+233 pp
Santander	+306.9%	+193 pp
Bankinter	+229.2%	+116 pp
IBEX 35	**+113.6%**	—

CaixaBank ranks second in the sector, but **the entire sector beat the index by between 116 and 396 points**. The move is not company-specific: it is a wholesale re-rating of Spanish banking. The comparison also needs a caveat, since the six listed banks make up **40.8% of the IBEX 35 itself** — when CaixaBank beats the index, CaixaBank is in large part the index.

MULTIPLES THROUGH TIME	DEC 23	DEC 24	DEC 25	JUN 26	9 SEP
P/E	5.7x	6.4x	12.4x	14.0x	15.3x
P/TBV	0.89x	1.19x	2.23x	2.61x	2.71x
Period average				**P/E 9.6x · P/TBV 1.73x**	**+59% · +57%**

How to read that +59%. It is the gap between today's multiple and the mean of four closing observations, and it deserves the caution that implies: the series climbs in a straight line, so its mean is not an equilibrium level the multiple tends back to — it is simply the midpoint of a continuous rise. Against the most recent observation, June's 14.0x, the gap is only 9%. What the table establishes firmly is not that the multiple sits 60% above some normal level, but that **it has multiplied 2.7 times in thirty months without a single pause**.

The decomposition is what matters. Between December 2023 and today the share price has multiplied 3.45 times. Tangible book value per share — what the bank has actually built — has grown 13%.

DECOMPOSING THE RETURN, DEC 23 → TODAY	FROM	TO	CHG.
Share price	€3.73	€12.86	+245%
TBV per share (the business)	€4.20	€4.744	+13%
Multiple (willingness to pay)	**0.89x**	**2.71x**	**+206%**

Contributions measured in log returns, which are additive and therefore split the total return between its two components without a residual.

WHERE THE PRICE SITS IN ITS OWN YEAR	52W LOW	52W HIGH	OFF HIGH	PERCENTILE
CaixaBank	**€8.53**	**€13.56**	**–5.2%**	**86%**
Santander	€8.10	€13.12	–5.1%	87%
BBVA	€15.40	€25.44	–3.2%	92%
Bankinter	€12.28	€17.02	–4.5%	84%
Sabadell	€2.79	€3.75	–4.2%	84%

Percentile: where the current price sits within the 52-week range, 0% being the low and 100% the high. Same time stamp as the rest of the note.

All six listed Spanish banks sit between the 84th and 92nd percentile of their annual range — Unicaja, not shown, at the 87th — and none is more than 5.2% below its 52-week high. This is a sector position, not a company one.

It matters for what it says about the starting point. Buying here is not buying a bank the market has left behind: it is buying one after the re-rating has already happened, in the upper reach of its own annual range, with the entire sector in the same place. The session's fall — CaixaBank –3.52% against the IBEX 35's –1.84% — barely changes that reading.

THE NATURE OF THE RISE

Of the **245 points the shares have gained since December 2023, 90% is multiple expansion**. Only 10% came from tangible value created.

That reframes the question. It is no longer whether CaixaBank is a good bank — it is, and section 4 documents it — but whether there is road left when what has risen is the market's willingness to pay rather than the underlying business. The distinction is not academic: **a multiple expansion can be given back, growth in tangible book cannot.** The first depends on the market continuing to demand the same return; the second depends only on the bank.

What changed to make the market pay more. The company's own filings answer this without recourse to a sector narrative. In December 2023 the shares traded at **0.89 times tangible book** — below book, which is where the market puts a bank it doubts can cover its cost of capital. Two measurable things have happened since.

The first is distribution. CaixaBank completed the €12.0bn of shareholder returns committed under its 2022-2024 strategic plan, paid out **59.4% of 2025 earnings** — €3,499m, €0.50 a share — and cancelled the shares it bought back, leaving share capital at 7,024.5m shares. That €12.0bn is **13% of today's market capitalisation** handed back to shareholders.

The second is that management raised its own targets. The 2025-2027 strategic plan was launched with one set of goals, which the company revised upward when it published its 2025 results:

2027 TARGET	AS LAUNCHED	REVISED
ROTE	**>16%**	**~20%**
Cost-to-income	low 40s	high 30s
Net interest income (CAGR)	~0%	~4%
Business volume (CAGR)	>4%	~6%
NPL ratio	~2%	<1.75%

Annual Report 2025, p. 36 (targets and their revision) and p. 590 (dividends, buybacks and resulting share capital). **The multiple did not expand in a vacuum:** the market moved from doubting the bank's returns to discounting the ones the company itself undertook to deliver. That this shift in expectations is already in the price is precisely what this note is about.

3 · THE HEDGE THAT CANCELS THE RATE UPSIDE

The ECB raised rates to 2.50% in June, its first hike in three years, with euro-area inflation at 3.0% and 12-month Euribor heading toward 2.75%. The standard reading is that higher rates widen bank margins. At CaixaBank that transmission has been deliberately switched off.

> **THE NUMBER THAT SETTLES IT**
>
> It takes just **2.6 basis points** of additional cost of risk to wipe out the entire benefit of a 50bp ECB hike.
>
> While the margin barely moves, a higher Euribor raises repayments on a mortgage book that is largely floating-rate, with 3% inflation eroding the borrower's disposable income. On a normalisation to 40bp the credit channel is **seven times more powerful** than the margin channel — and that 0.40% is the top of the range the company itself publishes. **CaixaBank is not long the rate cycle; it is effectively short it.**

Left alone, the balance sheet would be strongly asset-sensitive. In the bucket that reprices within a year, assets exceed liabilities by nearly €62bn: absent any intervention, a rate rise would feed through forcefully to net interest income. Hedging reverses that position.

≤1-YEAR REPRICING BUCKET (€M)	AMOUNT
Natural asset – liability gap	+61,922
Hedges	**−117,775**
Net position	**−55,853**

Hedges run to **1.9 times** the natural gap. The low rate sensitivity is not a feature of the business — it is the outcome of a balance-sheet management decision.

INSTANTANEOUS ±100BP SHOCK	NET INTEREST INCOME	ECONOMIC VALUE
+100 bp	+1.86%	−4.33%
−100 bp	−1.91%	+3.61%

FY2025 management report, p. 1,062. One-year sensitivity of rate-sensitive balance-sheet items; economic value measured against Tier 1.

The symmetry is the point. The same book that limits the downside if rates fall (−1.91% on a 100bp cut) caps the gain just as tightly if they rise (+1.86% on a 100bp hike). It is insurance with a premium attached, not a free option: the protection is paid for by surrendering the good side.

An unhedged Spanish retail bank — large variable-rate mortgage book, sticky deposits — would capture considerably more of this cycle. CaixaBank has chosen otherwise, which inverts the sector's usual read for this particular name.

WHAT A 50BP HIKE ACTUALLY DELIVERS	IMPACT
Net interest income (favourable)	+0.23 pp of ROTE
Cost of risk 22 → 40bp (adverse)	−1.56 pp of ROTE
Cost of equity, +50bp on Rf (adverse)	−€0.68 per share

The margin benefit applies the disclosed sensitivity; the cost-of-risk effect is calculated on the loan book, after tax.

4 · THE FRANCHISE

The quality of the business is not in question and deserves to be sized properly: net interest income has returned to growth, asset quality is at multi-year bests and capital is solid. The thesis does not depend on denying any of it.

METRIC	FY2025	H1 2026
Net interest income	−3.9% (FY)	+2.0% (H1/H1)
Service income (fees, wealth, insurance)	+5.4%	+7.4%
ROTE (trailing 12m)	17.5%	18.0%
NPL ratio	2.1%	1.78%
NPL coverage	77%	81%
CET1	12.6%	12.5%
TBV per share	**€4.69**	**€4.744**

Tangible equity €33,016m ÷ 6,959m shares outstanding net of treasury. The lower share count reflects buyback programmes under way.

Net interest income has stopped falling and grew 2.0% on a like-for-like basis. Service income — fees, wealth management and insurance — advanced 7.4% and provides diversification away from the rate cycle. Asset quality improved on both measures that matter: non-performing loans and their coverage.

The caveat sits in the direction, not the level. Comparing half-years on a consistent basis, ROTE slipped from 18.5% to 18.0% and cost-to-income deteriorated. These are small movements, but they coincide with the turn in provisions and with the relative position set out in section 7.

Comparability. The strategic KPI table restated its 2024 baseline between the annual and half-year reports (ROTE from 18.1% to 16.9%; cost-to-income from 38.5% to 39.0%). The two documents' series are not consistent with one another; every change cited here is taken from within a single report.

5 · THE COMPANY'S OWN COST OF CAPITAL

The impairment note in the half-year report discloses the discount rate CaixaBank applies to value its own cash-generating units. It allows the valuation to be built on the issuer's parameters rather than external assumptions.

IMPAIRMENT NOTE, H1 2026	30 JUN 26	31 DEC 25
Discount rate, post-tax	**7.8%**	**8.7%**
Discount rate, pre-tax	11.1%	12.4%
Terminal growth rate	**1.0%**	**1.0%**
Cost-of-risk guidance range	0.23% – 0.40%	

Method, as stated in the filing: calculated on the German 10-year bond yield plus a risk premium.

The discount rate fell from 8.7% to 7.8% over six months — a period in which rates rose. The ECB moved from 2.00% to 2.50% in June and the German 10-year yield rose with it. A required return that falls while the risk-free rate climbs implies the applied risk premium was compressed by close to a full percentage point.

The market price points the same way, discounting an implied cost of equity lower still, at **7.05%**. Issuer and market agree in demanding less compensation at precisely the moment when the rate environment and the turn in credit costs point the other way.

The 0.23%–0.40% cost-of-risk range comes from the sensitivity table in the same note. It is used later as the normalisation reference, with the upper bound taken from the issuer rather than from an outside estimate.

6 · VALUATION

The justified multiple is (ROTE – g) ÷ (COE – g). Four cost-of-equity estimates are set against two growth rates: the 1.0% CaixaBank publishes, and a 2.5% built from the ECB's inflation target (2%) plus trend real growth for the Spanish economy (~0.5%), which is the reasonable ceiling for a perpetual rate.

METHOD	COE	ROTE 18.0% · G 1.0%	ROTE 18.0% · G 2.5%
(a) Bund + Spain premium, rating-based	9.44%	2.01x · €9.56 (+40%)	2.23x · €10.60 (+26%)
(a) Bund + Spain premium, CDS-based	8.23%	2.35x · €11.15 (+20%)	2.71x · €12.83 (+4%)
(b) Spanish bond + mature-market premium	8.30%	2.33x · €11.05 (+21%)	2.67x · €12.68 (+5%)
(c) Cost of capital published by the company	**7.80%**	**2.50x · €11.86** (+12%)	**2.92x · €13.87** (–4%)
Market 8 Sep close	**7.05%** implied, g 1.0%		**2.81x · €13.34**

Figures in brackets show how far the market price sits above the justified value in each combination. The implied cost of equity inverts the same formula: g + (ROTE – g) ÷ (P/TBV). On the issuer's growth rate the market is content today with **7.27%** — half a point less than the company demands of itself in its own accounts.

THE THESIS, STATED CLEANLY

On the company's own discount rate (7.8%), its own terminal growth (1.0%) and its current ROTE (18.0%), the justified multiple is **2.50x against 2.81x traded** — 12% above fair value, with no external assumption required.

The average 12-month target price among analysts covering the stock stands at **€12.76**, also below the current price. The conclusion is sensitive to the growth rate: at 2.5% rather than the issuer's 1.0%, the shares would screen 4% cheap. That is precisely why the parameter has to be stated — and why the company's own figure is adopted.

The beta behind methods (a) and (b)

ESTIMATE	Β	R²
Own regression vs IBEX 35, 59 monthly returns (Sep 21 → Aug 26)	0.696	0.20
Same, most recent 30 months (Apr 24 → Aug 26)	**1.048**	**0.39**
Blume adjustment on the full series (0.67β + 0.33)	0.796	n/a
Damodaran, *Bank (Money Center)*, Western Europe (113 firms)	**1.076**	**n/a**

Beta is not stable here, and the shift has an economic explanation. Over the first thirty months of the sample it was 0.43 with an R^2 of 0.08: through monetary normalisation the stock traded on the rate cycle and barely tracked the index. As that driver faded it began behaving like an IBEX stock again, and the recent regression converges with the European sector beta around **1.05–1.08**, which is the level adopted. The 0.11 beta published by data vendors is discarded for the reason set out in section 7, *Comparables*. *n/a — not applicable:* R^2 is a property of a regression, and neither the Blume adjustment (a mechanical correction to an already-estimated beta) nor Damodaran's average of 113 companies is one.

7 · COMPARABLES

The section above values CaixaBank on two chosen parameters, the cost of equity and the growth rate, and anyone who disputes those will dispute the answer. What follows uses neither: four banks, one regulator, one cycle, the same half-year reported, priced by the same market in the same instant. It is the part of this note that rests on no assumption of mine.

> **THE FINDING IN ONE LINE**
>
> CaixaBank pays **0.151 times book per point of ROTE**. Santander, Bankinter and BBVA pay 0.113 · 0.113 · 0.109 — a **34%** premium as each reports its ROTE, and **28%** once the calculation bases are aligned.

MARKET MULTIPLES 9 SEP 2026, 12:55 CEST	PRICE	P/E	DIV. YIELD	MARKET CAP	TARGET	UPSIDE
CaixaBank	**€12.86**	**15.32x**	**3.71%**	**€89.5bn**	**€12.76**	**–0.8%**
Santander	€12.45	14.16x	1.94%	€180.9bn	€13.47	+8.2%
Bankinter	€16.26	13.22x	4.56%	€14.6bn	€16.37	+0.7%
BBVA	€24.62	13.03x	3.63%	€135.9bn	€23.24	–5.6%
Sabadell (excluded)	€3.59	17.95x	5.47%	€17.0bn	€3.44	–4.2%
Spanish banks ex-CaixaBank, capitalisation-weighted P/E	—	**13.64x**	—	**€340.3bn**	—	—

Sabadell is left out. It sold TSB — deconsolidated from June 2025 — and paid a €0.50 special dividend, so its trailing 12-month earnings are not representative. The 17.95x P/E is an accounting artefact: annualising the half-year puts it nearer 8.8x. Including it at that normalised multiple would cheapen the peer average and widen CaixaBank's premium, which is exactly why it is excluded rather than used. Unicaja is left out of the analysis on size and profile but does enter the sector benchmark, which is built as aggregate market capitalisation over aggregate earnings for the remaining banks — Santander, BBVA, Bankinter and Unicaja — excluding both CaixaBank and Sabadell. Including CaixaBank the sector multiple would be 13.96x; with all six, 14.08x. CaixaBank's target is the mean 12-month analyst consensus; the others are the vendor consensus captured at the same time.

And it is worth saying what that benchmark shows, because it does not flatter the argument. Against the aggregate sector CaixaBank's P/E premium is barely **12%**: on the headline multiple the stock is somewhat expensive, not conspicuously so. The heavy lifting in this thesis is not done by the multiple on its own but by the adjustments for profitability and provisioning that follow. A reader who stopped at this table would reasonably conclude that CaixaBank trades in line with its sector.

On the headline multiple CaixaBank does not stand out: 15.32x against 13–14x for its three peers. But the right comparison is not the multiple on its own — it is the multiple per unit of return, since a bank earning 22% on tangible equity deserves to trade above one earning 17%. On that basis the picture reverses.

ADJUSTED FOR PROFITABILITY	P/TBV	ROTE	X PER POINT
CaixaBank	**2.71x**	**18.0%**	**0.151**
Santander	1.97x	17.4%	0.113
Bankinter	2.31x	20.4%	0.113
BBVA	2.43x	22.2%	0.109
Peer average	—	—	**0.112**

What settles it is not the size of the premium but how tightly the other three converge. Santander, Bankinter and BBVA cluster within four thousandths despite sharply different sizes, geographies and risk

CREDIT QUALITY AND CAPITAL	COST OF RISK	NPL	COST/INCOME	CET1
CaixaBank	**0.24%**	**1.78%**	**39.6%**	**12.50%**
Santander	1.15%	2.93%	42.8%	14.02%
Bankinter	0.33%	1.92%	34.4%	12.91%
BBVA	1.43%	2.60%	37.8%	12.90%

Santander and BBVA operate across Latin America, where the structural cost of risk is far higher and comes attached to correspondingly higher margins. That makes Bankinter the profiles. It is not that one of them is an outlier — it is CaixaBank that sits outside the group. And the market cannot be wrong in the same direction on three near-identical banks at once.

ROTE as each bank reports it in its own H1 2026 filing. **The bases have been verified one by one.** CaixaBank and Bankinter both use a trailing twelve months; the only difference between them is that CaixaBank deducts the AT1 coupon from the numerator and Bankinter does not, which is worth 0.87pp. BBVA annualises the half. Santander's basis is unverified. Put CaixaBank on Bankinter's convention and it earns **18.87%**, leaving a **+27%** premium to Bankinter and **+28%** to the peer average. Detail and references at the end.

Cash-based multiples

A bank's P/E depends on how much it provisions, and provisioning little is precisely what a benign cycle allows. Price to *pre-provision profit* strips that variable out and measures the price against operating capacity, before the decision about how much to set aside.

PRICE / PRE-PROVISION PROFIT	P/PPP	P/E	PROVISIONS AS % OF PPP
CaixaBank	**8.92x**	**15.32x**	**9.6%**
Bankinter	6.94x	13.22x	14.6%
BBVA	5.22x	13.03x	26.6%

H1 2026 pre-provision profit annualised, over market capitalisation at the same time stamp. CaixaBank €5,018m · Bankinter €1,052m · BBVA €13,159m. Santander is omitted because its half-year income statement has not been verified against the original filing. The BBVA comparison is distorted by its Latin American exposure; the meaningful one is Bankinter.

relevant comparable — the only one in the group with a risk profile genuinely like CaixaBank's.

And Bankinter is what closes the argument. The same Spanish domestic bank, no Latin America. It earns more (20.4% against 18.0%), holds more capital (12.91% against 12.50%) and runs materially leaner (34.4% cost-to-income against 39.6%). CaixaBank's edge on cost of risk and non-performing loans is real but slight: nine basis points and fourteen hundredths of a point. Even so, **Bankinter trades 33% cheaper per point of return**.

CaixaBank sets aside 9.6% of its pre-provision profit, the lowest in the group. That is why its P/E looks reasonable: reported earnings are capturing the most favourable point of the credit cycle. Measured before that decision, it trades **28% above Bankinter** — all but identical to the 33% produced by the profitability-adjusted multiple on tangible book, and arrived at by a completely separate route.

It also ties back to section 1: if cost of risk normalises toward the 0.40% the company itself treats as the top of its range, provisions rise and earnings fall, but pre-provision profit does not move. The cash multiple would be unchanged; the P/E would not, and it would go up.

Why the vendor beta is discarded. Six Spanish banks, one regulator, one cycle, one data provider and one methodology — five years of monthly returns against the S&P 500: **Bankinter 0.05 · CaixaBank 0.11 · Unicaja 0.38 · Sabadell 0.50** are listed in Madrid alone; **BBVA 0.89 · Santander 0.93** carry ADRs in New York. The split falls cleanly along where each one is listed and bears no relation to the risk on their balance sheets. The regression is sound as a measurement; what is not sound is using it as an estimate of systematic risk. Fed into CAPM, CaixaBank's would produce a 4.2% cost of equity — below the German bund plus any premium defensible for a bank levered twenty times.

8 · SCENARIOS AND RISKS

Every scenario is built on the same published parameters — a 7.8% cost of capital and 1.0% terminal growth — and differs only in the level of sustainable ROTE. Framed this way, the current price reads as a specific claim about future returns.

WHAT THE PRICE IS DISCOUNTING

At €13.34 the market is discounting a **sustained ROTE of 20.1%** in perpetuity.

That is exactly the target management set for 2027 in the update to its strategic plan. The price does not merely assume CaixaBank *reaches* its guidance — it assumes the bank *holds it indefinitely*, starting from 18.0% today, already declining year-on-year, and with the cost of risk at the floor of the company's own range.

SCENARIO	WHAT HAS TO BE TRUE	ROTE	P/TBV	VALUE	VS PRICE
Upside	The half-year rise in provisions proves to be timing rather than trend; cost of risk stays near 24bp; costs re-anchor to the high-30s guidance and management reaches and holds its 2027 target	20.0%	2.79x	€13.26	−1%
Base	**Cost of risk normalises toward 30–40bp within the published range; costs keep growing faster than income; the tax rate normalises and the contribution from one-offs disappears**	**16.5%**	**2.28x**	**€10.81**	**−19%**
Downside	Euribor repricing pushes mortgage stress beyond 40bp; the banking levy persists; a higher Bund lifts the cost of capital above the 7.8% the company applies	14.5%	1.99x	€9.42	−29%

Multiples calculated at a 7.8% COE and 1.0% terminal growth. Sensitivity is material: each point of ROTE is worth 0.147x of multiple, or about €0.70 per share.

WHERE THIS COULD BE WRONG

The three routes by which this analysis fails, in order of likelihood.

Credit does not deteriorate

The 29% rise in provisions may reflect timing, a change in scope, or a voluntary strengthening of coverage — which rose to 81% — rather than genuine deterioration in the book. Non-performing loans, after all, improved to 1.78%. If cost of risk holds near 24bp, the base case loses its principal driver.

The premium is deserved

A market paying 34% more per point of ROTE may be pricing something the comparison does not capture: a larger share of insurance and asset management, less volatile revenue, or a conviction about the durability of that return which Bankinter does not inspire. The premium is a fact; that it is unwarranted is a judgement.

The growth rate

The whole valuation rests on a small denominator, (COE − g). At the issuer's 1.0% the shares are 8% expensive; at 2.5% they would screen 7% cheap. It is the most fragile parameter in the model, and anyone disagreeing with the conclusion will almost certainly disagree here. Section 7 exists precisely because it does not depend on this parameter.

THE TEST

Q3 results, **30 October 2026.**

The question is neither net interest income nor the ECB decision, but whether the impairment charge confirms the trajectory set in the first half. A cost of risk approaching 30bp validates the base case; one holding at 24bp forces the thesis to be revisited.

Sources. CaixaBank, *Consolidated Half-Year Report H1 2026* (272pp) · *CNMV interim disclosure, June 2026* · *Annual Report 2025* (1,187pp; pp. 769 and 1,062) · BBVA, *January–June 2026 report* · Bankinter, *Q2 2026 quarterly report* · Banco Santander and Banco Sabadell H1 2026 reports · BME, *IBEX 35 index factsheet* (annual returns, total-return series and constituents) · Damodaran, country risk premiums and industry betas (January 2026) · ECB and Eurosystem macroeconomic projections · market data, vendor betas and analyst consensus captured on 9 September 2026 between 12:48 and 12:55 CEST · monthly series for CABK and the IBEX 35 and own regression on them.

ROTE bases, verified one by one. *CaixaBank*: trailing twelve months with the AT1 coupon deducted from the numerator; every line of its calculation is labelled "12 M" (Consolidated Half-Year Report H1 2026, p. 257). *Bankinter*: also trailing twelve months — numerator "net profit for the last 12 months", €1,153.5m, denominator "moving average of own funds of the previous 12 calendar months" — but **without** deducting the AT1 coupon; its tangible book value per share, €7.0393, comes from the same source (Quarterly Financial Information in Excel, sheets 5.1 and 5.2). *BBVA*: annualises; its numerator is "attributable profit annualised, €12,203m" against the €6,051m earned in the half (January–June 2026, pp. 67–68). *Santander*: unverified. Between CaixaBank and Bankinter the difference is not one of horizon but a single adjustment, the AT1 coupon, worth 0.87pp: on Bankinter's convention CaixaBank earns 18.87% and the premium falls from 33% to **27%** against Bankinter and from 34% to **28%** against the average. Moving BBVA onto a trailing basis too (profit ~€11,115m, my estimate) would leave it near 24%. **On no basis does it fall below 24%.**

Reference dates. The valuation is built on the last available close: 8 September 2026, €13.34. Cross-sectional comparisons — peers, index and 52-week ranges — use the 9 September 12:55 CEST snapshot, in which CaixaBank traded at €12.86, so that the six banks and the index are measured at the same instant. Each table carries its own date.

Method. Fundamentals are taken from primary filings and verified line by line against the published reports, with page references given for the figures that carry the thesis. The IBEX 35 annual returns have been checked against BME's official figures. The valuation framework, choice of parameters, beta regression, peer construction and verification are my own; AI tooling was used to speed up drafting and calculation. Bank-specific metrics are applied throughout — ROTE, CET1, cost of risk, a multiple on tangible book and a multiple on pre-provision profit — rather than discounted cash flow or ROIC, which do not suit a regulated balance-sheet business.

Educational analysis. Not investment advice. No position held.
Álvaro Gómez Castells · 9 September 2026