

Key figures

€ million	January - June		Annual change	2Q16	Quarterly change
	2016	2015			
INCOME STATEMENT HEADINGS					
Net interest income	2,041	2,270	(10.1%)	1,021	0.1%
Fees and commissions	1,010	1,076	(6.1%)	522	6.8%
Gross income	4,049	4,564	(11.3%)	2,127	10.7%
Recurring expenses	(2,002)	(2,053)	(2.5%)	(999)	(0.4%)
Pre-impairment income stripping out extraordinary expenses	2,047	2,511	(18.5%)	1,128	22.7%
Pre-impairment income	2,047	1,970	3.9%	1,128	22.7%
Profit/(loss) before tax	888	557	59.4%	512	35.9%
Profit/(loss) attributable to the Group	638	708	(9.9%)	365	34.0%

€ million	June	March	December	Quarterly change	Annual change
	2016	2016	2015		
BALANCE SHEET					
Total assets	353,109	341,363	344,255	3.4%	2.6%
Equity	22,161	24,971	25,205	(11.3%)	(12.1%)
Customer funds	304,465	295,716	296,599	3.0%	2.7%
Loans and advances to customers, gross	208,486	206,158	206,437	1.1%	1.0%

EFFICIENCY AND PROFITABILITY (last 12 months)¹					
Cost-to-income ratio (total expenses/ gross income)	54.2%	55.6%	58.9%	(1.4)	(4.7)
Cost-to-income ratio stripping out extraordinary expenses	54.2%	51.7%	51.9%	2.5	2.3
ROE (profit/(loss) attributable to the Group/ average equity)	3.4%	3.0%	3.4%	0.4	0.0
ROTE (profit/(loss) attributable to the Group / average tangible equity)	4.3%	3.7%	4.3%	0.6	0.0
ROA (net profit /average total assets)	0.2%	0.2%	0.2%	0.0	0.0
RORWA (net profit/risk-weighted assets)	0.6%	0.5%	0.6%	0.1	0.0

RISK MANAGEMENT					
Non-performing loans (NPL)	16,097	16,425	17,100	(328)	(1,003)
Non-performing loan ratio	7.3%	7.6%	7.9%	(0.3)	(0.6)
Non-performing loan ratio stripping out real estate developers	6.0%	6.0%	6.2%	0.0	(0.2)
Cost of risk	0.4%	0.6%	0.7%	(0.2)	(0.3)
Provisions for non-performing loans	8,489	9,038	9,512	(549)	(1,023)
NPL coverage ratio	53%	55%	56%	(2)	(3)
NPL coverage ratio including collateral	126%	128%	128%	(2)	(2)
Net foreclosed available for sale real estate assets	7,122	7,194	7,259	(72)	(137)
Foreclosed available for sale real estate assets coverage ratio	58%	58%	58%	0	0

LIQUIDITY					
Liquid assets ²	58,322	55,511	62,707	2,811	(4,385)
Loan to deposits	104.8%	106.7%	106.1%	(1.9)	(1.3)
Liquidity Coverage Ratio	159%	143%	172%	16	(13)

CAPITAL ADEQUACY					
Common Equity Tier 1 (CET1)	12.3%	12.8%	12.9%	(0.5)	(0.6)
Total capital	15.5%	15.9%	15.9%	(0.4)	(0.4)
Risk-weighted assets (RWAs)	135,787	139,779	143,312	(3,992)	(7,525)
Leverage Ratio	5.3%	5.8%	5.7%	(0.5)	(0.4)
Fully loaded Common Equity Tier 1 (CET1)	11.5%	11.6%	11.6%	(0.1)	(0.1)

SHARE INFORMATION					
Share price (€/share)	1,967	2,597	3,214	(0.630)	(1,247)
Market capitalization	10,466	15,337	18,702	(4,871)	(8,236)
Book value per share (€/share)	4.16	4.23	4.33	(0.07)	(0.17)
Tangible book value per share (€/share)	3.40	3.39	3.47	0.01	(0.07)
Number of outstanding shares excluding treasury stock (millions)	5,321	5,906	5,819	(585)	(498)
Net income attributable per share (EPS) (€/share) (12 months)	0.13	0.12	0.14	0.01	(0.01)
Average number of shares excluding treasury stock (millions) (12 months)	5,861	5,906	5,820	(45)	41
PER (Price/Profit)	15.49	21.53	22.97	(6.04)	(7.48)
Tangible PBV (Market value/ book value of tangible assets)	0.58	0.77	0.93	(0.19)	(0.35)

BANKING BUSINESS AND RESOURCES (Units)					
Customers (millions)	13.8	13.8	13.8	0.0	0.0
CaixaBank Group Employees	32,142	32,235	32,242	(93)	(100)
Branches in Spain	5,131	5,183	5,211	(52)	(80)
ATMs	9,517	9,601	9,631	(84)	(114)

(1) The cost-to-income and profit ratios for 2Q16 (12 months) do not include the contribution to the National Resolution Fund for 4Q15 (€93 million) so as to avoid overlap with the 2Q16 contribution to the SRF (€74 million).

(2) The Amendment to the definition of bank liquidity compared to previous quarters. In line with regulatory standards bank liquidity is now defined as the sum of the High Quality Liquid Assets (HQLAs) plus the unused ECB discount facility not already included in HQLAs.

Income statement

Year-on-year trends

€ million	January - June		Change %
	2016	2015	
Interest income	3,348	4,573	(26.8)
Interest expense	(1,307)	(2,303)	(43.2)
Net interest income	2,041	2,270	(10.1)
Dividend income	108	110	(2.2)
Share of profit/(loss) of entities accounted for using the equity method	292	382	(23.6)
Net fee and commission income	1,010	1,076	(6.1)
Gains/(losses) on financial assets and liabilities and others	593	647	(8.1)
Income and expense arising from insurance or reinsurance contracts	140	101	38.3
Other operating income and expense	(135)	(22)	
Gross income	4,049	4,564	(11.3)
Recurring expenses	(2,002)	(2,053)	(2.5)
Extraordinary expenses		(541)	
Pre-impairment income	2,047	1,970	3.9
Pre-impairment income excluding extraordinary expenses	2,047	2,511	(18.5)
Impairment losses on financial assets and other provisions	(912)	(1,439)	(36.6)
Gains/(losses) on disposal of assets and others	(247)	26	
Profit/(loss) before tax	888	557	59.4
Income tax expense	(243)	152	
Profit/(loss) for the period	645	709	(9.1)
Profit/(loss) attributable to minority interest and others	7	1	
Profit/(loss) attributable to the Group	638	708	(9.9)

Note: Regulatory changes: The basis of presentation for the income statement has been established in accordance with Circular 5/2015 of the Spanish securities market regulator (CNMV).

The entry into force of Bank of Spain Circular 5/2014 in the first half of 2016 has resulted in the reclassification of gains and losses on the purchase and sale of foreign currency, which are no longer presented under Gains/(losses) on financial assets and liabilities and others, but instead under Net fee and commission income. Also as a result of the changes introduced by the Circular, gains and losses on sales of strategic holdings are no longer presented under Gains/(losses) on disposal of assets and other, but instead under Gains/(losses) on financial assets and liabilities and other. Following these changes the results presented for the first half 2015 have been restated.