CaixaBank

Financial Results

1H 2012

Barcelona, 27th July 2012

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In so far as it relates to results from investments, this financial information from the CaixaBank Group for 1H12 has been prepared mainly on the basis of estimates.

1H12 operating environment has been influenced by a changing regulatory framework

2012

February | May | June (9th) | June (10th) | June (21st) | July | Sept. | Nov-Dec

RE developers

- RDL 2/2012 (Feb 3rd): € **54 bn** (€38 bn provisions +€16 bn capital)
- RDL 18/2012 (May 12th): €**28 bn**

Existing provisions:	€112 bn
RDL 2 & 18/2012:	€66 bn
TOTAL	**€178 bn**

IMF report

Capital requirements for Spanish banks: **€25-37 bn**

Stress-Test: top-down

Roland Berger Strategy Consultants · Oliver Wyman

Aditional capital needs:

€25.6 bn (base)

€62.0 bn (stress)

CABK named one of 3 institutions that require no additional capital

Stress-Test: bottom-up

PricewaterhouseCoopers · KPMG · Deloitte. · Ernst & Young

Auditors review: total loan book + foreclosed assets

Release of individual capital needs

Oliver Wyman

Loan request: up to €100 bn → **MoU** ***(Memorandum of Understanding)*** → **Approval of restructuring plans**

1H 2012 Highlights

CaixaBank

Displaying robust business health in a difficult environment

1. **Intense commercial activity has led to a significant increase in retail funds (+€5.6 bn YTD) while loan book remains stable**

2. **Bolstering balance sheet strength:**

Boosting liquidity buffers as funding markets remain closed	**€42.5** *billion*
Positive capital trends. No additional capital needs are forecast	**13.0%** *Core Capital*
Good coverage levels	**60%** *coverage*

3. **Operating metrics continue to demonstrate core business strength:**

Strong pre-impairment income generation	**+12.3%** *yoy*

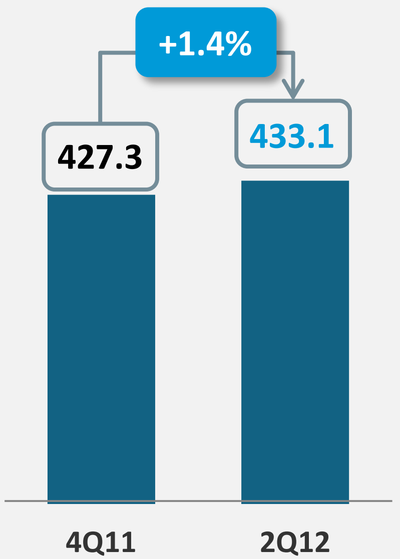
4. **Integration of Banca Cívica will be successfully completed on schedule**

1H2012: Commercial Activity

Strong commercial initiative leads to a significant increase of retail funds

Reinforcing liquidity levels by reducing commercial funding gap

Business volume: loan book and customer funds
YTD evolution (€ bn)



Retail funding[1]
+5.6bn€ ***(+4.2% YTD)***

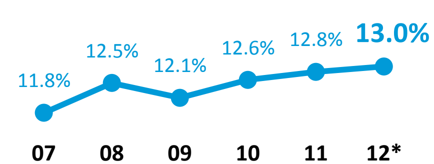
Loan book
+0.2bn€ ***(+0.1% YTD)***

Taking advantage of a strong relative position to increase retail funds…

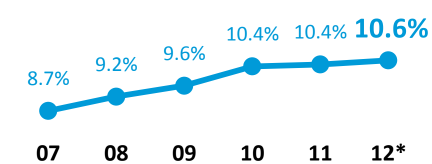
YTD evolution	*Sector (May'12)*	CaixaBank
Retail funds[1]	-1.2%	+4.2%
Loans[2]	-1.4%	+0.1%

…leading to continued market share gains in key retail products

Retail products[3]



Loans



Source: Bank of Spain, INVERCO and ICEA

*Last available data
1. Deposits and retail issuance
2. Sector: loans to private and public sector
3. Includes: household deposits, non financial corporation, ISFLSH, commercial papers, mutual funds, pensions plan and saving insurance

Retail funding increase (€5,562 MM) and reinforcing the liquidity

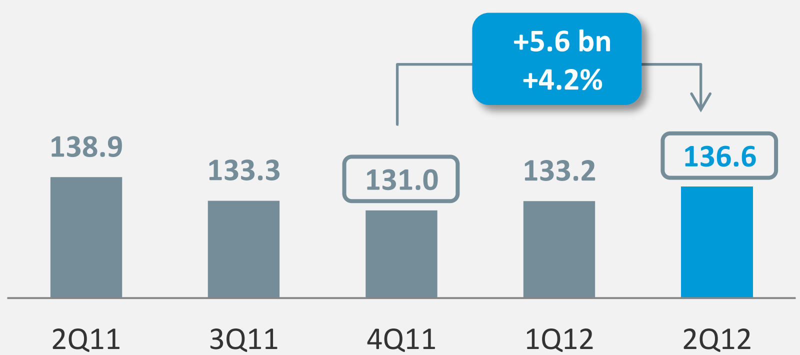
Total customer funds breakdown

In billion Euros

	30th June	YTD (%)
I. Customer funds on balance sheet	**201.9**	**2.9%**
Demand deposits	56.8	1.0%
Time deposits	62.9	(1.0%)
Retail issuance[1]	16.9	50.4%
Institutional issuance	38.4	(1.0%)
Insurance	24.6	4.7%
Other funds	2.3	(22.5%)
II. Off-balance sheet funds	**44.9**	**0.0%**
Mutual funds	17.1	(5.5%)
Pension plans	14.0	(1.8%)
Other managed resources[2]	13.8	9.8%
Total customer funds	**246.8**	**+2.3%**

Retail funding evolution

In billion Euros



- **Gradual reduction of the commercial funding gap**
- **Pricing still impacted by difficult funding and competitive environment**

(1) Retail debt securities are distributed to clients and include commercial paper, subordinated debt and covered bonds

Lower-than-sector deleveraging pressure leads to continued market share gains

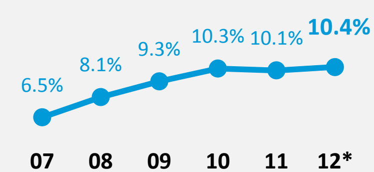
Loan-book breakdown (YTD evolution)

In billion Euros, gross

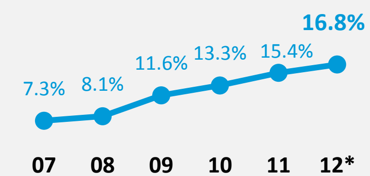
	30th June	YTD (%)
I. Loan to individuals	**92.0**	**(1.8%)**
Residential mortgages – home purchase	68.7	(1.4%)
Other	23.3	(2.9%)
II. Loan to businesses	**79.8**	**(1.5%)**
Non RE business	57.4	3.5%
Real Estate developers	20.7	(7.7%)
ServiHabitat & other RE subsidiaries	1.7[1]	(46.2%)
Loans to individuals and businesses	**171.8**	**(1.7%)**
III. Public sector	14.4	28.1%
Total loans	**186.3**	**0.1%**

- **Loans to RE developers continue to decline at a greater pace than the sector**
- **Exposure to businesses (ex-developers) increases by 3.5%**
- **Lower relative deleveraging lead to sustainable market share gains**

Non -mortgage loans



Factoring & Confirming



- **Public sector exposure increase due to €2.8bn participation in ICO syndicated loan to settle local government accounts payable**

*Last available data

(1) Servihabitat reduced its loan balance with CaixaBank by €1.35 bn through the issuance of a medium term bond which proceeds were used to reduce outstanding debt

Reputation and excellence in retail banking continue to be recognized by the market

European Seal of Excellence

- Granted by the European Foundation for Quality Management (EFQM)

The 'Best Bank in Spain 2012'

- Euromoney acknowledges CaixaBank's solvency, commercial strength and market share growth in recent years

The world's most innovative bank

- Bestowed at the Global Banking Innovation Awards, organized by the Bank Administration Institute and Finacle
- TrailBlazer Award, in recognition of CaixaBank's contactless ATMs

Export Factor growth award by Factors Chain International

- Recognition of CaixaBank's growth in export factoring over the last 3 years (2009-2011)

1H 2012:
Financial results

Operating metrics continue to display robust health

Consolidated income statement

In million Euros

	1H12	1H11	yoy (%)
Net interest income	**1,786**	**1,543**	**15.7**
Net fees	839	772	8.7
Income from investments[1]	516	686	(24.8)
Gains on financial assets[2]	248	76	223.5
Other operating revenue & exp. [3]	25	340	(92.7)
Gross income	**3,414**	**3,417**	**(0.1)**
Total operating expenses	(1,566)	(1,772)	(11.6)
Pre-impairment income	**1,848**	**1,645**	**12.3**

Strong results demonstrate core business strength despite a difficult environment:

- **Resilient NII with +2.3% qoq growth**
- **Positive and sustainable performance of fees underline franchise value**
- **Continued efforts in cost cutting and efficiency improvement**
- **Strong pre-impairment income generation**

(1) Includes dividends and share of profits from associates corresponding to the stakes in TEF, BME, REP, International Banking and non-life insurance business.
(2) Trading results affected by first quarter gains due to sales of fixed income assets and the cancellation of hedging contracts.
(3) Other operating revenue affected by the sale of 50% of non-life insurance business –Adeslas. Other operating expenses affected by the higher contribution to the Deposit Guarantee Fund (contribution of €118 M in 1H12 vs €59 M in 1H11).

Strong capacity to generate results lead to substantial provisioning levels, €3,735 MM

Consolidated income statement

In million Euros

	1H12	1H11	yoy (%)
Pre-impairment income	**1,848**	**1,645**	**12.3**
Impairment losses	(1,900)	(1,393)	36.4
Profit/loss on disposal of assets and others[1]	54	618	(91.2)
Pre-tax income	**2**	**870**	**(99.8)**
Taxes[2]	164	(37)	
Net attributable income	**166**	**833**	**(80.1)**

Total provisions

In million Euros, gross

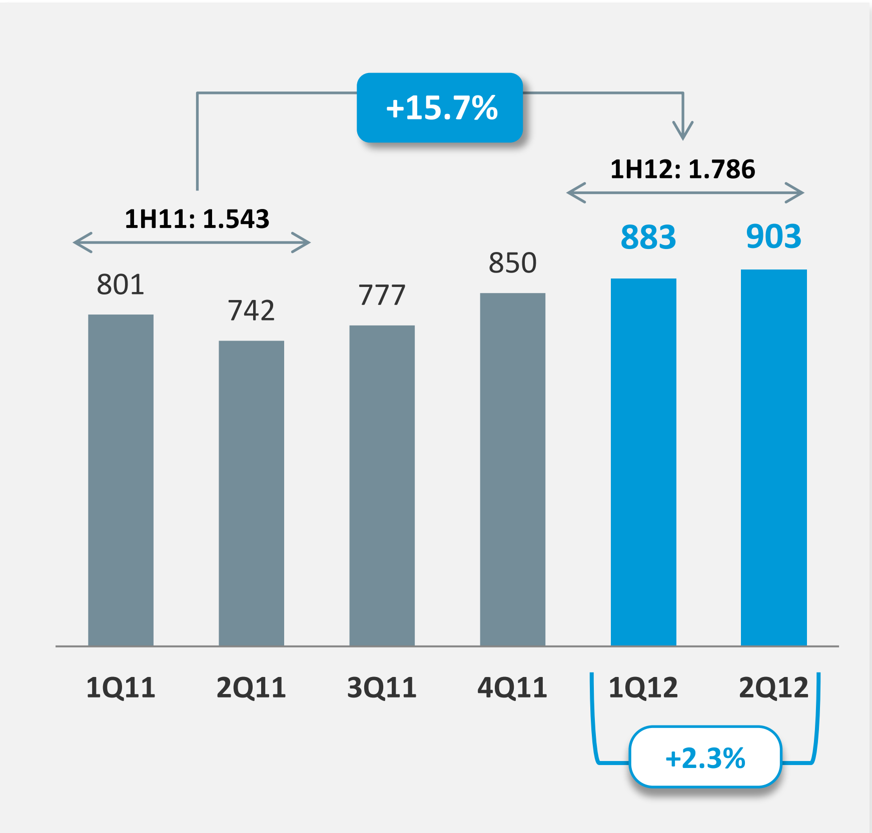
Impairment provisions	(3,688)
of which: RDL 2 and 18/2012	*(2,736)*
Others provisions	(47)
Total	**(3,735)**

- **Impact of Royal Decrees: €2,436 MM, RDL 2/2012 and €300 MM RDL 18/2012**

(1) Includes capital gain from sale of depositary business to CECA in 2012 and sale of 50% of SegurCaixa Adeslas in 2011

Net interest income still supported by index repricing and lower funding costs

Net interest income reaches new highs:

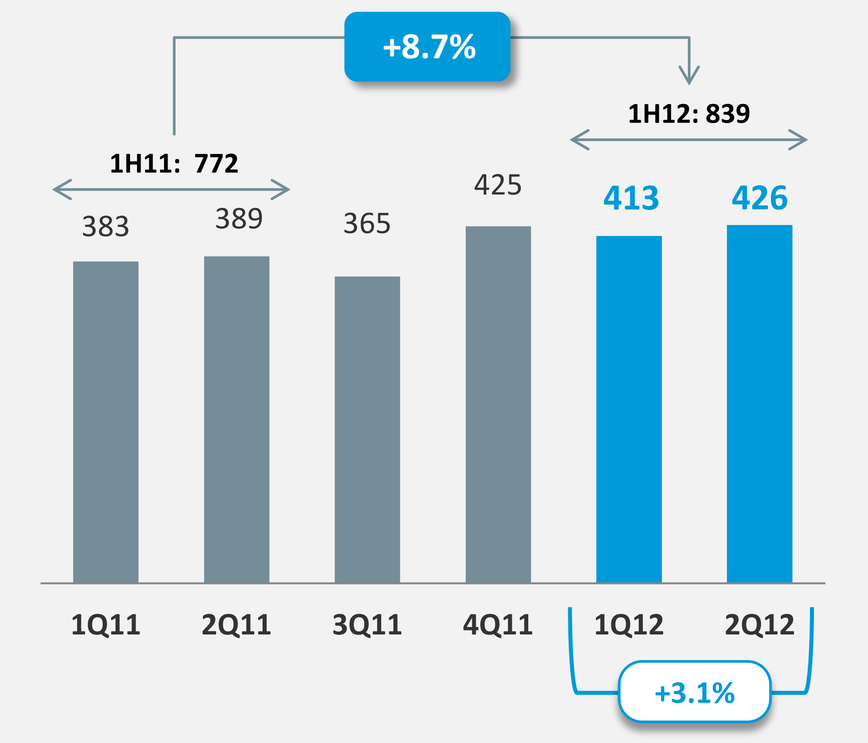


Net interest margin increases due to lower cost of funds

Fees: good indicator to show intrinsic health of franchise in a difficult environment

Net fees

In million Euros



Net fees breakdown

In million Euros

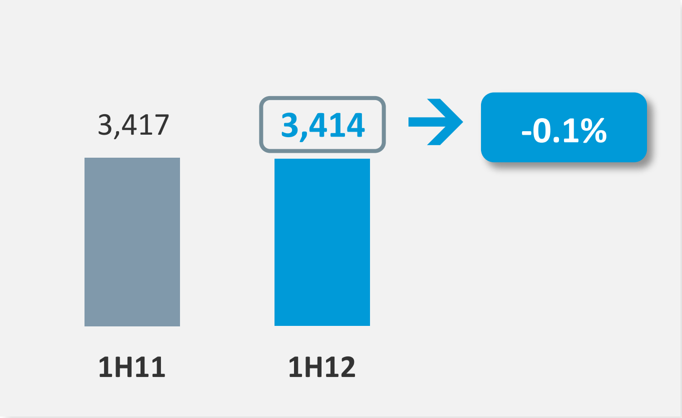
	1H12	yoy (%)
Banking services	626	13.5%
Mutual funds	71	(11.2%)
Insurance and pension plans	100	11.2%
Custody and distribution fees	42	(17.6%)
Net fees	**839**	**8.7%**

Market share growth leads to sustained performance in the fees and commissions line

Continued cost discipline leads to improved efficiency

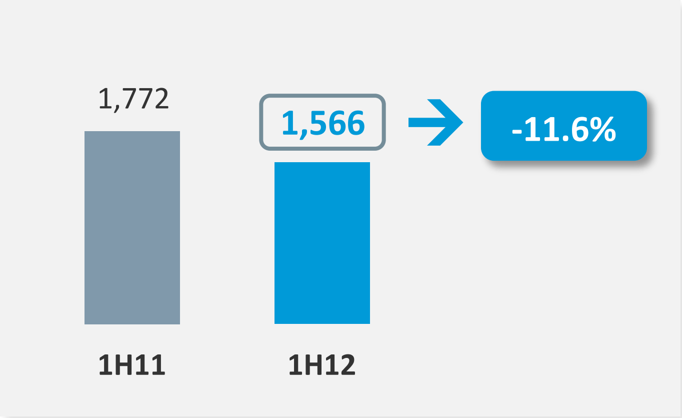
Gross income

In million Euros



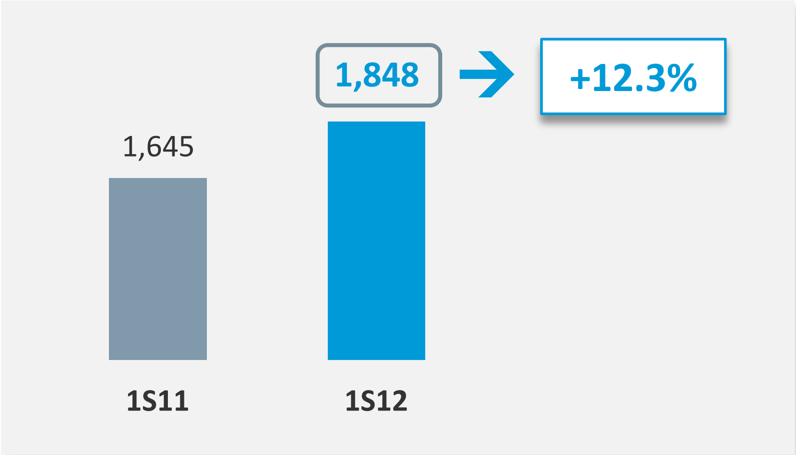
Total operating expenses

In million Euros



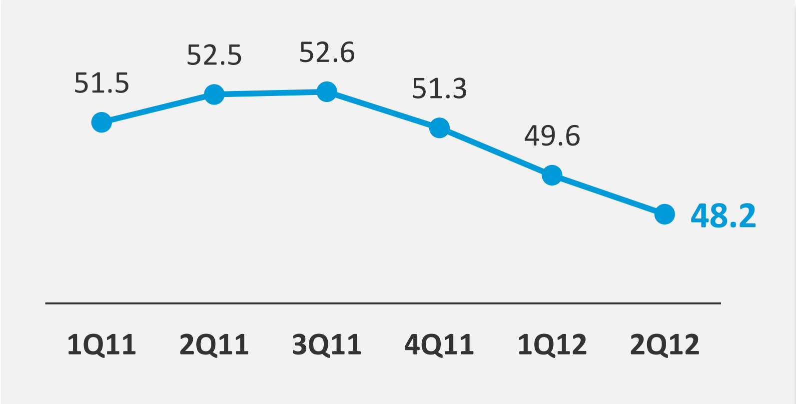
Pre-impairment income increase

In million Euros



Cost-income ratio improvement

In %

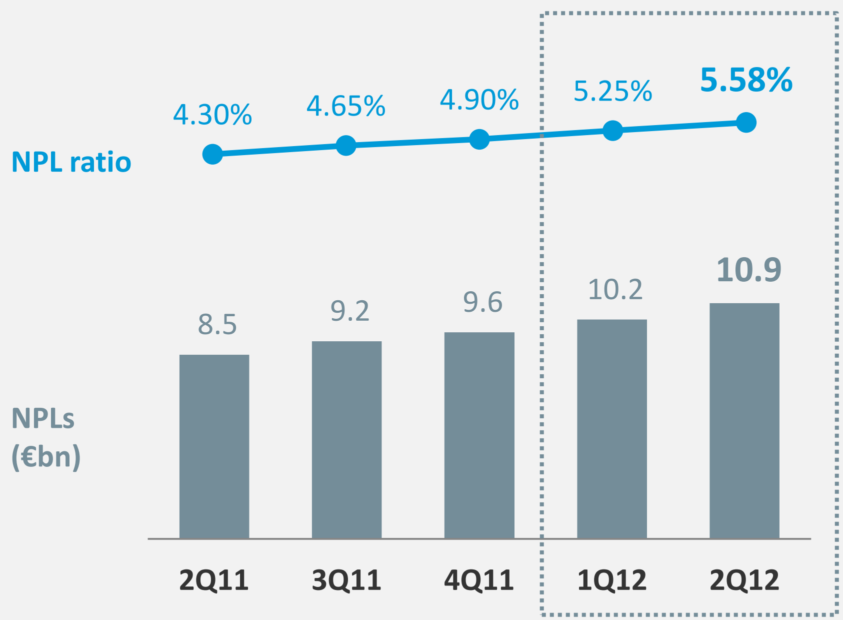


CaixaBank

1H 2012:
Asset quality, liquidity and solvency

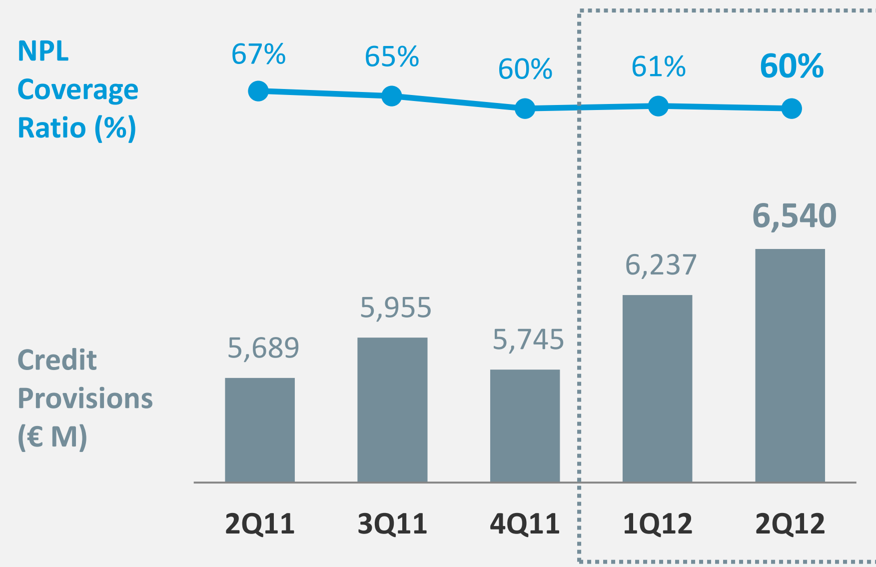
NPL trends in line with previous quarters while provisioning coverage exceed the expected loss

NPLs and NPL ratio – better asset quality than the sector



8.95% → **Sector** *(May 2012)*

Maintaining a high NPL coverage

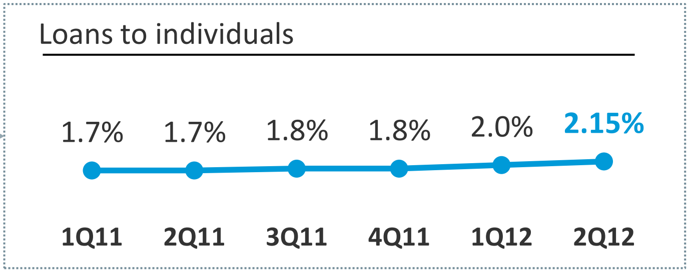


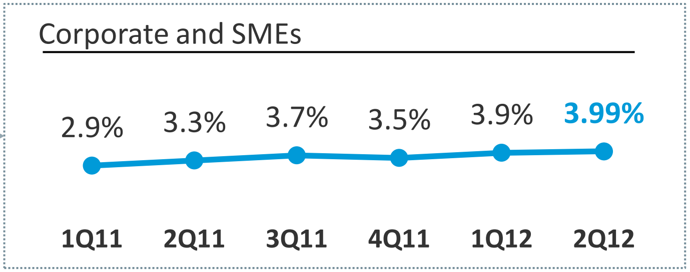
- **Progressive build-up of provisions exceed expected losses-IRB**

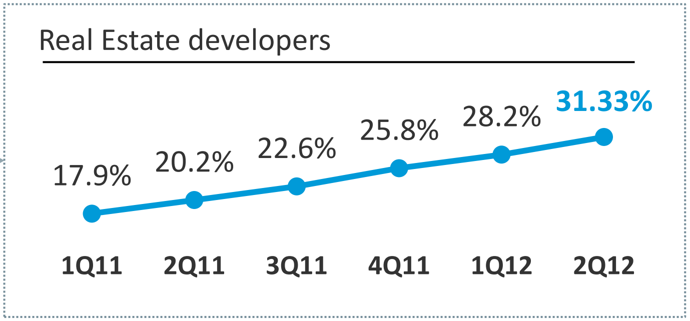
Developers credit quality continues to drive increase in NPLs

Loan book and NPL by segments

	30th June 2012	
	bn€	NPL ratio
Loans to individuals	**92.0**	**2.15%**
Residential mortgages - home purchase	68.7	1.73%
Other	23.3	3.38%
Loans to businesses	**79.8**	**11.00%**
Corporate and SMEs	57.4	3.99%
Real Estate developers	20.7	31.33%
ServiHabitat &other "la Caixa" sub.	1.7	0.00%
Public sector	**14.4**	**0.46%**
Total loans	**186.3**	**5.58%**



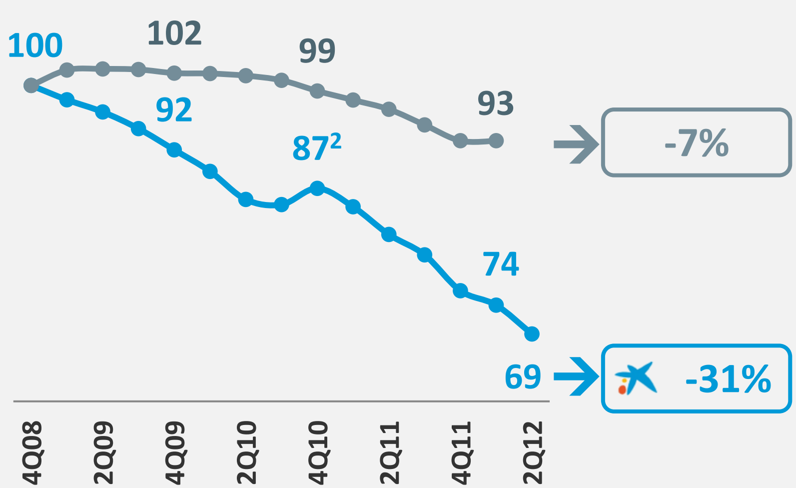




Real estate loan exposure clean-up accelerates

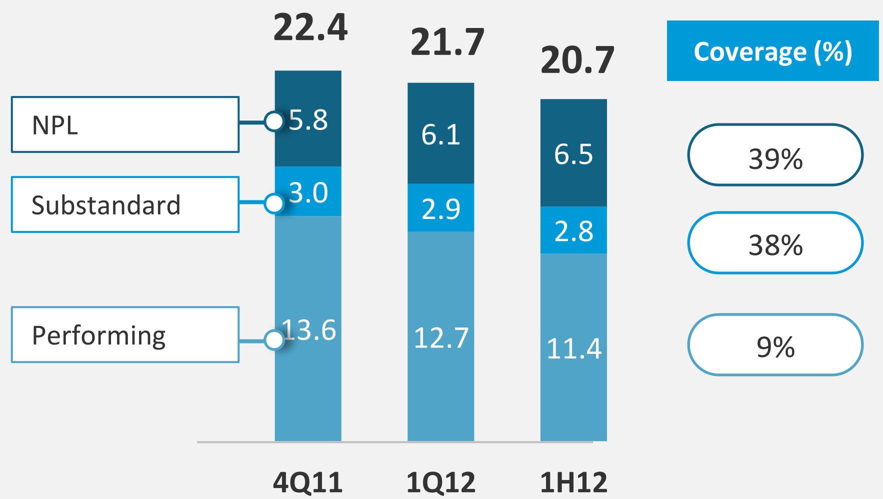
Real estate developer loan trends

CaixaBank vs sector[1]



Real estate developer loan breakdown

In billion Euros



- 31% reduction in balance of real estate developer loans since December 2008

(1) Source: Bank of Spain (Table 4.18 "Actividades inmobiliarias")
(2) Impacted by the acquisition of Caixa Girona

€1.975 MM (nets), repossessed real estate assets

BuildingCenter

Repossessed real estate assets	30th June 2012 Net amount	Coverage[1]
RE assets from loans to Construction and RE development	**1,477**	**41%**
Finished building	1,042	30%
Buildings under construction	89	51%
Land	346	59%
RE assets from mortgage loans To household	**428**	**34%**
Other repossessed assets	**70**	**26%**
Total (net)	**1,975**	**39%**

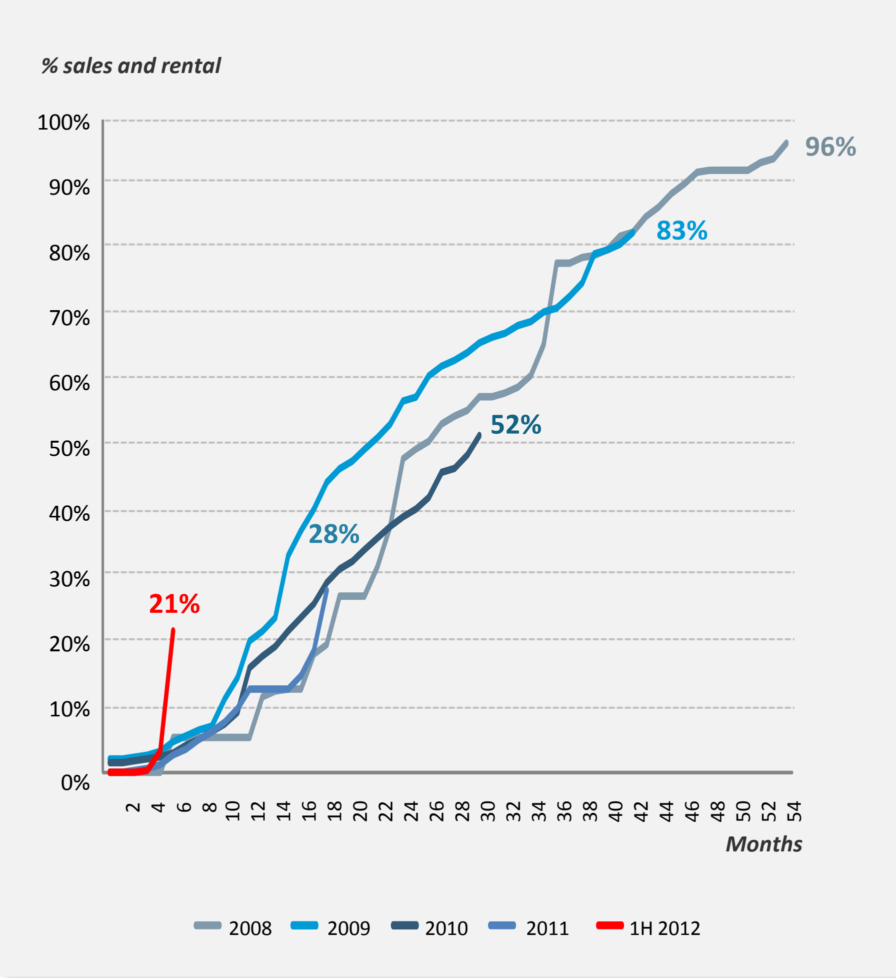
- **39% coverage of portfolio**
- **All assets appraised in 2011/12**
- **Low % of land exposure**

(1) Difference between cancel debt and net amount

Sales activity has intensified while Building Center takes a more prominent role

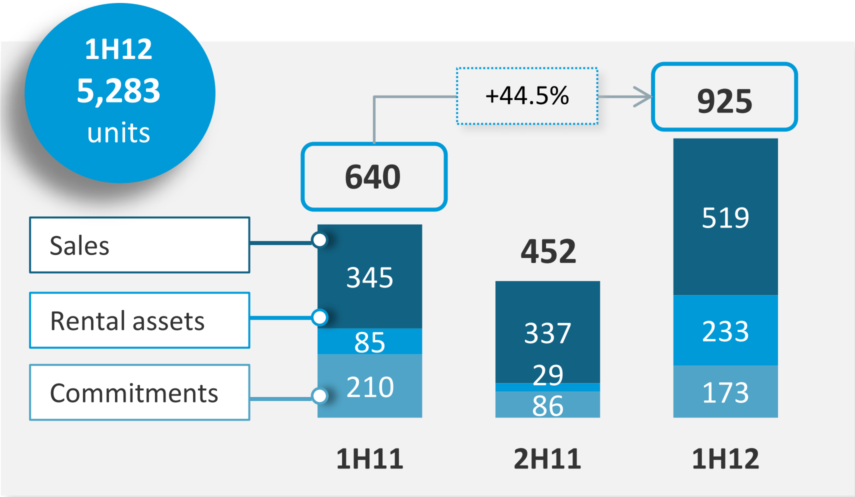
"la Caixa" Group (includes Building Center)

Sales and rentals of finished housing by vintage year of acquisition/foreclosure



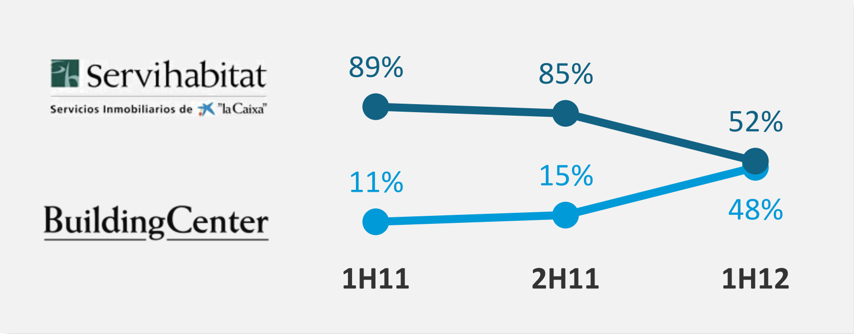
Sales activity is intensifying in 2012

"la Caixa" Group commercial activity (in million Euros)



Progressive increase in the weight of Building Center sales

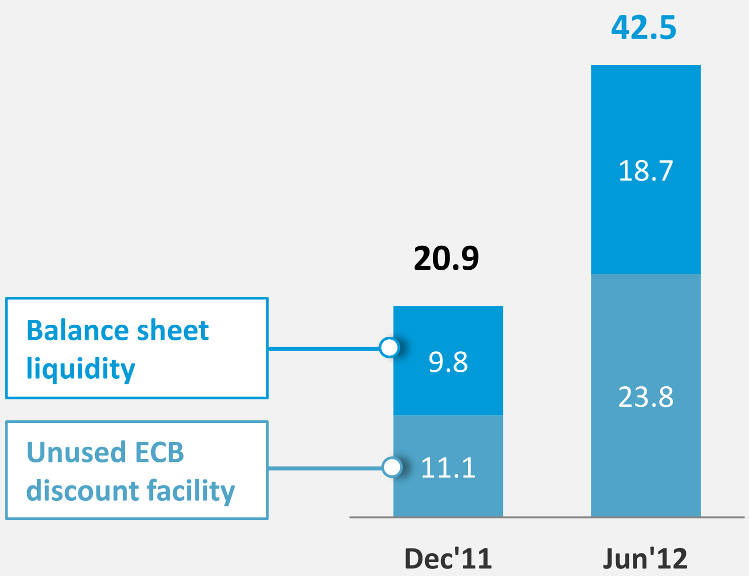
Sales distribution



Sharp focus on boosting liquidity as funding environment deteriorates

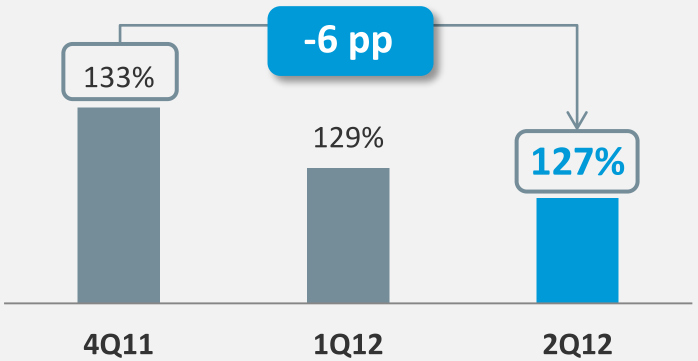
Prudent reinforcement of liquidity levels

In billion Euros



- **Significant decline in commercial funding GAP: € 5.3 bn during 1H12**

Ratio LTD



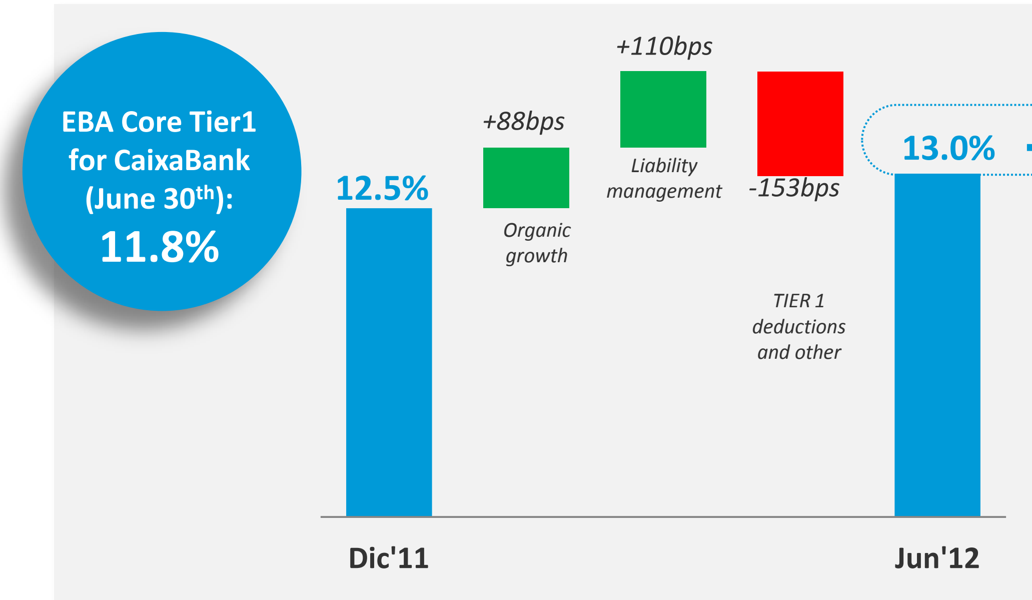
- **LTRO facility: €18.5 bn, of which**
  - ~€6 bn kept in deposit at ECB

- **Generation of additional collateral for the ECB**

Positive capital trends – no capital needs are forecast

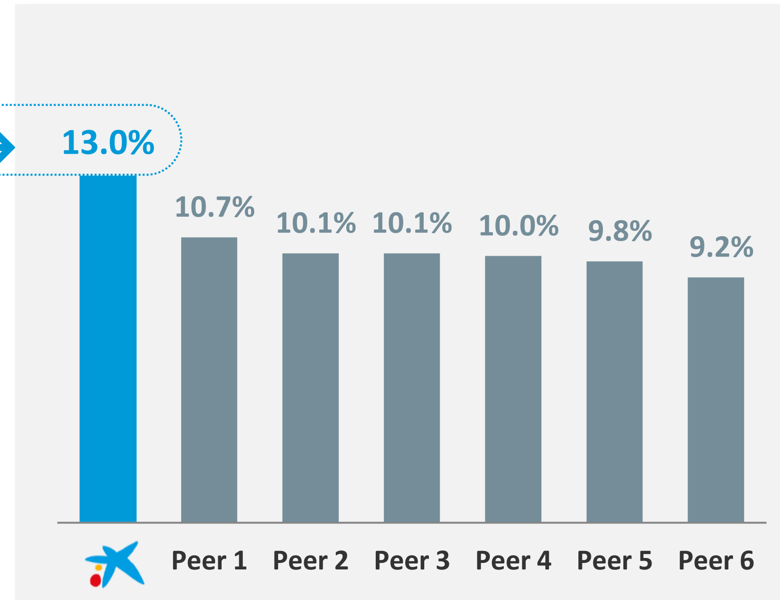
High BIS II solvency reinforced

In %



The highest core Capital among peers[1]

In %

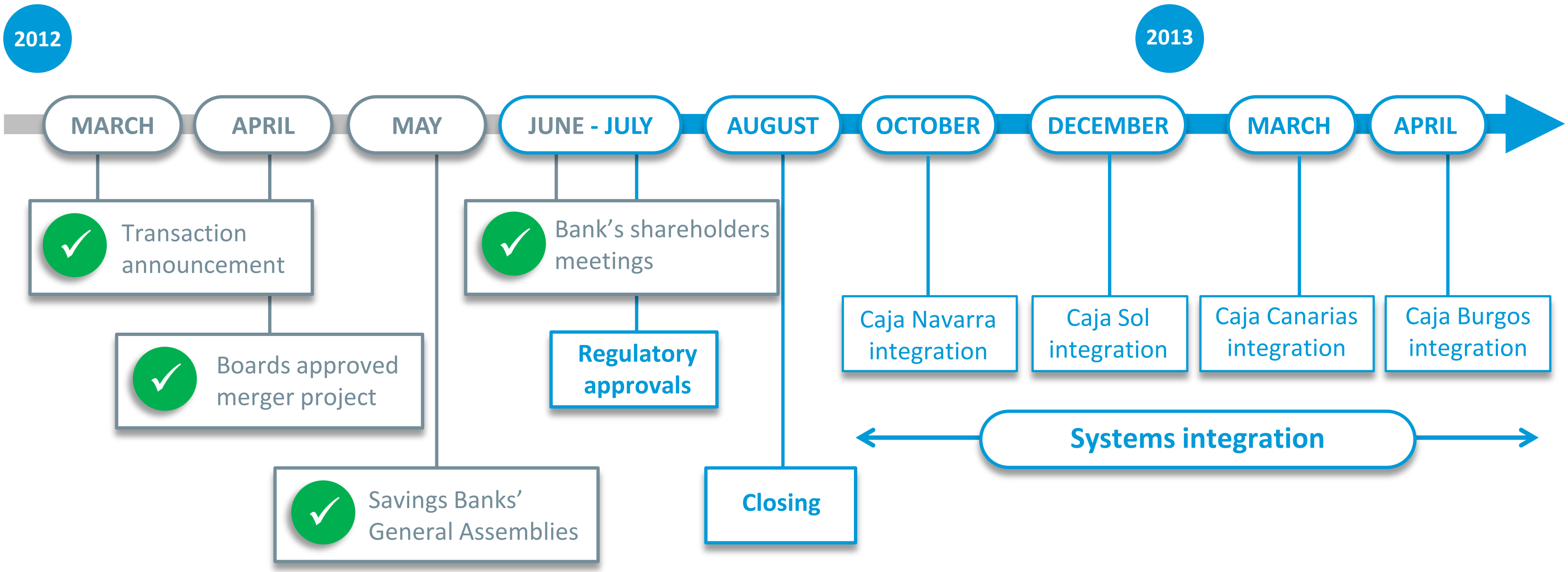


Recent top-down stress tests undertaken by both IMF and Roland Berger/Oliver Wyman indicate that CaixaBank is among the most resilient institutions with no additional capital requirements under an adverse scenario

(1) Peers include Bankia, Banesto, BBVA, Popular, Sabadell and Santander. Figures as of March'12 except for Sabadell and Santander (June'12). CaixaBank as of June'12

Banca Cívica integration

Integration of Banca Cívica will be successfully completed on schedule



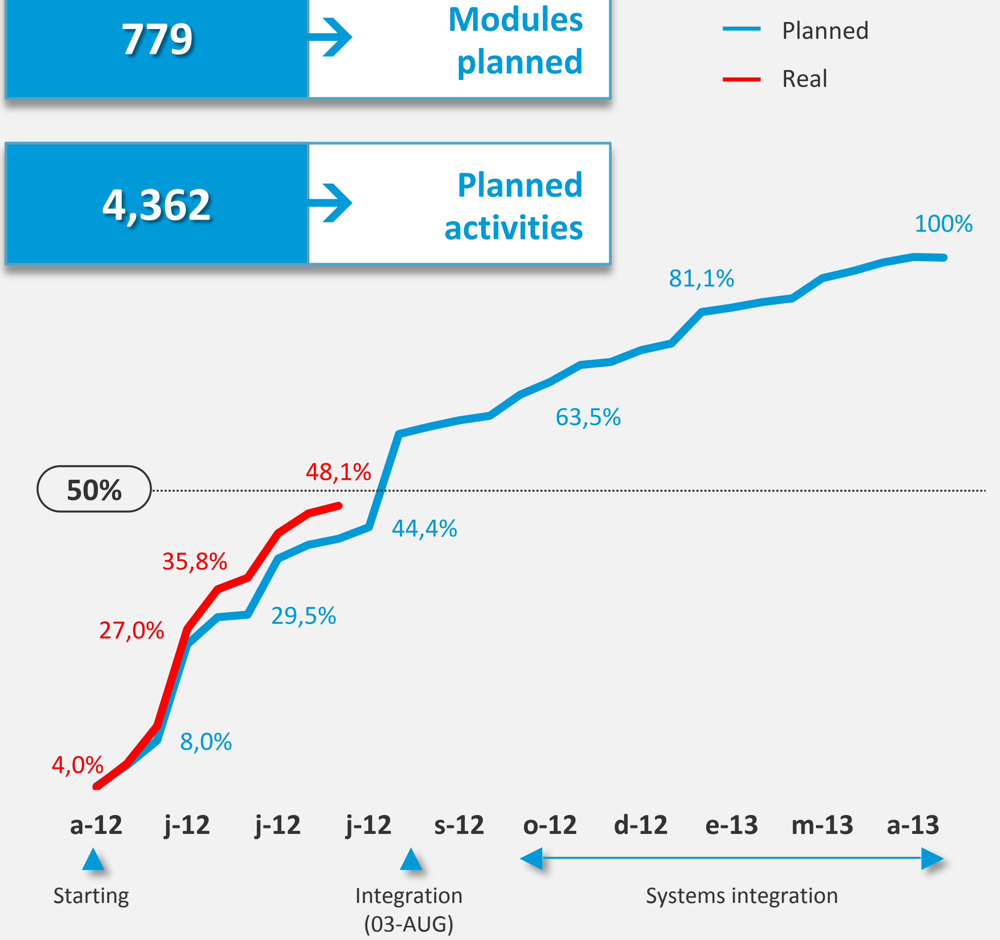
- **Closing expected on august 3rd**
- **Successfully completed on schedule**
- **Accounting integration from July 1st**

Integration office and teams staffed

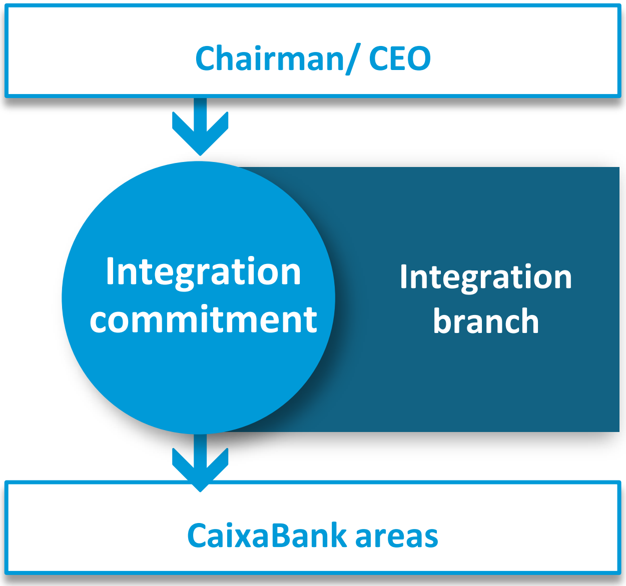
Planned activities

In % of compliance

779	Modules planned
4,362	Planned activities

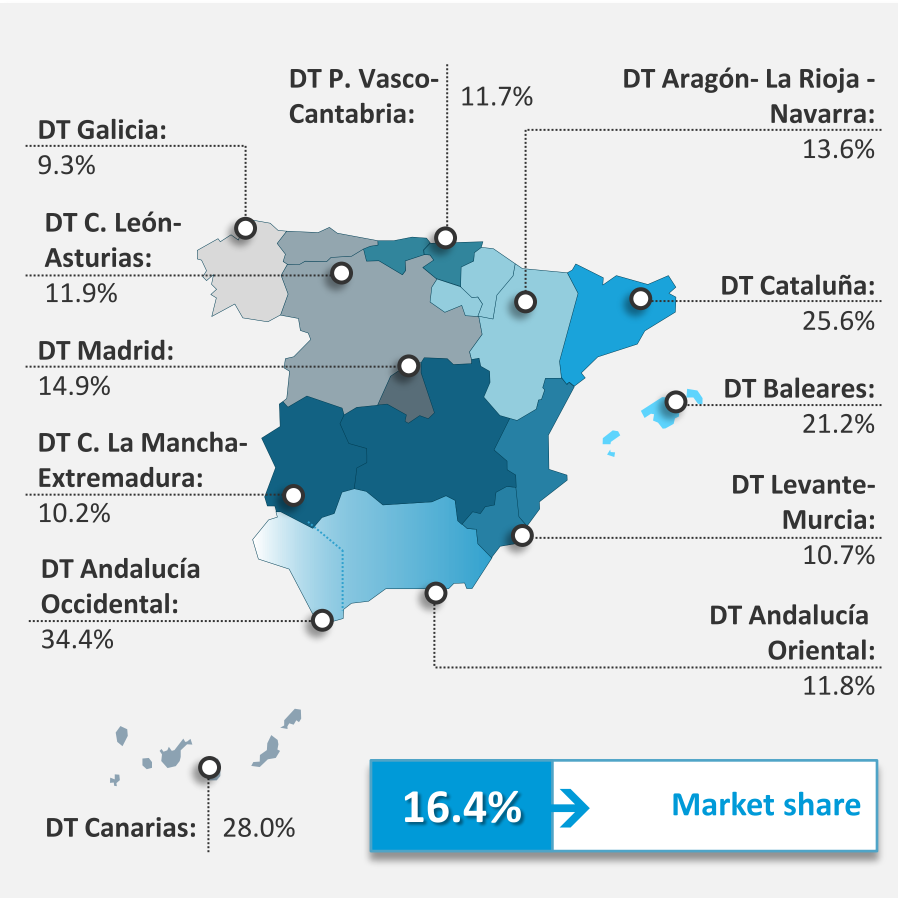


Organizational structure of the integration

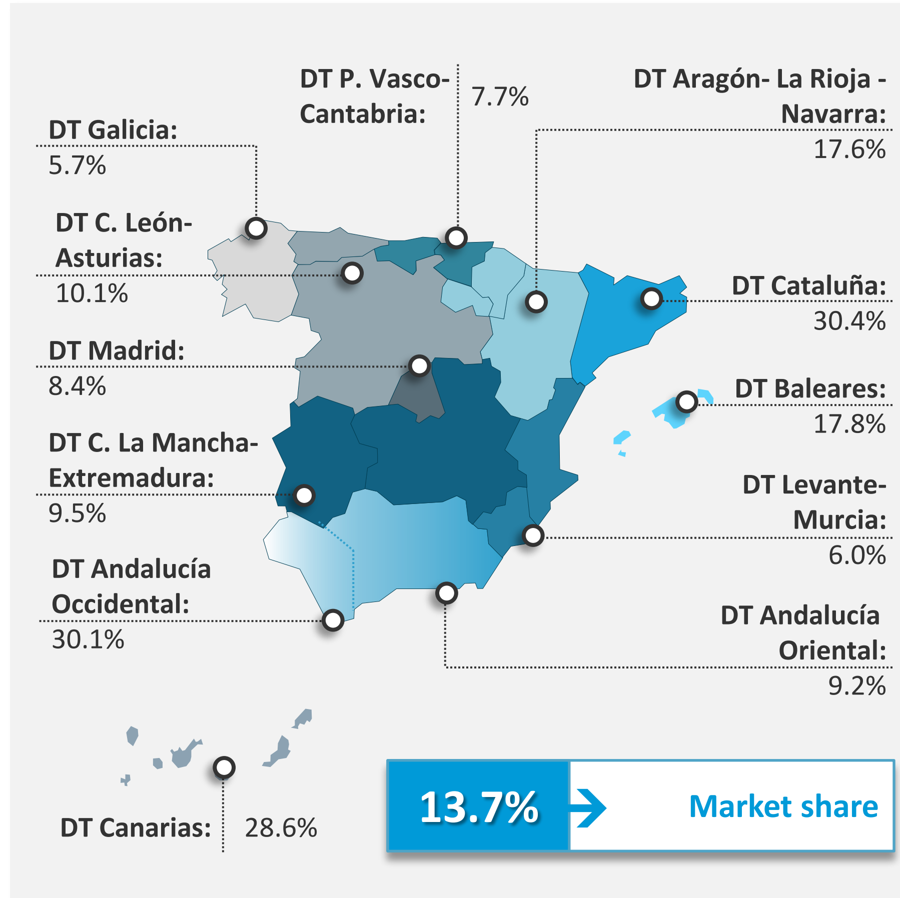


New territorial structure, more commercially efficient.
CaixaBank, a reference

Market share in branches



Market share in As business volume



Taking into account the local identity

Key take-aways

- Market share growth a result of unceasing commercial activity

- Strong pre-impairment income generation (+12.3% yoy) due to resilient operating metrics and cost cutting policies

- Boosting liquidity levels to anticipate a more adverse environment for Spanish institutions- commercial funding gap reduced by €5.3 bn YTD

- Continued reinforcement of solvency levels: 11.8% Core Tier1 EBA

- Coverage levels maintained at 60% after the full hit of the RD 2/12 and €300 M of the RD 18/12. Current provisioning coverage levels exceed the expected loss

- Balance sheet strength maintained post integration with Banca Cívica, which will be successfully completed on schedule

CaixaBank

Muchas gracias
Moltes gràcies
Thank you

EUROMONEY 2012
Awards for excellence

Best Bank in Spain