

To: EFRAG
Attn: Jean-Paul Gauzès
EFRAG
35 Square de Meeûs
1000 Brussels
Belgium

Subject: Comments on the EFRAG's Draft Letter on the IFRS IC's Tentative Agenda Decision in the final phase of implementing IFRS 17 Insurance Contracts

Dear Jean-Paul,

CaixaBank welcomes the opportunity to comment on the EFRAG's Draft Letter on Tentative Agenda Decision – Transfer of Insurance Coverage under a Group of Annuity Contracts (IFRS 17).

CaixaBank is the parent company of the financial conglomerate. We are the leading financial group in terms of retail banking in Spain and one of the most important in Portugal, where we control 100% of BPI. We are linked to 21 million customers in the Iberian market, through more than 6,143 branches and the largest business network on the peninsula. We have been listed on the stock market since 2008 and we are part of the IBEX-35, the leading index of the Spanish stock market. CaixaBank Group also includes VidaCaixa, the leading insurer in Spain and BPI Vida e Pensões.

CaixaBank Group is writing to comment on the EFRAG's Draft Letter on IFRS Interpretations Committee's Tentative Agenda Decision regarding Transfer of Insurance Coverage under a Group of Annuity Contracts (IFRS 17 Insurance Contracts).

CaixaBank Group would like to express its appreciation to the EFRAG's swift response as this is an urgent issue. CaixaBank Group welcomes and supports the EFRAG's Draft Letter as it will allow IFRS Interpretations Committee to be aware of the consequences this decision may have for companies at this point of time.

CaixaBank Group considers that it is relevant to remind the IFRS Interpretations Committee that this Tentative Agenda Decision occurs when:

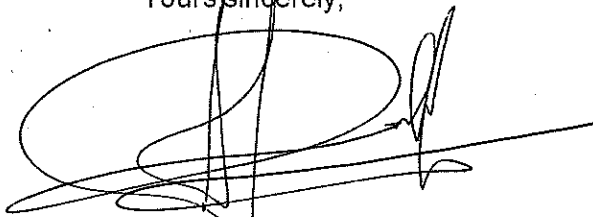
- The date of initial application of IFRS 17 is 1 January 2023. Most European insurers will also apply IFRS 9 for the first time on that date.
- IFRS 9 and 17 implementation projects are well underway and on track to meet the requirements by 1 January 2023.
- Implementing IFRS 9 and 17 is a major project of unprecedented effort; entities will therefore need all the time to 1 January 2023 to finalise the implementation.
- Entities have been committing significant resources and effort to the implementation of IFRS 9 and 17 and need a period of stability ahead of the standards' entry into force. Any disruption to this process should be avoided.
- A number of interpretations issues are being finalised by companies internally and with auditors. Whilst ongoing, these do not put the initial application of IFRS 9 and 17 at risk and further guidance/intervention by regulators is not deemed necessary and it could threaten the finalisation of the IFRS 17 implementation projects.

Additionally, CaixaBank Group believes that this Tentative Agenda Decision (TAD) does **not correctly portray the insurance service provided under these contracts, is not aligned with a principle-based standard and puts at risk IFRS 17 implementation on time for January 2023 for companies affected by this TAD**. In the case of Spain, the so-called approach B is the one used by almost all Spanish Insurers in the IFRS17 implementation projects (both from a methodology and an IT development point of view). Also, it is worth noting that there is a significant share of annuities in the Spanish market affected by the decision taken by the IFRS Interpretations Committee (IFRS IC), including both annuities underwritten by individuals and corporates.

CaixaBank Group believes that both Approaches A and B represent valid interpretations of the principles of IFRS 17 and if the IFRS Interpretations Committee believes that only one approach is a valid interpretation of IFRS 17 principles, then CaixaBank Group would recommend this issue to be addressed in a post-implementation review together with other issues that were pending to be addressed as well as others that may arise in the future.

In conclusion, CaixaBank Group supports and appreciates EFRAG sending this letter to the IFRS Interpretations Committee and cc The IASB Chair.

Yours sincerely,



Jordi Deulofeu Xicoira