CaixaBank

BUSINESS ACTIVITY AND RESULTS

JANUARY - MARCH

[2015]

Contents

Change in scope of consolidation and comparability of information: The 2015 income statement includes the earnings of Barclays Bank, SAU as from 1 January 2015. CaixaBank's consolidated balance sheet at 31 March 2015 shows the assets and liabilities of Barclays Bank, SAU, at fair value.

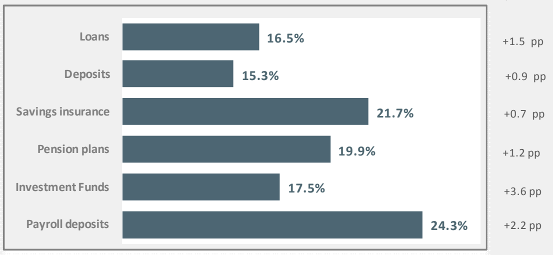
Note: The financial information contained in this document is unaudited and, accordingly, is subject to change. The consolidated income statement and the consolidated balance sheet at the end of the first quarters of 2015 and 2014 and for the year 2014, and the corresponding breakdowns of income statement and balance sheet items provided in this report, are presented in accordance with International Financial Reporting Standards (IFRS-EU), taking into account Bank of Spain Circular 4/2004 and subsequent modifications. Figures stated in millions are expressed either as "€ million" or "€ M".

In accordance with IFRIC 21 on levies and IAS 8, the distribution of the previously published quarterly results for 2014 have been restated, without any impact on the accumulated result of fiscal year 2014. Accordingly, the financial information for past quarters of 2014 impacted by this restating has been duly re-estimated. Specifically, profit for the first quarter of 2014 amounts to €188 million versus the €152 million previously posted, the aim being to reflect the new accounting treatment for levies.

LEADERSHIP IN RETAIL BANKING

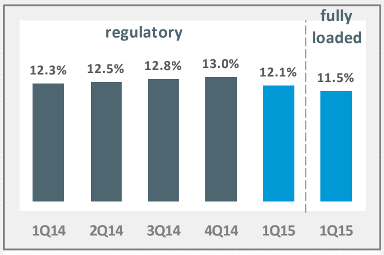
	1Q15
Customer (individuals) penetration[1]	28.2%
Customer penetration (individuals) as preferred bank[1]	24.1%
Customers *(million)*	14.0
Total Assets *(€ million)*	355,557

Market shares[1]



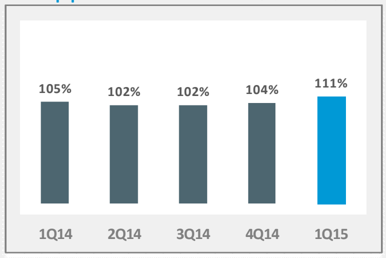
FINANCIAL STRENGTH

Capital adequacy/ Common Equity Tier 1 BIS III

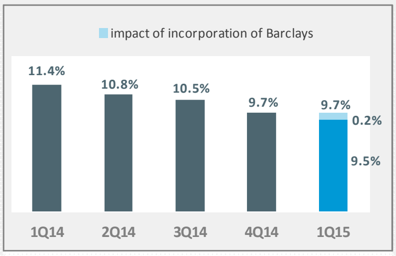


Liquidity/ Loan to deposits

€50,015 M liquid assets



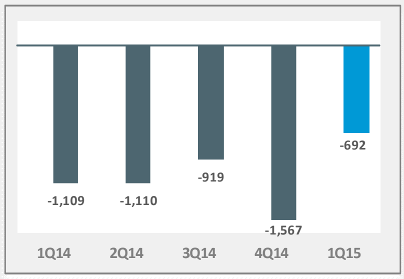
Risk Management / NPL ratio



Organic change[2] in NPL and net foreclosed available for sale assets

€ Million

NPL coverage: 54%
Coverage of foreclosed AFS: 57%



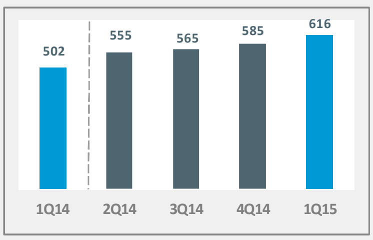
SUSTAINED INCOME GENERATION CAPACITY

Core operating Income

Recurring cost to income ratio 54.7%

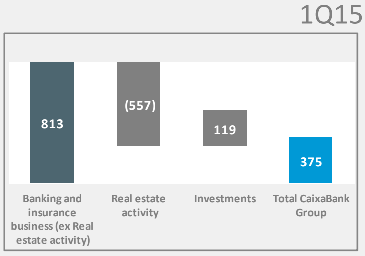
(NII + fees and commissions - Recurring Expenses)

€ Million



Net profit by segments

€ Million



([1]) *Latest information available. Data prepared in-house, based on Bank of Spain, Social Security, INVERCO and ICEA information. Lending and deposit market shares relate to other resident sectors. Pension plans, including individual and guaranteed plans. Market shares. Source: FRS Inmark.*

([2]) *Variation calculated by stripping out the impact of Barclays Bank, SAU items at 1 January 2015.*

NOTE: *Past financial information has been restated following the application of IFRIC 21 and IAS 8.*

Key figures

€ million	January - March 2015	January - March 2014	Annual Change	4Q14	Quarterly Change
INCOME STATEMENT HEADINGS					
Net interest income	1,138	993	14.6%	1,081	5.3%
Gross income	1,953	1,825	7.0%	1,454	34.3%
Recurring pre-impairment income[1]	918	880	4.3%	800	14.8%
Pre-impairment income	679	880	(22.9%)	507	33.9%
Profit attributable to the Group	375	188	99.1%	(15)	-

€ million	March'15	December'14	Change
BALANCE SHEET			
Total assets	355,557	338,623	5.0%
Equity	26,449	25,232	4.8%
Customer funds	293,025	271,758	7.8%
Customer loans, gross	212,077	197,185	7.6%
EFFICIENCY AND PROFITABILITY (last 12 months)			
Cost-to-income ratio (Total operating expenses/ gross income)	58.0%	54.4%	3.6
Recurring cost-to-income ratio	54.7%	54.4%	0.3
ROE (profit attributable to the Group/ average equity)	3.4%	2.7%	0.7
ROA (net profit / average total assets)	0.2%	0.2%	-
RORWA (net profit / risk-weighted assets)	0.6%	0.5%	0.1
ROTE (attributable profit / average tangible equity)	4.4%	3.4%	1.0
RISK MANAGEMENT			
Non-performing loans	21,595	20,110	1,485
Non-performing loan (NPL) ratio	9.7%	9.7%	-
Non-performing loan (NPL) ratio stripping out real estate developers	7.0%	6.4%	0.6
Provisions for non-performing loans	11,723	11,120	603
NPL coverage ratio	54%	55%	(1)
NPL coverage ratio including collateral	130%	132%	(2)
NPL coverage ratio stripping out real estate developers	53%	54%	(1)
Foreclosed available for sale real estate assets	6,998	6,719	279
Foreclosed available for sale real estate assets coverage ratio	57%	55%	2
of which: land coverage	*67%*	*65%*	*2*
LIQUIDITY			
Liquidity	50,015	56,665	(6,650)
Loan to deposits	110.9%	104.3%	6.6
CAPITAL ADEQUACY - BIS III			
Common Equity Tier 1 (CET1)	12.1%	13.0%	(0.9)
Tier Total	14.9%	16.1%	(1.2)
RWAs	153,120	139,729	13,391
Surplus CET1	11,647	11,807	(160)
Surplus Tier Total	10,544	11,272	(728)
Leverage ratio	5.6%	5.7%	(0.1)
Common Equity Tier 1 (CET1) fully loaded	11.5%	12.1%	(0.6)
SHARE INFORMATION			
Share price (€/share)	4.415	4.361	0.054
Market capitalization	25,457	24,911	546
Book value per share - fully diluted (€/share)	4.59	4.42	0.17
Tangible book value per share - fully diluted (€/share)	3.70	3.54	0.16
Number of shares - fully diluted *(millions)*	5,766	5,712	54
Net income attributable per share (EPS) (€/share) *(12 months)*	0.15	0.11	0.04
Average number of shares - fully diluted *(millions)*	5,765	5,712	53
PER (Price/ Profit)	29.43	39.65	(10.22)
Tangible PBV (Market value/ book value of tangible assets)	1.19	1.23	(0.04)
BANKING BUSINESS AND RESOURCES (Units)			
Customers *(millions)*	14.0	13.4	0.6
CaixaBank Group Employees	33,598	31,210	2,388
Branches in Spain	5,438	5,251	187
ATMs	9,683	9,544	139

NOTE: *The 2015 income statement includes the earnings of Barclays Bank, SAU as from 1 January 2015. CaixaBank's consolidated balance sheet at 31 March 2015 shows the assets and liabilities of Barclays Bank, SAU.*
Past financial information has been restated following the application of IFRIC 21 and IAS 8.
([1]) Does not include contribution in 4Q14 of €-293 million to the Spanish Deposit Guarantee Fund for 2015.

Key Group information for the first quarter of 2015

STRATEGIC PLAN 2015-2018

- **CaixaBank approved its new Strategic Plan 2015-2018**, the main aim of which is to make the Bank the **market leader in quality, trust and profitability, with customers coming first**.
- **The Bank's aim of cementing its leadership in the Spanish market** is reflected in five key areas:
  - **Customer focus:** being the **best bank in quality and reputation.**
  - Attaining **recurring returns above the cost of capital.**
  - **Actively managing capital**.
  - **Leading** the **digitalisation** of the banking sector.
  - Having the **best prepared and most dynamic human capital possible.**
- With the roll-out of the new Strategic Plan, CaixaBank expects to post high business growth and increased market shares, while also bringing the cost of risk to within normal ranges. **The Bank expects to see profitability (ROTE) of between 12% and 14% from 2017 onward, with a cost-to-income ratio of below 45%**. A further CaixaBank objective under the new Strategic Plan is to pay out high and stable dividends, with a cash payout of 50% or more of its profits. **The aim is for the fully loaded CET1 ratio to remain over 11%**.

ACQUISITION OF BARCLAYS BANK, SAU

- **CaixaBank acquired Barclays Bank, SAU** on 2 January 2015, with the deal **embracing the retail banking, asset management and corporate banking arms of Barclays Bank in Spain**, but excluding the investment banking and card businesses.
- The 2015 income statement includes the earnings of Barclays Bank, SAU as from 1 January 2015, and therefore reflects their impact.

  As a result of the acquisition, Barclays Bank, SAU's equity has been adjusted to reflect the fair value of its assets and liabilities at 31 December 2014. Following recognition of these adjustments to equity, negative goodwill of €602 million was generated in respect of the estimated €820 million of the purchase price.
- A gross total of €303 million in non-recurring costs was recognised in the first quarter of 2015 in relation to the acquisition process (€239 million reported under operating expenses and €64 million under Gains/losses on disposal of assets and others).

  Total business volume integrated from Barclays Bank, SAU at 31 December 2014 amounts to €15,609 in customer funds and €17,782 million in gross customer lending after making the relevant fair value adjustments. At 31 December 2014 Barclays Bank, SAU had financing facilities of €5,450 million arranged with the European Central Bank.

  The joint undertaking of merger by absorption between CaixaBank (absorbing company) and Barclays Bank, SAU (absorbed company) was approved on 30 March 2015. It is foreseen that the merger will be fully implemented in 2Q15. Following the merger, the technology and operational migration of Barclays Bank, SAU into CaixaBank, is also expected to be completed in the second quarter of 2015.

COMMERCIAL POSITIONING

LEADERSHIP

- **Leading financial group in Spain**, with a customer base of 14.0 million and 5,438 branches. **Market penetration of 28.2% among retail customers** (for 24.1%, CaixaBank is their preferred bank)[1].
- **CaixaBank named Best Bank in Spain 2015 by the magazine Global Finance.**
- **The additional commercial strength acquired through the acquisition of Barclays Bank, SAU allows for growth in market shares[2] for the main retail products and services.**
  - The lending market share stood at 16.5% while the deposits market share came in at 15.3%; market shares for insurance savings products and pension plans were 21.7% and 19.9%, respectively.
  - **Leader in investment funds** in terms of both number of fund members and assets under management. Market share[2] up to 17.5% (+3.6pp over the last twelve months).
  - Market share[2] for direct deposits of salary payments climbed to 24.3% (+2.2pp over the

([1]) Market shares. Source: FRS Inmark.
([2]) Latest information available. Data prepared in-house, based on Bank of Spain, Social Security, INVERCO and ICEA information. Lending and deposit market shares relate to other resident sectors. Pension plans, including individual and guaranteed plans.

last twelve months), with 306,861 additional payroll deposits secured during the period (+43% year on year). The market share[1] for direct deposits of pension payments stood at 20.3%.

SPECIALISED PRODUCTS AND SERVICES

- **Specialisation by business segment and wide range of award-winning value propositions:**
  - **Named best private bank in Spain by Euromoney in its 2015 Private Banking Survey.**
  - **Named best distributor of structured products in the Spanish market by Euromoney**.
- **Launch of HolaBank,** a new line of business set up to provide personalised care for international customers living in Spain through a network of 100 branches offering specialised products, services and managers.
- **Successful commercial strategies in AgroBank and CaixaNegocios,** securing new clients of both segments in 2015 at accelerated pace.

INNOVATION AND MULTI-CHANNEL APPROACH

- **Leading status within the financial sector illustrated by the accolades received in 2013 and 2014** from Global Banking Innovation Awards, Euromoney and The Banker.

  In 2015, the world's first financial app was created for cars fitted with smart systems (Ford SYNC with AppLink).
- **Leader in electronic banking**, with upwards of 14.6 million cards (market share[1] of 22.8%), **and in new channels,** with 4.5 million active customers in online banking and 2.5 million in mobile banking.

QUALITY AND CORPORATE RESPONSIBILITY

- **CaixaBank has secured the EFQM European Seal of Excellence for its management model**.
- **CaixaBank remains a constant presence on the world's top sustainability indices:** Dow Jones Sustainability Index (DJS), FTSE4Good and Advanced Sustainable Performance Index (ASPI).

ACTIVITY

- **Total assets of €355,557 million** following the absorption of Barclays Bank, SAU.
- **Customer funds** up €21,267 million (+7.8%) on December 2014 to reach €293,025 million. Organic growth[2] of 2.0%, with off-balance sheet products performing particularly well.
- **Gross customer lending** stood at €212,077 million (+7.6%). Organic performance[2] here (-1.3% YTD) was influenced by the deleveraging process, but was largely attributable to the reduction in loans to the real estate development sector (-11.9%). The decline was just -0.9% for the performing loan portfolio, stripping out loans to real estate developers.

RESULTS

Attributable profit in the first quarter of 2015 amounted to €375 million, marking a 99.1% year-on-year gain.

- The inclusion of results for Barclays Bank, SAU has impacted the year-on-year performance of the income statement.
- **Gross income of €1,953 million (+7.0%).**
  - High generation of core income from the banking business: +14.6% in net interest income and +12.9% in fees and commissions.
  - Upward trend in profits contributed by investees (+19.5%) and lower profits on financial transactions and exchange rate differences (-41.2%).
- **Recurring expenses** rose by 9.5% following the acquisition of Barclays Bank, SAU.
- The **recurring cost-to-income ratio stood at 54.7%** (-3.0pp over the last twelve months).
- Non-recurring costs of €239 million reported in connection with the acquisition of Barclays Bank, SAU. Synergies of €93 million envisioned for 2015.
- **Core operating income[3] totalled €616 million, up 22.7%** year on year.
- Impairment losses on financial assets and others, up 15.2% following the drive to increase the coverage of the risks of the lending portfolio and other write-downs in the quarter.
- **The cost of risk stood at 0.91%** (-0.45pp for the last twelve months).
- The accounts reflect the negative goodwill generated from the acquisition of Barclays Bank, SAU and asset write-downs.
- **On balance, attributable profit for the first quarter of 2015 amounted to €375 million.** Profit for the first quarter of 2014 came in at €188

([1]) Latest information available. Source: data prepared in-house Bank of Spain, Social Security, INVERCO and ICEA.
([2]) Variations calculated by stripping out the impact of Barclays Bank, SAU balance sheet items at 1 January 2015.
([3]) Net interest income + Fees and commissions - Recurring expenses.

million following the new accounting treatment for levies (net impact of €+36 million).

- Profit for the first quarter of 2015 from the banking and insurance business, stripping out non-core real estate activity, totalled €813 million.

FINANCIAL STRENGTHS

LIQUIDITY

- **Bank liquidity was €50,015 million**, all immediately available (14.1% of total assets).
- Robust retail lending structure, **with a loan-to-deposit (LTD) ratio of 110.9%.**
- Long-term financing facilities (TLTRO) arranged with the European Central Bank amounted to €14,319 million.

CAPITAL MANAGEMENT

Common Equity Tier 1 (CET1) BIS III fully loaded of 11.5%

- The acquisition of Barclays Bank, SAU prompted a 78 basis-point drop in CET1.
- Quarterly capital generation increased the ratio by 12 basis points.

CaixaBank had a phase in CET1 ratio of 12.1% and a leverage ratio of 5.6%

- The CET1 capital surplus stood at €11,647 million.

RISK MANAGEMENT

Non-performing balances fell for the seventh straight quarter

- **Non-performing balances down €747 million in organic terms[1] in 2015.**
- **The NPL ratio remained at 9.7%**. The drop seen in non-performing assets during the quarter helped offset the incorporation of Barclays Bank, SAU (+21bp).
- Provisions totalled €11,723 million, **with a coverage ratio of 54%**.

Forceful commercial drive in managing the foreclosed real estate portfolio

- Net foreclosed real estate assets available for sale amounted to €6,998 million, with coverage of 56.7%.
- At 31 March 2015, the Group's real estate assets held for rent stood at €2,833 million, net of provisions.
- Sales and rentals of foreclosed assets in the last twelve months amounted to €2,380 million.

THE CAIXABANK SHARE

Quoted price of €4.415 per share at 31 March 2015, up 1.2% in the year to date.

BANCO BPI

Takeover bid launched to acquire all the shares of Banco BPI not already held by CaixaBank, for a cash price of €1.329 per share.

The deal is conditional on CaixaBank holding a stake of over 50% on completion and will also only go ahead if BPI's shareholders, in General Meeting, remove the cap on voting rights any given shareholder can cast (currently 20%).

([1]) Variation calculated by stripping out the impact of Barclays Bank, SAU balance sheet items at 1 January 2015.

Trends in results and business activity

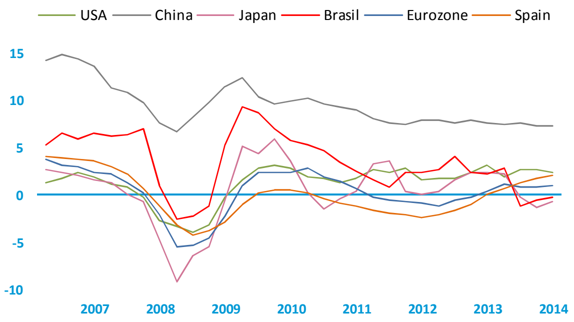
Macroeconomic trends

GLOBAL ECONOMIC CLIMATE AND MARKETS

- Growth of the global economy is picking up as oil prices continue to fall and monetary policy begins to ease.
- The United States and China remain the two powerhouses driving global growth, while the eurozone is steadily picking up the pace.

Data for the first quarter of 2015 indicates that global growth is likely to pick up this year (projected growth of 3.5%, versus 3.3% in 2014). Underpinning this improvement are two factors: the continuation of expansionary monetary policies and falling oil prices. That said, downward risks are still very much present, albeit to a lesser extent. A number of clear risks emerging in January have since become less of an immediate threat.

GDP growth
YoY change (%)

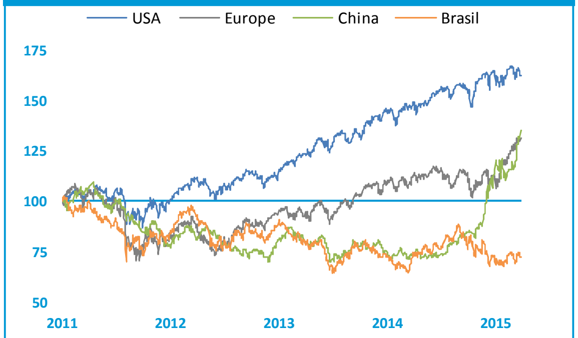


Source: "la Caixa Research", based on data from Thomson Reuters Datastream.

The Ukraine conflict is a case in point, seeing as though tensions have simmered down following the signing of the Minsk Protocol. Within the eurozone, Greece's future remains shrouded in doubt. And lastly, certain emerging countries are really feeling the pinch of falling commodity prices (more than expected) and the poorer liquidity resulting from the change in U.S. monetary policy. A favourable global outlook, to be sure, but one still posing significant risks and uncertainty.

Against this backdrop of rallying economic activity, emerging economies lost steam somewhat over the first quarter of 2015. Two key questions remain at the forefront of everyone's minds: speculation as to the possibility of China suffering a hard landing and the situation of the so-called "fragile" emerging markets, whose existing imbalances (fiscal, inflation and current deficit) make them more vulnerable to the global monetary environment and to the recent pricing changes affecting raw materials. In the case of China, data suggests that growth this year will remain high (our estimate is 7.0%). Although the most recent figures on economic activity have been somewhat disappointing, the Chinese executive still has considerable leeway to play with, both fiscal and monetary. Turning to “fragile" emerging markets, a number have managed to correct at least some of their imbalances over recent years, India being a prime example. In contrast, other countries such as Turkey and Brazil still present significant macroeconomic shortcomings, triggering a recent spike in financial pressure. Proof of this is the fact that their currencies have fared particularly poorly against the dollar since January.

Stock market performance
January 2011=100



Source: "la Caixa Research", based on data from Bloomberg.

Growth in advanced economies appeared to pick up pace during the period. Both the United States and the eurozone will likely announce their best year in a long time. In the case of the North American economy, and despite the uncharacteristic slump seen in the first quarter of 2015, we expect to see GDP growth of 3.1% for the year as a whole; the best result since 2005 and clearly outpacing potential growth, which the Federal Reserve places at 2.3%. Given the outlook, the Fed might well start hiking the benchmark rate in the latter half of the year.

Turning to the eurozone, the growth seen in the fourth quarter of 2014, driven in particular by investment and external demand, plus the healthy figures for the start of 2015, both confirm that the recovery is picking up (we expect growth of 1.5% in 2015, vs. the 0.9% posted in 2014). Although the expansion will not be seen equally between countries, the depreciation of the euro, the falling oil prices, and the effects of the ECB's quantitative easing will all help shore up the expansion process over the coming quarters. Until Europe and

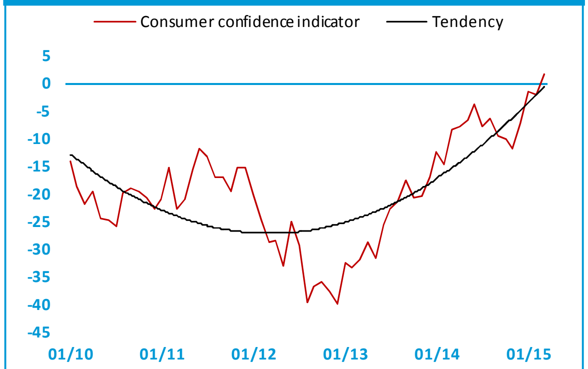
Greece finally settle on a suitable mechanism for providing financial support to the embattled country, we cannot rule out further fleeting episodes of financial tension.

THE SPANISH ECONOMY

- Economic growth in Spain is gaining pace
- The bank restructuring process is progressing well

The Spanish economy witnessed a mild upturn in growth at the start of the year. According to Bank of Spain figures, GDP climbed 0.8% in the first quarter of 2015 (0.7% for the fourth quarter of 2014). Following on from previous quarters, internal demand continued to drive the recovery process, spurred on by the renewed confidence in the economy's ability to grow, plus improved conditions for borrowers and falling oil prices.

Consumer confidence
Level



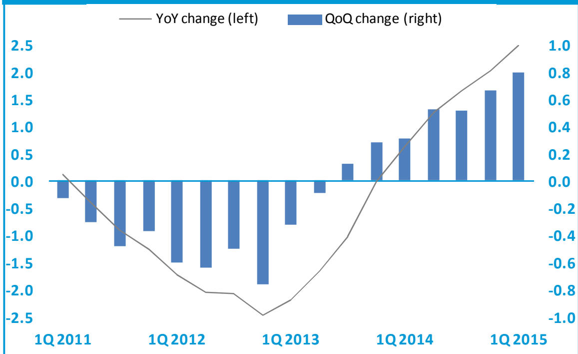
Source: "la Caixa" Research, based on data from CE.

Over the coming quarters, the role of the external sector is expected to increase following the depreciation of the euro and perkier growth across the eurozone.

In the first quarter of 2015, indicators revealed that business investment was up thanks to the prevailing optimism and confidence as to the future of Spanish business. The healthier outlook for the economy and also for the job market (the number of people signed up with the Social Security rose sharply in March, exceeding expectations) also helped boost private spending, which was highly promising at the start of the year.

On the subject of the fiscal consolidation process, the public sector closed 2014 with a deficit of 5.7% of GDP (slightly off the objective set of 5.5%). Reaching the 2015 public deficit objective (4.2%) will require considerable efforts aimed at fiscal consolidation. Although the improvement in the economic cycle for this year will help government accounts, the authorities must press on with the drive to reduce the fiscal deficit and pare back the weighting of public debt.

Growth in GDP
Year-on-year change % / Quarterly change %



Source: "la Caixa" Research, based on data from INE and ECB (forecast).

In the year to date, the banking sector has continued to lend its support to the ongoing reactivation of the Spanish economy. There has been a steady rise in new loans driven by the promising performance of loans to homebuyers and SMEs, and confirming the upward trend first seen in 2014. Similarly, a breakdown by segments for the fourth quarter of 2014 revealed that the contraction of outstanding loan balances was slowing thanks to the solid showing from certain groups, such as loans to consumers and financial services, which helped offset the marked decline in construction loans and lending to real estate developers. As regards the process of restructuring the Spanish banking sector, the European Commission and the ECB, during their third supervisory visit following the end of the financial aid programme for the banking sector, appeared pleased with the latest reforms undertaken within the sector, such as the recent designation of the FROB as the country's bank resolution authority, and the progress made with the plan to restructure banks that benefitted from public aid.

In a nutshell, the economic upturn is not just limited to growth, but has also spread to the job market, the financial sector and even inflation, which appears to have levelled out and is beginning to recover. That said, the European Commission report on the macroeconomic imbalances present within the Spanish economy insists that the country must press on with its external adjustments, fiscal consolidation and structural reforms to make this growth sustainable in the long term.

Results

Income statement

€ million	January-March 2015	January-March 2014	Change %
Financial income	2,360	2,151	9.7
Financial expenses	(1,222)	(1,158)	5.5
Net interest income	**1,138**	**993**	**14.6**
Dividends	2	1	26.5
Share of profit (loss) of entities accounted for using the equity method	178	149	19.4
Net fees and commissions	513	454	12.9
Gains on financial assets and exchange rate differences	129	221	(41.2)
Other operating income and expenses	(7)	7	
Gross income	**1,953**	**1,825**	**7.0**
Recurring expenses	(1,035)	(945)	9.5
Extraordinary expenses	(239)		
Pre-impairment income	**679**	**880**	**(22.9)**
Recurring pre-impairment income	***918***	***880***	***4.3***
Impairment losses on financial assets and others	(748)	(650)	15.2
Gains/(losses) on disposal of assets and others	280	(53)	
Pre-tax income	**211**	**177**	**19.1**
Income tax	164	11	
Profit for the period	**375**	**188**	**99.1**
Minority interest			
Profit attributable to the Group	**375**	**188**	**99.1**

YEAR-ON-YEAR TRENDS

- **Net interest income of €1,138 million, up 14.6%** on the back of:
  - **Sound management of retail savings,** especially maturity deposits, which has brought down costs by 83 basis points (1.21% versus 2.04% in 2014).
  - Incorporation of the business of Barclays Bank, SAU.
  - **Lower revenues, largely due to debt deleveraging**, reduced returns on the lending portfolio on account of lower market interest rates, and muted institutional activity (fixed income).
- **Growth in fee and commission income (€513 million, up 12.9%).** Performance here can largely be put down to increased sales of off-balance sheet products and the acquisition of Barclays Bank, SAU.
- **Income from the investee portfolio reached €180 million (+19.5%).**
- **Gains on financial assets and exchange rates differences stood at €129 million (-41.2%).**
- **High income generation: gross income of €1,953 million (+7.0%).**
- Recurring expenses impacted by the incorporation of Barclays Bank SAU.

  Total expenses include the recognition of €239 million in 2015 associated with the process of integrating Barclays Bank, SAU.
- **Recurring pre-impairment income of €918 million (up 4.3%).**
- Impairment losses on financial assets and others (+15.2%) impacted by a drop in insolvency allowances (-10.0%) and the evolution in other allowances.
- The cost of risk stood at 0.91% (-0.45pp for the last twelve months).
- **Gains/(losses) on disposal of assets and others in 2015 reflects:**
  - The negative goodwill on the incorporation of Barclays Bank, SAU (€602 million) and asset impairment due to obsolescence associated with the acquisition process (€64 million).
  - Gains and losses on the sale of foreclosed assets and other write-downs, mainly real estate related.

NOTE: *The 2014 income statement has been restated following the application of IFRIC 21.*

- With respect to **income tax**, double taxation avoidance principles are applied to income contributed by investees, with a significantly notable impact in the first quarter of 2015 following the recognition of the negative goodwill of Barclays Bank, SAU.

- **Attributable profit posted by CaixaBank in the first quarter of 2015 therefore amounted to €375 million,** marking a 99.1% year-on-year gain.

QUARTERLY PERFORMANCE

- **Gross income climbed to €1,953 million, up 34.3%:**

  - **Positive showing in interest income (+5.3%)**, due largely to the lower cost of maturity deposits (-31bp). Together with the incorporation of the business of Barclays Bank, SAU, this allowed the company to absorb the impact of the lower returns on the loan book and the fixed income portfolio while continuing to post positive quarterly growth.

  - **The customer spread continued its forward march**, climbing 10 basis points on a like-for-like basis. It dipped by 1 basis points following the incorporation of Barclays Bank, SAU due to its lower returns on the lending portfolio.

  - **Income from equity investments** was impacted by the seasonality of reporting in profits of investees and dividends.

  - **Fee and commission income up 13.6%**, driven by growth in investment fund assets under management and the acquisition of Barclays Bank, SAU.

  - **Other operating income and expenses** was impacted by the fact that the full contribution to the Spanish Deposit Guarantee Fund was recognised in the fourth quarter of 2014.

- **Recurring pre-impairment income up 14.8% to €918 million[1].**

- **Drive to increase coverage of the risks of the lending portfolio**, with high insolvency provisioning of €550 million in the first three months of 2015.

- **Other charges to provisions** includes, among others, recognition of €-195 million in the fourth quarter of 2014 stemming from the early retirement scheme.

- The changes seen in **Gains/(losses) on disposal of assets and others** were largely down to the recognition of the negative goodwill on the acquisition of Barclays Bank, SAU and other write-downs in the first quarter of 2015.

- **Income tax** for the previous quarter reflects the change in the tax treatment of capital gains on sales of stakes, which led to the derecognition of certain deferred tax assets and liabilities worth €310 million reported in previous periods. These items largely arose from corporate actions relating to the restructuring of the ”la Caixa” Group.

([1]) To ensure the data is comparable, pre-impairment income for the fourth quarter of 2014 does not include the contribution to the Spanish Deposit Guarantee Fund (€293 million) and non-recurring expenses for the first quarter of 2015 are likewise excluded.

Quarterly income statement[1]

€ million	1Q14	2Q14	3Q14	4Q14	1Q15
Financial income	2,151	2,199	2,218	2,223	2,360
Financial expenses	(1,158)	(1,177)	(1,159)	(1,142)	(1,222)
Net interest income	**993**	**1,022**	**1,059**	**1,081**	**1,138**
Dividends	1	101	2	81	2
Share of profit (loss) of entities accounted for using the equity method	149	(27)	141	43	178
Net fees and commissions	454	476	444	451	513
Gains on financial assets and exchange rate differences	221	292	64	63	129
Other operating income and expenses	7	61	26	(265)	(7)
Gross income	**1,825**	**1,925**	**1,736**	**1,454**	**1,953**
Recurring expenses	(945)	(943)	(938)	(947)	(1,035)
Extraordinary expenses					(239)
Pre-impairment income	**880**	**982**	**798**	**507**	**679**
Recurring pre-impairment income [2]	***880***	***982***	***798***	***800***	***918***
Impairment losses on financial assets and others	(650)	(664)	(485)	(780)	(748)
Gains/(losses) on disposal of assets and others	(53)	(49)	(54)	(230)	280
Pre-tax income	**177**	**269**	**259**	**(503)**	**211**
Income tax	11	(52)	(29)	488	164
Profit for the period	**188**	**217**	**230**	**(15)**	**375**
Minority interest	0	0	0	0	0
Profit attributable to the Group	**188**	**217**	**230**	**(15)**	**375**

Quarterly returns on ATAs

Data expressed as % of ATAs (annualized)	1Q14	2Q14	3Q14	4Q14	1Q15
Financial income	2.63	2.67	2.66	2.66	2.73
Financial expenses	(1.42)	(1.43)	(1.39)	(1.37)	(1.41)
Net interest income	**1.21**	**1.24**	**1.27**	**1.29**	**1.32**
Dividends	0.00	0.12	0.00	0.10	0.00
Share of profit (loss) of entities accounted for using the equity method	0.18	(0.03)	0.17	0.05	0.20
Net fees and commissions	0.55	0.58	0.54	0.54	0.58
Gains on financial assets and exchange rate differences	0.27	0.35	0.08	0.08	0.14
Other operating income and expenses	0.01	0.07	0.03	(0.31)	(0.01)
Gross income	**2.22**	**2.33**	**2.09**	**1.75**	**2.23**
Recurring expenses	(1.14)	(1.14)	(1.14)	(1.13)	(1.19)
Extraordinary expenses	0.00	0.00	0.00	0.00	(0.27)
Pre-impairment income	**1.08**	**1.19**	**0.95**	**0.62**	**0.77**
Recurring pre-impairment income	***1.08***	***1.19***	***0.95***	***0.97***	***1.04***
Impairment losses on financial assets and others	(0.79)	(0.80)	(0.59)	(0.94)	(0.85)
Gains/(losses) on disposal of assets and others	(0.06)	(0.06)	(0.06)	(0.27)	0.32
Pre-tax income	**0.23**	**0.33**	**0.31**	**(0.59)**	**0.24**
Income tax	0.03	(0.06)	(0.04)	0.59	0.19
Profit for the period	**0.26**	**0.26**	**0.28**	**0.00**	**0.43**
Minority interest	0.00	0.00	0.00	0.00	0.00
Profit attributable to the Group	**0.26**	**0.26**	**0.28**	**0.00**	**0.43**
€ Million					
Average total net assets	331,202	329,994	330,401	331,080	350,847

(1) *The published quarterly results for 2014 have been restated following the application of IFRIC 21.*
(2) *To allow for easier comparison, the fourth quarter of 2014 does not include the contribution to the Spanish Deposit Guarantee Fund for 2015 (€293 million).*

Gross income

Gross income stood at €1,953 million, demonstrating the Bank's ability to generate income through its branch network.

NET INTEREST INCOME

- Improvement in net interest income to reach €1,138 million (+5.3% quarter on quarter)
- Ongoing improvement in the cost of new production of maturity deposits (0.36%), 12 basis points down for the quarter
- Positive impact of incorporating the business of Barclays Bank, SAU

In a macro environment of very low interest rates, **net interest income stood at €1,138 million**, up 14.6% on the first quarter of 2014. The solid performance illustrates the Bank's approach to retail banking activity, with the sharp drop in the cost of maturity deposits and the acquisition of Barclays Bank, SAU's business enabling it to cushion the impact of the loan portfolio deleveraging and the lower returns on loans as interest rates continue to fall, plus the decrease in fixed income instruments.

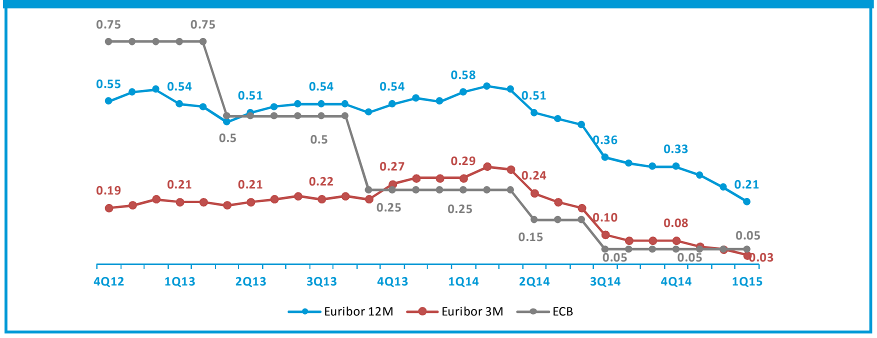
Quarterly growth remains on track: +5.3% on the fourth quarter of 2014 (€1,081 million) following the acquisition of Barclays Bank, SAU's business and an increased reduction in financing costs as income shrinks.

- The **customer spread remains positive, on a like-for like basis**, reflecting the Bank's efforts in drawing further profit from the retail financial business, with steady growth over the course of 2014. The spread climbed by 10 basis points in the first quarter of 2015 to rest at 2.27%. The global customer spread was 2.16% following the acquisition of Barclays Bank, SAU, with lower returns on the loan portfolio.

  Retail customer fund costs were down on the back of the commercial drive under way. Of particular note was the intense management of maturity deposits aimed at both **volume and profitability**, with an **ongoing improvement in the cost of new production (0.36% in 1Q15).** This drove the cost of maturity deposits down by 31 basis points during the quarter to rest at 1.21%. The back book was impacted by -7 basis points in the first quarter of 2015 following the maturity of a senior retail bond.

- **Returns on the lending portfolio** dropped by 20 basis points (to 2.80%) largely as a result of the acquisition of the portfolio of Barclays Bank, SAU, which has a lower return (-12bp). There was likewise a significant impact from the negative repricing of the portfolio (-5bp), primarily on account of the mortgage portfolio. The portfolio was also affected by a smaller negative impact (-2bp) generated by new loan production (2.53%) arranged at lower rates than the portfolio (3.00%), mainly in relation to wholesale banking (corporate and institutions) following improvements in cost of risk and liquidity. Concerning other lending, rates on new loans are continuing to have a positive impact on the rate of the total lending portfolio.

Interest rates (%)



The balance sheet spread stood at 1.32%, up 3 basis points quarter on quarter **(1.34 stripping out the effect of the incorporation of Barclays Bank, SAU).**

- The ratio of financial income to average total assets stood at 2.73%, up 7 basis points quarter on quarter due to the increase in other interest-bearing assets, which has offset the reduced returns on the lending portfolio and the lower weighting of the fixed income portfolio.
- In turn, the ratio of financial costs to total average assets stood at 1.41%, up 4 basis points during the quarter due to the increase in other interest-bearing liabilities, which has offset the drop in the cost of retail deposits (-19bp) and the cost of institutional financing (-17bp).

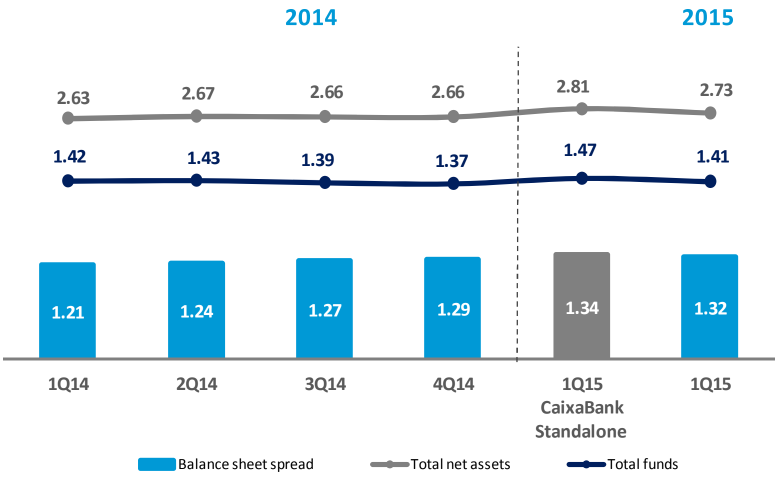
The combined impact of all these effects, including, in particular, the acquisition of the business of Barclays Bank, SAU, was an **improvement in net interest income.**

Quarterly cost and income

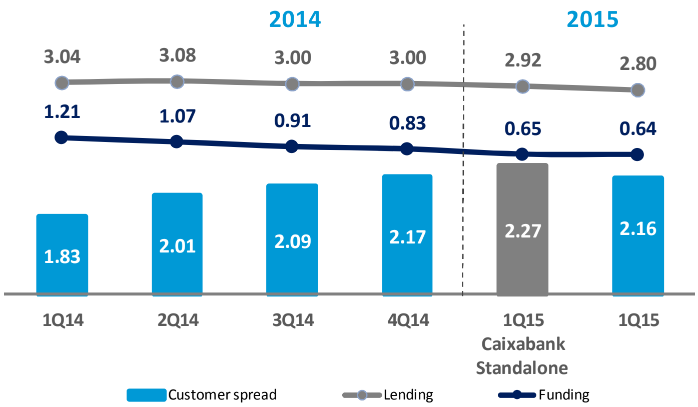
€ million		1Q14			2Q14			3Q14			4Q14			1Q15		
		Average balance	Income or expense	Average rate %	Average balance	Income or expense	Average rate %	Average balance	Income or expense	Average rate %	Average balance	Income or expense	Average rate %	Average balance	Income or expense	Average rate %
Financial Institutions		8,615	6	0.27	6,835	6	0.37	6,273	3	0.22	6,083	2	0.15	6,345	4	0.24
Loans	(a)	184,185	1,382	3.04	180,672	1,389	3.08	179,298	1,356	3.00	178,543	1,349	3.00	195,502	1,350	2.80
Fixed income securities portfolio		41,579	357	3.48	44,155	373	3.39	42,706	365	3.39	39,129	332	3.36	34,917	291	3.37
Other assets with returns[1]		35,631	404	4.60	36,477	428	4.70	40,814	491	4.78	42,564	539	5.02	46,084	713	6.28
Other assets		61,192	2		61,855	3		61,310	3		64,761	1		67,999	2	
Total average assets	(b)	331,202	2,151	2.63	329,994	2,199	2.67	330,401	2,218	2.66	331,080	2,223	2.66	350,847	2,360	2.73
Financial Institutions		35,338	(75)	0.87	28,704	(72)	1.01	29,673	(65)	0.87	26,662	(60)	0.89	33,834	(57)	0.68
Retail customer funds	(c)	164,176	(488)	1.21	168,659	(451)	1.07	169,452	(388)	0.91	166,887	(349)	0.83	172,420	(272)	0.64
Demand deposits		*76,854*	*(50)*	*0.26*	*82,300*	*(55)*	*0.27*	*87,640*	*(53)*	*0.24*	*88,501*	*(49)*	*0.22*	*97,123*	*(47)*	*0.20*
Maturity deposits		*87,322*	*(438)*	*2.04*	*86,359*	*(396)*	*1.84*	*81,811*	*(335)*	*1.63*	*78,386*	*(300)*	*1.52*	*75,297*	*(225)*	*1.21*
Time deposits		*81,881*	*(399)*	*1.98*	*81,091*	*(357)*	*1.76*	*77,104*	*(301)*	*1.55*	*73,698*	*(267)*	*1.44*	*72,251*	*(218)*	*1.22*
Retail repurchase agreements and marketable debt securities		*5,441*	*(39)*	*2.96*	*5,268*	*(39)*	*3.01*	*4,708*	*(34)*	*2.90*	*4,688*	*(33)*	*2.83*	*3,046*	*(7)*	*0.95*
Wholesale marketable debt securities & other		43,761	(235)	2.18	42,551	(234)	2.21	39,222	(238)	2.40	38,696	(218)	2.24	39,835	(203)	2.07
Subordinated liabilities		4,893	(37)	3.11	4,893	(39)	3.23	4,887	(39)	3.13	4,603	(35)	2.99	4,469	(34)	3.13
Other funds with cost[1]		36,302	(321)	3.59	39,156	(380)	3.89	42,690	(428)	3.98	46,893	(480)	4.06	50,962	(653)	5.20
Other funds		46,732	(2)		46,031	(1)		44,477	(1)		47,339			49,327	(3)	
Total average funds	(d)	331,202	(1,158)	1.42	329,994	(1,177)	1.43	330,401	(1,159)	1.39	331,080	(1,142)	1.37	350,847	(1,222)	1.41
Net interest income		993			1,022			1,059			1,081			1,138		
Customer spread (%)	(a-c)	1.83			2.01			2.09			2.17			2.16		
Balance sheet spread (%)	(b-d)	1.21			1.24			1.27			1.29			1.32		

([1]) The headings Other assets with returns and Other funds with cost relates largely to the life insurance activity of the Group.This has been impacted by the market conditions resulting in a transfer from guaranteed savings to other financial products. As a result, there's an increase of the surrenders in returns and costs in these headings. However, this does not impact on the net contribution of the insurance business.

Balance sheet spread as a % of ATAs

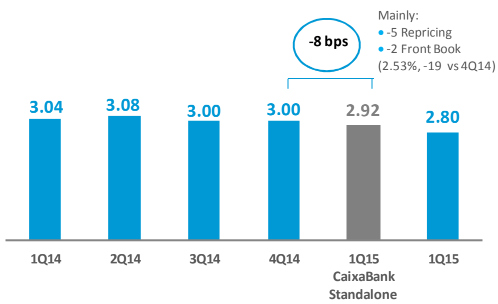


Changes in the customer spread (%)

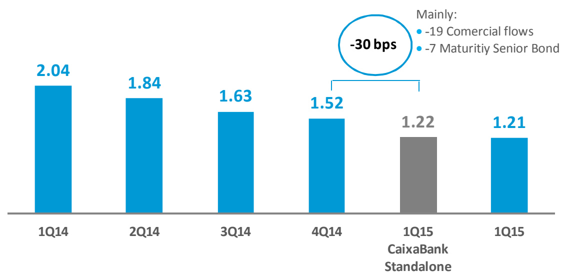


Note: Cost of demand deposits, term deposits, loans and repurchase agreements in connection with the retail banking activity. Does not include the cost of institutional issues and subordinated liabilities.

Loan rates (back book) (%)



Maturity deposit rates (back book) (%)



FEES AND COMMISSIONS

Income from fees and commissions grew to €513 million (+12.9%) on the back of strong commercial activity in off-balance sheet products and the acquisition of Barclays Bank, SAU.

- **Banking services, securities and other fees stood at €349 million.** These include income from securities transactions and fees on other transactions, as well as fees relating to risk activities, deposit management and payment methods.

  The increased income in 2015 following the acquisition of Barclays Bank, SAU and one-off investment banking transactions have helped offset the drop in transaction volume and the impact of the restrictions placed on interchange fees.

- **Fees from the insurance business** (essentially from sales of non-life insurance) **and from pension plans saw 15.6% growth to reach €68 million**, thanks to successful commercial campaigns and greater pension assets under management.

- **Mutual fund fees accounted for €96 million (+87.7%)**, with steady growth in assets under management.

Quarterly performance has been affected by the acquisition of Barclays Bank, SAU, the increase in off-balance sheet customer funds and the seasonal nature of certain one-off transactions.

Fees and commissions

€ million	January - March 2015	January - March 2014	Change absolute	Change %
Banking services, securities and other fees	349	344	5	1.3
Sales of insurance products and management of pension plans	68	59	9	15.6
Mutual funds, managed accounts and SICAVs	96	51	45	87.7
Net fees and commissions	**513**	**454**	**59**	**12.9**

€ million	1Q14	2Q14	3Q14	4Q14	1Q15
Banking services, securities and other fees	344	355	314	312	349
Sales of insurance products and management of pension plans	59	64	66	67	68
Mutual funds, managed accounts and SICAVs	51	57	64	72	96
Net fees and commissions	**454**	**476**	**444**	**451**	**513**

INCOME FROM EQUITY INVESTMENTS

Income from equity investments totalled €180 million (+19.5%).

- The earnings of companies accounted for using the equity method were affected by the seasonality of investee results and the normalisation of attributable results in the first quarter of 2015.
- The Telefónica dividend was reported in the fourth quarter of 2014.

Income from equity investments

€ million	January - March 2015	January - March 2014	Change absolute	Change %
Dividends	2	1	1	26.5
Share of profit (loss) of entities accounted for using the equity method	178	149	29	19.4
Income from equity investments	**180**	**150**	**30**	**19.5**

€ million	1Q14	2Q14	3Q14	4Q14	1Q15
Dividends	1	101	2	81	2
Share of profit (loss) of entities accounted for using the equity method	149	(27)	141	43	178
Income from equity investments	**150**	**74**	**143**	**124**	**180**

GAINS ON FINANCIAL ASSETS AND FOREIGN EXCHANGE

Gains on financial assets and foreign exchange (€129 million versus the €221 million posted in the same quarter of 2014) were down year on year due to the materialisation of greater capital gains in the first quarter of 2014, mainly on financial assets available for sale.

OTHER OPERATING INCOME AND EXPENSE

- The success of the ongoing commercial campaigns pushed up **income from life-risk insurance activity** (+42.9%).
- **Other operating income and expenses** include, among others, income and expenses from non-real estate subsidiaries. It also features income from rentals and expenses incurred in managing foreclosed properties, including Spanish property tax (IBI), which should now be fully reported at the start of the fiscal year in accordance with IFRIC 21.
- Turning to **contributions paid to the Spanish Deposit Guarantee Fund** in the quarter, IFRIC 21 dictates that these payments should accrue and be reported at year end.

Other operating income and expense

	January - March		Change	
€ million	2015	2014	absolute	%
Income and expenses from insurance activity	45	32	13	42.9
Other income and operating expenses	(52)	(25)	(27)	117.5
Other operating income and expenses	**(7)**	**7**	**(14)**	

€ million	1Q14	2Q14	3Q14	4Q14	1Q15
Income and expenses from insurance activity	32	34	35	48	45
Contribution to the Deposit Guarantee Fund	0	0	0	(293)	0
Other income and operating expenses	(25)	27	(9)	(20)	(52)
Other operating income and expenses	**7**	**61**	**26**	**(265)**	**(7)**

Pre-impairment income and expenses

- The recurring cost-to-income ratio stood at 54.7% (-3.0pp over the last twelve months)
- Non-recurring costs reported (€239 million)

The following drivers were behind the growth seen in recurring pre-impairment income and efficiency:

- **Strong income generation capacity**. Gross income totalled €1,953 million (+7.0%), with net interest income up 14.6% and fees and commissions up 12.9%.
- The acquisition of Barclays Bank was behind the 9.5% increase in recurring expenses.

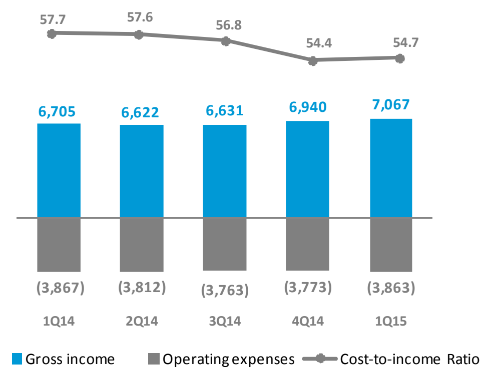
  The drive to contain and streamline costs, which kept recurring expenses stable on a like-for-like basis[1] (+0.3%).

A total of €239 million in non-recurring costs was recognised in 2015 in connection with the acquisition of Barclays Bank, SAU.

Managing efficiency remains a strategic focal point. The recurring cost-to-income ratio has shed 3.0 percentage points over the last twelve months.

The recognition in 2015 of the synergies unlocked to date (€93 million envisaged) **will improve the cost-to-income ratio.**

Recurring cost-to-income (last 12 months)



Pre-impairment income

€ million	January - March 2015	January - March 2014	Change absolute	Change %
Gross income	*1,953*	*1,825*	*128*	*7.0*
Recurring expenses	(1,035)	(945)	(90)	9.5
Extraordinary expenses	(239)		(239)	
Pre-impairment income	679	880	(201)	(22.9)
Recurring pre-impairment income	*918*	*880*	*38*	*4*
Recurring cost-to-income ratio (%)	*54.7*	*57.7*	*(3.0)*	
Cost-to-income ratio (%)	*58.0*	*61.3*	*(3.3)*	

€ million	1Q14	2Q14	3Q14	4Q14	1Q15
Gross income	1,825	1,925	1,736	1,454	1,953
Recurring expenses	(945)	(943)	(938)	(947)	(1,035)
Extraordinary expenses					(239)
Pre-impairment income	880	982	798	507	679
Recurring pre-impairment income [2]	*880*	*982*	*798*	*800*	*918*
Recurring cost-to-income ratio (%) (last 12 months)	*57.7*	*57.6*	*56.8*	*54.4*	*54.7*
Cost-to-income ratio (%) (last 12 months)	*61.3*	*60.3*	*59.2*	*54.4*	*58.0*

([1]) Proforma data including Barclays Bank, SAU in the first quarter of 2014.
([2]) To ensure the figures are comparable, the fourth quarter of 2014 pre-impairment income does not include the contribution to the Spanish Deposit Guarantee Fund, which is included in the calculation of the recurring cost-to-income ratio.

Operating expenses

€ million	January - March 2015	2014	Change absolute	%
Personnel expenses	(688)	(638)	(50)	7.8
General expenses	(253)	(214)	(39)	18.1
General and administrative expenses	**(941)**	**(852)**	**(89)**	**10.4**
Depreciation and amortization	**(94)**	**(93)**	**(1)**	**1.6**
Total recurring expenses	**(1,035)**	**(945)**	**(90)**	**9.5**
Total extraordinary expenses	**(239)**		**(239)**	
Total operating expenses	***(1,274)***	***(945)***	***(329)***	***34.8***

€ million	1Q14	2Q14	3Q14	4Q14	1Q15
Personnel expenses	(638)	(653)	(642)	(645)	(688)
General expenses	(214)	(199)	(209)	(224)	(253)
General and administrative expenses	**(852)**	**(852)**	**(851)**	**(869)**	**(941)**
Depreciation and amortization	**(93)**	**(91)**	**(87)**	**(78)**	**(94)**
Total recurring expenses	**(945)**	**(943)**	**(938)**	**(947)**	**(1,035)**
Total extraordinary expenses					**(239)**
Total operating expenses	***(945)***	***(943)***	***(938)***	***(947)***	***(1,274)***

Resources

	Mar. 31, 2015	Dec. 31, 2014	Change
Branches in Spain	**5,438**	**5,251**	**187**
Employees	**33,598**	**31,210**	**2,388**

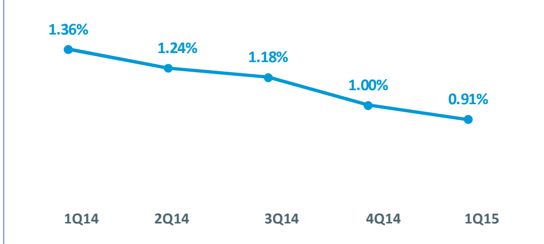
Impairment losses on financial assets and others

- Reduction in the cost of risk to 0.91% (down from 1.36% in March 2014)
- Allowances and write-downs

- **Reduction in insolvency allowances (€550 million), down 10.0% year on year.** Efforts were made during the quarter to increase coverage of risks inherent in the lending portfolio.
- **Cost of risk down 0.45 basis points** over the last twelve months, to 0.91%.
- **Other charges to provisions** primarily reflects coverage of future obligations and other asset impairment allowances.

The fourth quarter of 2014 included, among others, a provision of €195 million on account of the early retirement scheme.

Cost of risk [1]



Impairment losses on financial and other assets

€ million	January-March 2015	January-March 2014	Change absolute	Change %
Allowance for insolvency risk	(550)	(611)	61	(10.0)
Insolvency allowances	**(550)**	**(611)**	**61**	**(10.0)**
Other charges to provisions	(198)	(39)	(159)	
Impairment losses on financial and other assets	**(748)**	**(650)**	**(98)**	**15.2**

€ million	1Q14	2Q14	3Q14	4Q14	1Q15
Allowance for insolvency risk	(611)	(610)	(441)	(422)	(550)
Insolvency allowances	**(611)**	**(610)**	**(441)**	**(422)**	**(550)**
Other charges to provisions	(39)	(54)	(44)	(358)	(198)
Impairment losses on financial and other assets	**(650)**	**(664)**	**(485)**	**(780)**	**(748)**

([1]) Ratio of total accumulated insolvency allowances for the last twelve months to total gross customer loans and contingent risks at the end of the period.

Gains/(losses) on the disposal of assets and others. Result attributable to the Group

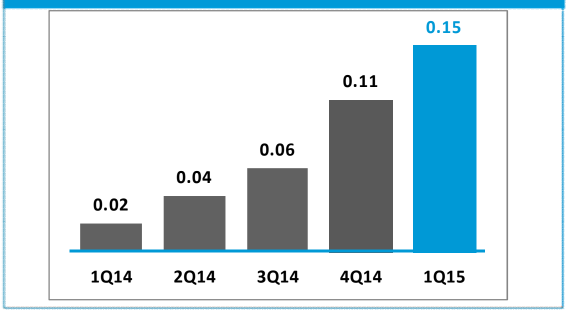
Gains/(losses) on the disposal of assets and others mainly comprises the results of non-recurring transactions completed during the period and results on sales and write-downs related to the real estate portfolio and other assets.

The year-on-year comparison is affected by certain **non-recurring items in 2015:**

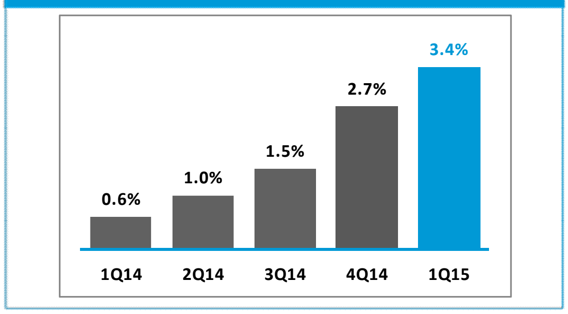
- Write-downs of real estate and other assets.
- Recognition of the negative goodwill arising from the acquisition of Barclays Bank, SAU (€602 million) and of asset impairment due to obsolescence also associated with the acquisition process (€64 million).
- With respect to **income tax expense**, double taxation avoidance principles are applied to income contributed by investees, with a significantly notable impact in the first quarter of 2015 following the recognition of the negative goodwill of Barclays Bank, SAU.

Net profit attributable to the Group totalled €375 million.

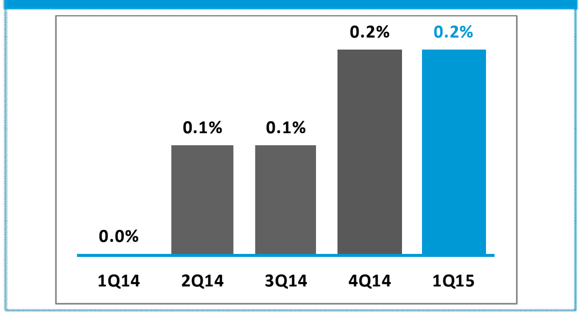
Net earnings attributable per share (EPS)



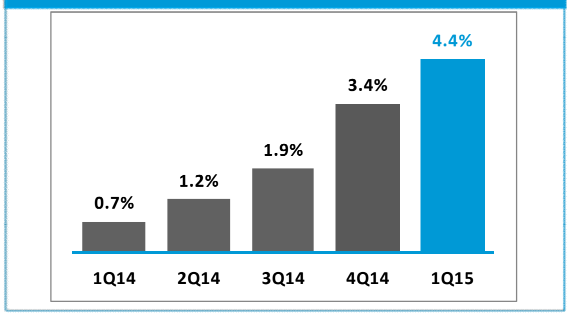
ROE (last 12 months)



ROA (last 12 months)



ROTE (last 12 months)



Business activity

Balance sheet

Total assets amounted to €355,557 million at 31 March 2015 (+5.0%).

Quarterly performance was impacted by the acquisition of Barclays Bank, SAU, primarily in relation to customer loans and deposits and also deposits from Central Banks, following the increase in financing secured from the European Central Bank.

Balance sheet[1]

€ million	Mar. 31, 2014	Jun. 30, 2014	Sep. 30, 2014	Dec. 31, 2014	Mar. 31, 2015	Change
Cash and Central Banks	3,032	2,583	2,139	4,157	4,061	(96)
Trading portfolio	8,724	10,147	9,470	12,257	14,154	1,897
Available-for-sale financial assets	59,802	65,496	70,062	71,101	71,761	660
Loans	199,728	199,497	192,472	195,731	210,983	15,252
Deposits at credit institutions	*5,983*	*5,990*	*5,137*	*4,377*	*5,464*	1,087
Customer loans	*190,885*	*190,610*	*184,776*	*188,762*	*203,161*	14,399
Debt securities	*2,860*	*2,897*	*2,559*	*2,592*	*2,358*	(234)
Investment portfolio at maturity	17,056	15,809	14,793	9,608	7,383	(2,225)
Non-current assets held for sale	6,876	7,133	7,841	7,248	7,835	587
Investment portfolio	8,901	8,791	9,105	9,266	9,939	673
Property and equipment	5,677	5,872	6,006	6,404	6,245	(159)
Intangible assets	3,632	3,626	3,635	3,635	3,683	48
Other assets	17,860	17,853	18,169	19,216	19,513	297
Total assets	**331,288**	**336,807**	**333,692**	**338,623**	**355,557**	**16,934**
Liabilities	**307,172**	**312,144**	**308,577**	**313,391**	**329,108**	**15,717**
Trading portfolio	7,791	9,687	8,577	11,975	14,551	2,576
Financial liabilities at amortized cost	251,850	253,450	249,051	247,539	257,731	10,192
Deposits by credit institutions and Central Banks	*28,333*	*27,832*	*25,779*	*25,919*	*31,175*	5,256
Customer deposits	*177,273*	*183,079*	*180,887*	*180,200*	*187,850*	7,650
Marketable debt securities	*37,695*	*33,382*	*33,819*	*32,920*	*30,196*	(2,724)
Subordinated debt securities	*4,820*	*4,832*	*4,579*	*4,396*	*4,406*	10
Other financial liabilities	*3,729*	*4,325*	*3,987*	*4,104*	*4,104*	0
Insurance liabilities	34,909	36,407	38,258	40,434	43,232	2,798
Provisions	4,180	4,098	4,076	4,371	4,644	273
Other liabilities	8,442	8,502	8,615	9,072	8,950	(122)
Equity	**24,116**	**24,663**	**25,115**	**25,232**	**26,449**	**1,217**
Shareholders' equity	23,360	23,382	23,545	23,373	23,752	379
Profit attributable to the Group	**188**	**405**	**635**	**620**	**375**	
Equity adjustments by valuation	756	1,281	1,570	1,859	2,697	838
Total liabilities and equity	**331,288**	**336,807**	**333,692**	**338,623**	**355,557**	**16,934**

([1]) *Historical balance sheet items published prior to application of IFRIC 21 have been restated.*

Loans and advances to customers

- Quarterly growth in customer lending (+7.6%) following the acquisition of Barclays Bank, SAU
- Organic change[1] was driven mainly by the growth in lending to non-real estate companies and the drop in lending to real estate developers

Gross customer loans and advances stood at €212,077 million (+7.6%). Stripping out the €17,782 million impact of the gross customer loans of Barclays Bank, SAU at 31 December 2014, the change would be -1.3% (organic change[1]). **The drop stood at just 0.9% for the performing loan portfolio excluding real estate developers.**

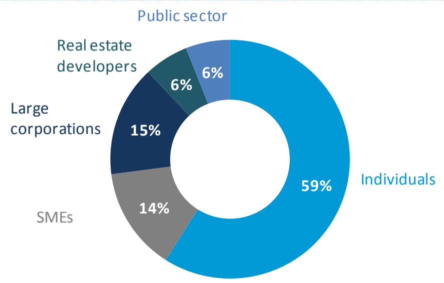
Organic performance here was shaped by the management of real estate developer loans and the deleveraging process. **By segment:**

- Starting with **loans to individuals** (-1.1%), new loans production continued to trail loan repayments. **The mortgage market share[2] stood at 17.8%.**
- Of particular note was the 0.6% increase in financing to **Corporates and SMEs, and to productive sectors excluding real estate developers**.

  The Bank's decision to roll out measures to detect sound business opportunities and gauge the financing needs of customers from this segment has enabled it to maintain **high market shares[2] when it comes to products to finance working capital** (19.6% in factoring and reverse factoring and 18.2% in commercial loans) and illustrates its commitment to providing credit to the productive system.
- The real estate developer portfolio was down €1,772 million (-11.9%) following the drive to clear up problematic assets.

- **The organic[1] drop in lending in the first quarter of 2015 was 51% less than the drop seen in 1Q14.**
- CaixaBank's portfolio is largely aimed towards retail financing (individuals and SMEs). The Barclays Bank, SAU loan portfolio now integrated into CaixaBank primarily comprises financing for individual customers (81%) and businesses (15%), with reduced exposure to real estate and the public sector.

Diversification of the loan portfolio
(% of gross lending)



Loans and advances to customers

€ million	Mar. 31, 2015	Dec. 31, 2014	Annual change % Total	Annual change % Organic[1]
Loans to individuals	**124,239**	**111,350**	**11.6**	**(1.1)**
Home purchases	92,741	80,421	15.3	(1.1)
Other	31,498	30,929	1.8	(1.3)
Loans to business	**74,257**	**72,276**	**2.7**	**(1.9)**
Corporates and SMEs	59,744	56,793	5.2	0.6
Real estate developers	13,099	14,069	(6.9)	(11.9)
Criteria Caixaholding	1,414	1,414		
Public sector	**13,581**	**13,559**	**0.2**	**(0.3)**
Loans and advances, gross	**212,077**	**197,185**	**7.6**	**(1.3)**
Of which:				
Performing loans, ex-real estate developers	*184,793*	*171,111*	*8.0*	*(0.9)*
Provisions	(11,136)	(10,587)	5.2	(8.7)
Loans and advances, net*	**200,941**	**186,598**	**7.7**	**(0.9)**
Memorandum items:				
Contingent Liabilities	*11,140*	*10,242*	*8.8*	*3.7*

(*) Does not include other financial assets (counterparty entities, assets under the asset protection scheme, and reverse repos) reported on the public balance sheet under loans and advances to customers: €2,220 million at 31 March 2015 and €2,164 million at 31 December 2014.

([1]) Variation calculated by stripping out the impact of Barclays Bank, SAU balance sheet items at 1 January 2015.
([2]) Latest information available. Data prepared in-house, based on Bank of Spain (Infbal) and AEF (Spanish Factoring Association).

Customer funds

- Sustained growth in customer funds under management:
  - Wide range of products
  - Improved margins on transactions

Customer funds up €21,267 million (+7.8%) to reach €293,025 million. Organic growth[1] of 2.0% during the quarter, stripping out the impact of the acquisition of Barclays Bank, SAU (€15,609 million).

- **Demand and term deposits totalled €172,281 million (+1.8%).** In organic terms[1]:
  - **Demand deposits** were up 1.3% in 2015, driven in part by sound management of maturities and repayment of other retail customer funds.
  - **Time deposits** stood at €70,637 million. The change seen here (-8.5%) is a consequence of the intense management of margins on new transactions and increased client interest in off-balance sheet products.
- Liabilities under insurance contracts[2] amounted to €32,246 million. **The market share[3] was 21.7%.**
- **Sharp growth of €16,696 million (+25.9%) in off-balance sheet funds (+13.5% organic[1])**:
  - CaixaBank is the market leader in the number of mutual fund members and in assets under management, with a market share[3] of 17.5%.
  - Market share[3] of 19.9% in pension plans.
- **Successful Caixafu[Tu]ro commercial strategy to help customers plan for retirement.** New service offering customers advice and planning to map out a pension savings plan tailored to their needs through savings insurance products and pension plans.

Customer funds

€ Million	Mar. 31, 2015	Dec. 31, 2014	Annual change %	
			Total	Organic[1]
Financial liabilities	**179,634**	**175,034**	**2.6**	**(2.2)**
Customer funds	**175,633**	**172,551**	**1.8**	**(2.9)**
Demand deposits	101,644	93,583	8.6	1.3
Time deposits*	70,637	75,615	(6.6)	(8.5)
Subordinated liabilities (retail)	3,352	3,353	(0.0)	(0.0)
Reverse repurchase agreements and other accounts	**4,001**	**2,483**	**61.1**	**45.8**
Liabilities under insurance contracts	**32,246**	**32,275**	**(0.1)**	**(0.1)**
On-balance sheet funds**	**211,880**	**207,309**	**2.2**	**(1.9)**
Mutual funds, managed accounts and SICAVs	49,724	37,482	32.7	16.5
Pension plans	22,023	19,941	10.4	10.4
Other accounts***	9,398	7,026	33.8	5.9
Off-balance sheet funds	**81,145**	**64,449**	**25.9**	**13.5**
Total customer funds	**293,025**	**271,758**	**7.8**	**2.0**

(*) Includes retail debt securities of € 327 million. Maturity in 1Q15 of €2,616 million of a placement of senior bonds distributed through the retail network.

(**) Does not include public sector counterparties or repurchase agreements (€5,374 million, at 31 March 2015, and €3,698 million at 31 December 2014).

(***) Includes, among other items, financial assets sold to retail customers, which embrace placements of subordinated debt issued by "la Caixa" (now in Criteria CaixaHolding). Quarterly change includes the acquisition of funds associated with the pension plans and insurance products distribution agreements of Barclays Bank, SAU.

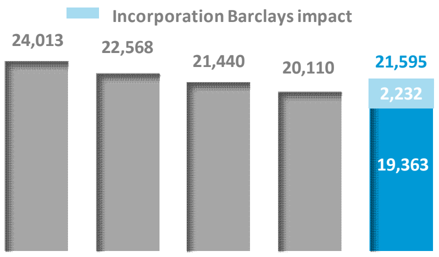
([1]) Variations calculated by stripping out the impact of Barclays Bank, SAU balance sheet items at 1 January 2015.
([2]) Excluding the impact of the value change of the associated financial assets.
([3]) Latest information available. Data prepared in-house, based on INVERCO and ICEA information. Pension plans, including individual and guaranteed plans.

Risk management

Credit risk quality

NPLs *(€ million)* [1]

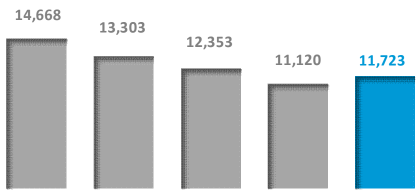
Non-performing loans



	1Q14	2Q14	3Q14	4Q14	1Q15
NPL ratio	11.4%	10.8%	10.5%	9.7%	9.7%
NPL ratio excluding real estate	6.8%	6.7%	6.7%	6.4%	7.0%

Coverage *(€ million)* [1]

Provisions



	1Q14	2Q14	3Q14	4Q14	1Q15
Coverage ratio	61%	59%	58%	55%	54%
Coverage ratio excluding real estate	64%	61%	59%	54%	53%

NPL PERFORMANCE

- The NPL ratio remained at 9.7% following the acquisition of Barclays Bank, SAU
- Organic drop[2] in NPLs of €-747 million in the year (€-4,650 million over the last twelve months)

- **Non-performing assets stood at €21,595 million.** Stripping out the €2,232 million in NPLs from Barclays Bank, SAU at 31 December 2014, non-performing assets were down €747 million (-3.3%).
- **The NPL ratio remained at 9.7%**. Change due to:
  - Organic reduction[2] in non-performing assets (-33bp).
  - Acquisition of Barclays Bank, SAU (+21bp).
  - Impact of the deleveraging (+10bp).
- **Stripping out the real estate developer segment, the NPL ratio was 7.0%.**

REFINANCING

At 31 March 2015, refinanced transactions totalled €21,254 million. Of this amount, €8,898 million (42% of the portfolio) is classified as non-performing and €1,995 million (9%) as substandard.

Provisions associated with these transactions amounted to €3,818 million (€3,445 million for NPLs and €373 million for substandard loans).

(1) *Calculations factor in contingent liabilities and loans.*
(2) *Variations calculated by stripping out the impact of Barclays Bank, SAU balance sheet items at 1 January 2015.*

NPL ratio by segment

	Mar. 31, 2014	Jun. 30, 2014	Sep. 30, 2014	Dec. 31, 2014	Mar. 31, 2015
Loans to individuals	**5.4%**	**5.3%**	**5.3%**	**5.3%**	**5.2%**
Home purchases	4.2%	4.1%	4.1%	4.1%	4.1%
Other	8.5%	8.2%	8.4%	8.3%	8.5%
Loans to business	**22.8%**	**21.8%**	**21.3%**	**18.9%**	**19.5%**
Corporates and SMEs	11.2%	11.3%	11.5%	10.6%	12.6%
Real estate developers	58.7%	57.8%	56.3%	54.6%	52.6%
Public sector	**1.4%**	**1.3%**	**1.0%**	**0.9%**	**0.9%**
NPL Ratio (loans and contingent liabilities)	**11.4%**	**10.8%**	**10.5%**	**9.7%**	**9.7%**
NPL ratio ex-developers	***6.8%***	***6.7%***	***6.7%***	***6.4%***	***7.0%***

Non-performing assets (loans and contingent risks), additions and derecognitions

€ million	1Q14	2Q14	3Q14	4Q14	1Q15
Opening balance	**25,365**	**24,013**	**22,568**	**21,440**	**20,110**
Exposures recognized as non-performing (NPL-inflows)	1,913	2,435	1,899	1,966	2,522
Derecognitions from non-performing exposures	(3,265)	(3,880)	(3,027)	(3,296)	(3,269)
Of which written off	*(542)*	*(581)*	*(529)*	*(425)*	*(854)*
Net NPL inflows of Barclays Bank, SAU as of 01.01.15					*2,232*
Closing balance	**24,013**	**22,568**	**21,440**	**20,110**	**21,595**

COVERAGE

- Solid coverage ratio[1]: 54%
- Cautious risk coverage policies

NPL provisions totalled €11,723 million, with a solid coverage ratio of 54%.

The changes in NPL provisioning in 2015 stem mainly from the acquisition of Barclays Bank, SAU, the cancellation of debt incurred through the acquisition and foreclosure of real estate assets and the reduction in provisions associated with written-off assets.

NPL provisioning

€ million	1Q14	2Q14	3Q14	4Q14	1Q15
Opening balance	**15,478**	**14,668**	**13,303**	**12,353**	**11,120**
Insolvency allowances	611	610	441	422	550
Amounts used	(1,144)	(1,659)	(1,149)	(1,369)	(1,343)
Transfers and other changes	(277)	(316)	(242)	(286)	(263)
Inclusion of Barclays Bank, SAU as of 01.01.15					1,659
Closing balance	**14,668**	**13,303**	**12,353**	**11,120**	**11,723**

([1]) Calculations factor in loans and contingent liabilities.

CaixaBank

Loans to real estate developers

- Exposure down €970 million (-6.9%)
- Organic drop[1] of €1,772 million (-11.9%)
- Coverage ratio on NPL's of 57.4%

- The weight of financing for this particular sector fell by 96 basis points in 2015 to 6.2% of the total loan portfolio.
- **Specific coverage for non-performing and substandard assets stood at 51.6%.**

Loans to real estate developers

€ million	Mar. 31, 2015	Weight %	Dec. 31, 2014	Weight %	Annual change
Without mortgage collateral	1,179	9.0	1,699	12.1	(520)
With mortgage collateral	11,920	91.0	12,370	87.9	(450)
Completed buildings	**8,849**	**67.6**	**9,041**	**64.3**	**(192)**
Homes	*6,022*	*46.0*	*6,315*	*44.9*	*(293)*
Other	*2,827*	*21.6*	*2,726*	*19.4*	*101*
Buildings under construction	**949**	**7.2**	**1,068**	**7.6**	**(119)**
Homes	*813*	*6.2*	*923*	*6.6*	*(110)*
Other	*136*	*1.0*	*145*	*1.0*	*(9)*
Land	**2,122**	**16.2**	**2,261**	**16.1**	**(139)**
Developed land	*686*	*5.2*	*725*	*5.2*	*(39)*
Other	*1,436*	*11.0*	*1,536*	*10.9*	*(100)*
Total	**13,099**	**100**	**14,069**	**100**	**(970)**

NPLs and coverage for real estate development risk

€ million	Mar. 31, 2015				Dec. 31, 2014			
	Non-performing	Substandard	Provisions M€	Coverage %	Non-performing	Substandard	Provisions M€	Coverage %
Without mortgage collateral	611	65	566	83.6	1,111	36	1,018	88.8
With mortgage collateral	6,279	712	3,388	48.5	6,568	570	3,369	47.2
Completed buildings	**4,212**	**513**	**1,911**	**40.5**	**4,297**	**401**	**1,871**	**39.8**
Homes	*2,777*	*287*	*1,306*	*42.6*	*2,907*	*231*	*1,314*	*41.9*
Other	*1,435*	*226*	*605*	*36.4*	*1,390*	*170*	*557*	*35.7*
Buildings under construction	**508**	**58**	**341**	**60.1**	**603**	**58**	**384**	**58.1**
Homes	*445*	*57*	*308*	*61.3*	*531*	*56*	*347*	*59.1*
Other	*63*	*1*	*33*	*50.4*	*72*	*2*	*37*	*50.0*
Land	**1,559**	**141**	**1,136**	**66.9**	**1,668**	**111**	**1,114**	**62.6**
Developed land	*470*	*54*	*345*	*66.0*	*507*	*36*	*334*	*61.5*
Other	*1,089*	*87*	*791*	*67.3*	*1,161*	*75*	*780*	*63.1*
Total	**6,890**	**777**	**3,954**	**51.6**	**7,679**	**606**	**4,387**	**53.0**

Breakdown by type of collateral

Mar. 31, 2015

€ million	Gross amount	Excess over value of collateral[2]	Specific provisions	% provision of risk
Non-performing	6,890		3,729	54.1
Mortgage	*6,279*	*2,594*	*3,178*	*50.6*
Personal	*611*		*550*	*90.0*
Substandard	777		225	29.0
Total	**7,667**		**3,954**	**51.6**

Dec. 31, 2014

€ million	Gross amount	Excess over value of collateral [2]	Specific provisions	% provision of risk
Non-performing	7,679		4,176	54.4
Mortgage	6,568	2,971	*3,173*	*48.3*
Personal	1,111		*1,003*	*90.3*
Substandard	606		211	34.8
Total	**8,285**		**4,387**	**53.0**

(1) Variations calculated by stripping out the impact of Barclays Bank, SAU balance sheet items at 1 January 2015.
(2) In accordance with Spanish regulations, the excess over the value of the guarantee is calculated as the difference between the gross amount of the loan and the value of the real collateral received, previously weighted as follows: 80% completed homes, primary residence, 70% rural real estate and completed offices, premises and industrial buildings, 60% other completed homes, 50% other real estate mortgages.

Financing for home purchases

- Main risk segment with a well-diversified portfolio and solid collateral

- Accounts for 44% of total gross loans.
- **Low NPL ratio (4.1%) at 31 March 2015, remaining stable throughout the quarter.**

Financing for home purchases

€ million	Gross amount				
	Mar. 31, 2014	Jun. 30, 2014	Sep. 30, 2014	Dec. 31, 2014	Mar. 31, 2015
Without mortgage collateral	830	806	791	775	776
Of which: non-performing	*8*	*8*	*7*	*7*	*7*
With mortgage collateral	82,521	81,609	80,668	79,646	91,965
Of which: non-performing	*3,484*	*3,407*	*3,368*	*3,292*	*3,820*
Total	**83,351**	**82,415**	**81,459**	**80,421**	**92,741**

Loan-to-value breakdown[1]

€ million	Mar. 31, 2015					
	LTV≤40%	40%<LTV≤60%	60%<LTV≤80%	80<LTV≤100%	LTV>100%	TOTAL
Gross amount	19,869	32,597	32,357	6,176	966	**91,965**
Of which: non-performing	*264*	*813*	1,747	*641*	*355*	**3,820**

([1]) Loan-to-vale calculations based on appraisals available at the grant date. Updated for non-performing loans as per the criteria established in Bank of Spain Circular 4/2004.

Foreclosed real estate assets available for sale

- Intense commercial activity: a key component in managing the foreclosed real estate portfolio
- Coverage[1] stood at 56.7% (+1.7pp in the first quarter of 2015)

The carrying amount of the Bank's foreclosed assets available for sale was €6,998 million at 31 March 2015, following the inclusion of €224 million from Barclays Bank, SAU at 1 January 2015.

The coverage ratio of 56.7% (+1.7pp in the quarter) includes initial write-downs plus the provisions reported after the properties are foreclosed.

In addition, **real estate assets held for rent stood at €2,833 million, net of provisions, at 31 March 2015. The portfolio has an occupancy rate of 87%.**

The underlying criterion guiding CaixaBank's management of distressed assets is to help borrowers meet their obligations. When the borrower no longer appears to be reasonably able to fulfil these obligations, the mortgaged asset is acquired.

The acquisition price is calculated by relying on an appraisal conducted by a valuation company registered on the Bank of Spain's official register. When the acquisition price is lower than the outstanding debt, the loan is written down to the foreclosure value.

Total properties rented or sold during the last twelve months have accounted for €2,380 million.

The composition of the foreclosed real estate portfolio available for sale, **54% of which is completed buildings,** is a unique factor aiding in the sale of these properties on the market.

Foreclosed real estate assets available for sale and associated coverage

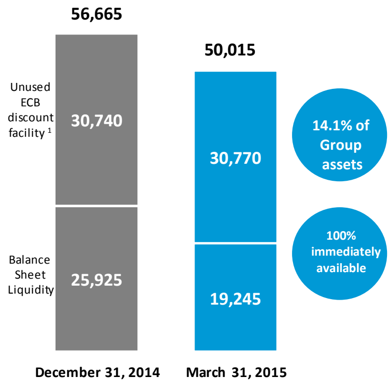
€ million	Mar. 31, 2015 Net carrying amount	Mar. 31, 2015 Coverage[1]	Mar. 31, 2015 Coverage %	Dec. 31, 2014 Net carrying amount	Dec. 31, 2014 Coverage[1]	Dec. 31, 2014 Coverage %
Property acquired related to loans to construction companies and real estate developments	**4,981**	**(7,299)**	**59.4**	**4,922**	**(6,592)**	**57.3**
Completed buildings	**2,569**	**(2,500)**	**49.3**	**2,519**	**(2,203)**	**46.7**
Homes	1,946	(1,914)	49.6	1,930	(1,699)	46.8
Other	623	(586)	48.4	589	(504)	46.1
Buildings under construction	**359**	**(611)**	**63.0**	**353**	**(560)**	**61.3**
Homes	320	(558)	63.5	306	(494)	61.8
Other	39	(53)	57.7	47	(66)	58.4
Land	**2,053**	**(4,188)**	**67.1**	**2,050**	**(3,829)**	**65.1**
Developed land	1,124	(2,057)	64.7	1,116	(1,768)	61.3
Other	929	(2,131)	69.7	934	(2,061)	68.8
Property acquired related to mortgage loans to homebuyers	**1,181**	**(1,064)**	**47.4**	**1,081**	**(909)**	**45.7**
Other foreclosed assets	**836**	**(801)**	**49.0**	**716**	**(705)**	**49.6**
Total	**6,998**	**(9,164)**	**56.7**	**6,719**	**(8,206)**	**55.0**

([1]) Difference between the cancelled debt and the carrying amount of the net real-estate asset.

Liquidity and financing structure

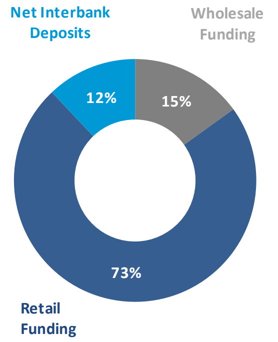
Excellent liquidity…

(€ million)



Drawn down - ECB facility: €14,319 million

…with solid financing arrangements

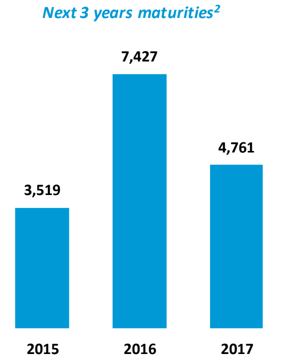


Total financing: €240,555 million

Loan-to-deposits: 110.9%

Institutional maturities

(€ million)



Maturities 1Q15: €3,298 million

Issues 1Q15: €1,000 M

- Liquidity amounted to €50,015 million
- Solid retail financing

- **Bank liquidity stood at €50,015 million at 31 March 2015** (€-6,650 million in the first quarter of 2015) as a product of changes in the loan-deposit gap, the acquisition of Barclays Bank, SAU and the drop in institutional financing.

- In 1Q15 CaixaBank secured €7,070 million in long-term financing from the European Central Bank (TLTRO).

  Of the €5,450 million of ECB financing obtained by Barclays Bank, SAU at 31 December, 2014, €5,069 million was repaid on maturity (€3,525 million in LTRO and €1,544 million in short-term financing).

  At 31 March 2015, the Group had drawn down €14,319 million under the ECB facility.

- The Bank has maintained a **solid retail financing structure, with a loan-to-deposits ratio of 110.9%** following the impact of integrating Barclays Bank, SAU, up 4.2 percentage points.

- **Institutional financing[2] amounted to €33,955 million,** with the organic change impacted by **maturities that were not renewed in the period.**

  - Wholesale maturities came to €3,298 million at 31 March 2015.

  - **Successful €1,000 million placement of mortgage-covered bonds** on 18 March 2015. The coupon rate was set at 0.625% and thanks to the issue cost (15bp over the mid-swap rate) CaixaBank was able to bring in financing 51 basis points below the rate paid by the Spanish Treasury over the same period.

  - Wholesale maturities falling due in 2015 amount to €3,519 million.

- Available capacity to issue mortgage and public-sector covered bonds is €7,714 million.

- CaixaBank has brought its **liquidity coverage ratio (LCR) well above 100%,** despite the fact that no more than 60% is required until October 2015.

([1]) As of 31 December 2014 and 31 March 2015, includes €1,584 million and €327 million, respectively, in assets to be contributed to the ECB facility. The assets pending at 31 December 2014 were contributed in January 2015.
([2]) For banking liquidity management purposes, net of treasury stock.

Institutional financing

€ million	Mar. 31, 2015	Dec. 31, 2014	Annual change
Institutional Financing*	33,955	36,247	(6.3)

(*) Institutional issues for the purposes of managing bank liquidity, net of treasury stock. Essentially excludes liabilities associated with securitised bonds and value adjustments and accruals.
Includes, at 31 March 2015, €1,116 million in subordinated bonds and €7,265 million in multi-issuer covered bonds classified under customer deposits.

Collateralisation of mortgage covered bonds

€ million		Mar. 31, 2015
Mortgage covered bonds issued	a	51,883
Loans and credits (collateral for covered bonds)	b	128,764
Collateralization	b/a	248%
Overcollateralization	b/a -1	148%
Mortgage covered bond issuance capacity*		5,310

(*) CaixaBank is also able to issue public-sector covered bonds totalling €2,404 million, based on the public sector portfolio with a 70% limit.

Performance of the LTD ratio

€ million	1Q14	2Q14	3Q14	4Q14	1Q15
Loans and advances, net	180,093	180,087	175,583	179,936	194,800
Loans and advances gross	201,357	199,572	194,447	197,185	212,077
Allowance for impairment losses	(14,145)	(12,790)	(11,832)	(10,587)	(11,136)
Brokered loans*	(7,119)	(6,695)	(7,032)	(6,662)	(6,141)
Customer funds	171,560	176,962	171,419	172,551	175,633
Demand deposits	82,090	91,061	89,055	93,583	101,644
Time deposits and debt securities (retail)	85,866	82,297	78,999	75,615	70,637
Subordinated liabilities (retail)	3,604	3,604	3,365	3,353	3,352
Loan to Deposits	105.0%	101.8%	102.4%	104.3%	110.9%

(*) Loans financed with funds from public institutions (Instituto Oficial de Crédito and the European Investment Bank).

Capital management

- Basel III Common Equity Tier1 (CET1) fully loaded of 11.5%
- Basel III phase-in CET1 of 12.1%

At 31 March 2015, **CaixaBank's Common Equity Tier 1 (CET1) BIS III fully loaded stood at 11.5%**, applying the criteria expected for the end of the phase-in period. **The ratio was down 78 basis points owing to the acquisition of Barclays Bank, SAU.** CaixaBank boasts a surplus of €6,664 million over the minimum fully-loaded Pillar 1 regulatory requirement of 7%, which includes a 2.5% capital cushion.

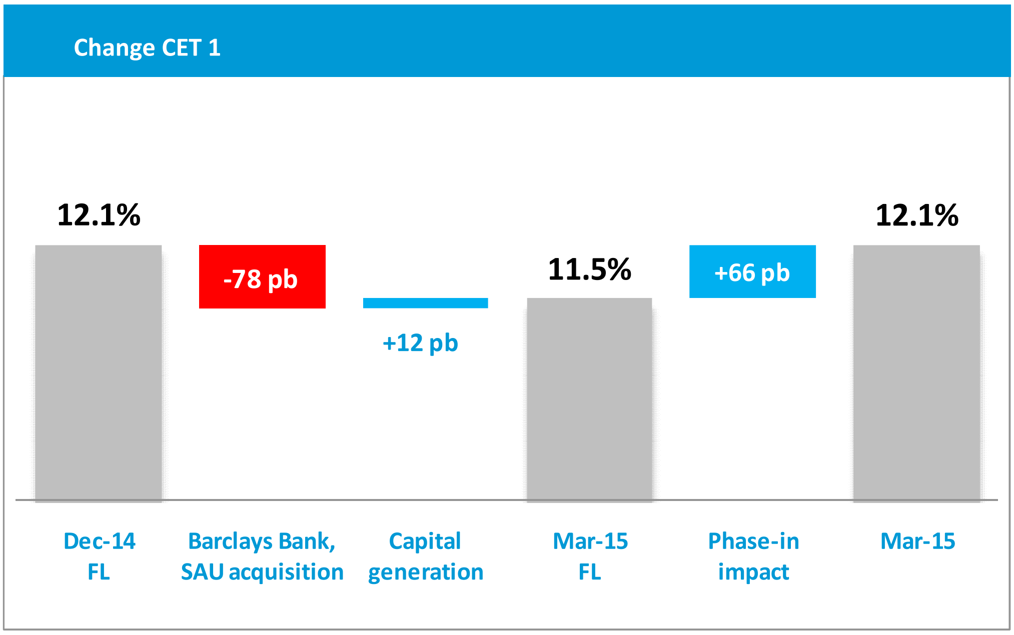
Applying the current phase-in criteria applicable for 2015, CaixaBank reaches a **Basel III CET1 of 12.1%.**

Total eligible equity (Tier Total) was 14.9%, down 118 basis points on the same figure at 31 December 2014.

Under the new Basel III standards, the CRR sets out a minimum CET1 ratio of 4.5%, under pillar 1 in 2015 and maintains the Tier Total at 8%. At 31 March 2015, CaixaBank boasted a surplus over the minimum requirement of €11,647 million in Tier 1 capital (CET1) and of €10,544 million in Tier Total.

Risk-weighted assets (RWA) amounted to €153,120 million, up €13,391 million in the first quarter of 2015 largely due to the acquisition of the risk weighted assets of Barclays Bank, SAU.

The leverage ratio stood at 5.6% (5.2% fully loaded) at 31 March 2015.



NOTE: Figures for December 2014 have been restated to include the change in the dividend policy (payout increased from 25% to 50%).

Solvency performance and key indicators

€ million	BIS III (Regulatory)					BIS III (Fully Loaded)				
	Mar. 31, 2014	Jun. 30, 2014	Sep. 30, 2014	Dec. 31, 2014	Mar. 31, 2015	Mar. 31, 2014	Jun. 30, 2014	Sep. 30, 2014	Dec. 31, 2014	Mar. 31, 2015
CET1 instruments	22,275	23,007	23,269	23,268	24,298	24,049	24,548	24,928	24,922	25,960
Deductions	(4,112)	(4,932)	(5,067)	(5,173)	(5,761)	(6,901)	(7,403)	(7,640)	(8,254)	(8,814)
CET1	**18,163**	**18,075**	**18,202**	**18,095**	**18,537**	**17,148**	**17,145**	**17,288**	**16,668**	**17,146**
TIER 1 additional instruments	738	-	-	-	-	-	-	-	-	-
Deductions	(738)	-	-	-	-	-	-	-	-	-
TIER 1	**18,163**	**18,075**	**18,202**	**18,095**	**18,537**	**17,148**	**17,145**	**17,288**	**16,668**	**17,146**
TIER 2 instruments	4,718	4,786	4,522	4,517	4,442	4,718	4,786	4,522	4,517	4,442
Deductions	(128)	(124)	(108)	(162)	(185)	-	-	-	-	-
TIER 2	**4,590**	**4,662**	**4,414**	**4,355**	**4,257**	**4,718**	**4,786**	**4,522**	**4,517**	**4,442**
Eligible capital (Tier Total)	**22,753**	**22,737**	**22,616**	**22,450**	**22,794**	**21,866**	**21,931**	**21,810**	**21,185**	**21,588**
Risk-weighted assets	**148,258**	**144,842**	**141,764**	**139,729**	**153,120**	**146,824**	**143,409**	**140,133**	**137,643**	**149,741**
CET1 Surplus[1]	**11,491**	**11,557**	**11,823**	**11,807**	**11,647**	**6,870**	**7,106**	**7,479**	**7,033**	**6,664**
Surplus Equity Funding[1]	**10,893**	**11,150**	**11,275**	**11,272**	**10,544**	**6,449**	**6,873**	**7,096**	**6,732**	**5,865**
CET1 Ratio	12.3%	12.5%	12.8%	13.0%	12.1%	11.7%	12.0%	12.3%	12.1%	11.5%
Tier 1 Ratio	12.3%	12.5%	12.8%	13.0%	12.1%	11.7%	12.0%	12.3%	12.1%	11.5%
Tier Total Ratio	15.3%	15.7%	16.0%	16.1%	14.9%	14.9%	15.3%	15.6%	15.4%	14.4%
Leverage Ratio	5.6%	5.5%	5.7%	5.7%	5.6%	5.4%	5.3%	5.5%	5.3%	5.2%

([1]) On pillar 1 minimum requirement.

NOTE: Data for December 2014 has been restated to reflect the change in the dividend policy, causing the CET1 regulatory ratio to drop from 13.1% to 13.0% and the CET1 fully loaded ratio to fall from 12.3% to 12.1%.

Segment reporting

For segment reporting purposes, CaixaBank's results are classified into two main businesses:

- **The banking and insurance business**, which includes all banking revenues (retail banking, corporate banking, cash management and market transactions) and all insurance-related revenues, as well as liquidity management and ALCO, and income from financing the equity investment business. This business is assigned all Group equity except the capital required by the equity investment business.
- **The equity investment business,** which includes international banking investments (Erste Group Bank, Banco BPI, Bank of East Asia, Grupo Financiero Inbursa and Boursorama) and the investments in Repsol and Telefónica. It also encompasses other significant stakes in the sphere of the company's sector diversification, included through the Group's latest acquisitions.

  The business includes dividend income and/or the share of profits from its different investees, net of financing costs.

  In 2015, capital was assigned to this business in accordance with the Group's new corporate capital objective of maintaining BIS III fully loaded Common Equity Tier 1 (CET1) regulatory capital of over 11%. This takes into account both the consumption of capital for risk weighted assets at 11% (10% in 2014), and the total deductions applicable to this business.

  The banking and insurance business finances the equity investment business by applying a long-term rate plus a credit spread, adapted in 2015 to changing market conditions.

Operating expenses for each business segment include both direct and indirect costs, assigned according to internal criteria.

Results for the Group's businesses are shown below for the first quarters of 2014 and 2015. Information for 2014, presented for comparison purposes, was restated to reflect the impact of IFRIC 21 and IAS 8, on levies.

CaixaBank Group income statement, by business segment

	Banking & insurance			Investments			Total CaixaBank Group		
	January-March		%	January-March		%	January-March		%
€ million	2015	2014	Change	2015	2014	Change	2015	2014	Change
Net interest income	**1,184**	**1,069**	**10.9**	**(46)**	**(76)**	**(38.3)**	**1,138**	**993**	**14.6**
Dividends and share of profit (loss) of entities accounted for using the equity method	28	19	43.8	152	131	15.8	180	150	19.5
Net fees	513	454	12.9				513	454	12.9
Gains on financial assets and other operating income and expenses	122	176	(30.4)		52		122	228	(46.4)
Gross income	**1,847**	**1,718**	**7.7**	**106**	**107**	**(2.8)**	**1,953**	**1,825**	**7.0**
Recurring expenses	(1,034)	(944)	9.6	(1)	(1)		(1,035)	(945)	9.5
Extraordinary expenses	(239)						(239)		
Pre-impairment income	**574**	**774**	**(25.5)**	**105**	**106**	**(2.8)**	**679**	**880**	**(22.9)**
Recurring pre-impairment income	**813**	**774**	**5.0**	**105**	**106**	**(2.8)**	**918**	**880**	**4.3**
Impairment losses on financial assets and others	(748)	(650)	15.2				(748)	(650)	15.2
Gains/losses on disposal of assets and others	280	(53)					280	(53)	
Pre-tax income	**106**	**71**	**55.1**	**105**	**106**	**(2.8)**	**211**	**177**	**19.1**
Income tax	150	4		14	7		164	11	
Profit for the period	**256**	**75**	**241.3**	**119**	**113**	**3.5**	**375**	**188**	**99.1**
Minority interest									
Profit attributable to the Group	**256**	**75**	**241.3**	**119**	**113**	**3.5**	**375**	**188**	**99.1**
Average equity (quarterly)	*19,506*	*20,328*	(4.0)	*4,087*	*2,996*	36.4	*23,593*	*23,324*	1.2
Total Assets	343,261	320,621	7.1	12,296	10,667	15.3	355,557	331,288	7.3
ROTE (quarterly)	6.7%	1.8%	4.9	15.9%	22.5%	(6.6)	8.2%	4.0%	4.2

Additionally, information for the banking and insurance business is presented separately from the non-core real estate business, as these assets receive special treatment. From the first quarter of 2015, the non-core real estate business includes:

- Non-core developer loans. The real estate loan management model was restructured in 2015, resulting in a dedicated team and network of centres comprising managers that specialise in those developer loans included in the business segment that require a different kind of management and tracking.

  Information for 2014 on real estate activity included the results on all real estate developer loans, in accordance with the previously existing management criteria.

- Foreclosed real estate assets (available for sale and rental), mainly owned by the real estate subsidiary BuildingCenter.

- Other real estate assets and interests.

The following table shows the income statement for the banking and insurance business and the main indicators for the first quarter of 2015:

Banking and insurance business income statement

January-March 2015 € million	Banking & insurance			Investments	Total CaixaBank Group
	Ex non-core Real Estate activity	non-core Real Estate activity	Total		
Net interest income	**1,211**	**(27)**	**1,184**	**(46)**	**1,138**
Dividends and share of profit (loss) of entities accounted for using the equity method	25	3	28	152	180
Net fees	512	1	513		513
Gains on financial assets and other operating income and expenses	204	(82)	122		122
Gross income	**1,952**	**(105)**	**1,847**	**106**	**1,953**
Recurring expenses	(1,009)	(25)	(1,034)	(1)	(1,035)
Extraordinary expenses	(239)		(239)		(239)
Pre-impairment income	**704**	**(130)**	**574**	**105**	**679**
Recurring pre-impairment income	**943**	**(130)**	**813**	**105**	**918**
Impairment losses on financial assets and others	(282)	(466)	(748)		(748)
Gains/losses on disposal of assets and others	482	(202)	280		280
Pre-tax income	**904**	**(798)**	**106**	**105**	**211**
Income tax	(91)	241	150	14	164
Profit attributable to the Group	**813**	**(557)**	**256**	**119**	**375**
Average equity (quarterly)	*17,780*	*1,726*	*19,506*	*4,087*	*23,593*
Total Assets	326,714	16,547	343,261	*12,296*	*355,557*
ROTE (quarterly)	12.5%	--	6.7%	15.9%	8.2%
Non-performing loan ratio	6.7%	86.3%	9.7%	--	9.7%
NPL coverage ratio	54%	55%	54%	--	54%

Banking and insurance (ex non-core real estate)

- Profit for the first quarter of 2015 totalled €813 million (including the negative goodwill and the related extraordinary expenses of the Barclays Bank, SAU acquisition). Stripping out these impacts business profitability (ROTE) stood at 12.5%.
- NPL ratio at 6.7%, with a coverage ratio of 54%.

Non-core real estate business

- In the first quarter of 2015, the real estate business generated a net loss of €557 million.
- Net lending under management amounted to €4,192 million, with an NPL ratio of 86.3% and a coverage ratio of 55%.
- Foreclosed real estate assets available for sale stood at €6,998 million, with a coverage ratio of 57%.
- Real estate assets for rental were €2,833 million, net.

Non-core real estate business balance sheet

€ million	Mar. 31, 2015
Assets	**16,547**
Loans to non-core real estate developers, net	4,192
Loans to non-core real estate developers, gross	*8,043*
Provisions	*(3,851)*
Foreclosed real estate assets available for sale	6,998
Rental portfolio	2,833
Other	2,524
Liabilities	**16,547**
Deposits and other liabilities	608
Intra-group financing	14,242
Assigned capital (regulatory criteria B3 FL)	1,697

Equity investment business

Profit attributable to the equity investment business amounted to €119 million.

([1]) *ROTE excluding one-off impacts related to the acquisition of Barclays Bank, SAU (recognition of negative goodwill and restructuration costs).*

The CaixaBank share

Share price performance

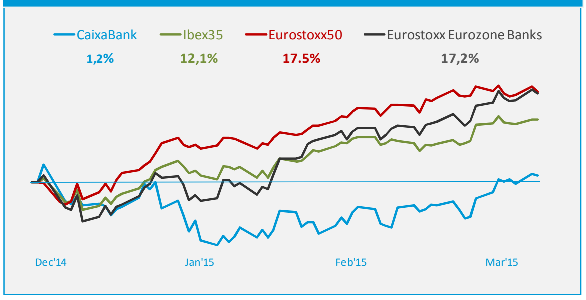
- CaixaBank share price up 1.2% in the quarter

CaixaBank shares gained 1.2% during the quarter, closing at €4.415 per share. This write-up was less than the Spanish financial sector average[1], which gained 8.2% during the period, and was also outperformed by the Eurostoxx Eurozone Banks index, which gained 17.2%.

Trading volume rose during the first three months of 2015 (daily trading average up by approximately 50% in comparison to 2014). This growth first emerged in November 2013 and is a product of the increase in the free float and a heavier weighting of CaixaBank shares in the portfolios of institutional investors.

The Ibex 35 saw gains of 12.1% in the quarter, while the EuroStoxx 50 climbed 17.5%. Both indices have received a boost from the *Quantitative Easing* (QE) asset purchase programme rolled out by the European Central Bank and the positive climate for risk assets (low interest rates and inflation). The roll-out of the QE process has also coincided with a marked pick-up in economic recovery for both the eurozone and the Spanish economy.

CaixaBank shares versus the main Spanish and European indices in 2015



Shareholder returns

- Compelling shareholder returns

The CaixaBank Optional Scrip Dividend program entails remunerating shareholders through a bonus or scrip issue. This remuneration scheme allows shareholders to choose between three options: receive newly-issued bonus shares, receive cash by selling their subscription rights on the market, or receive cash by selling their rights to CaixaBank at a price determined by the latter. Shareholders may also choose to combine these three options in any way.

CaixaBank has paid shareholders a total of €0.19 per share for the last 12 months, split into quarterly payments through the program.

The payout of €0.04 per share for 1Q15 was made effective on 20 March 2015.

In the latest Optional Scrip Dividend instalment, the bonus shares had a take-up of 93%, an indication of shareholder confidence in the Bank.

Details of shareholder returns for the past 12 months are as follows:

Concept	€/share	Listing date (1)	Payment date (2)
Optional Scrip Dividend	0.04	March 3, 2015	March 20, 2015
Optional Scrip Dividend	0.05	November 25, 2014	December 12, 2014
Optional Scrip Dividend	0.05	September 9, 2014	September 26, 2014
Optional Scrip Dividend	0.05	June 3, 2014	June 20, 2014

(1) Trading start date of the scrip rights.

(2) Settlement date of the rights sold to CaixaBank.

The Board of Directors reached an agreement on 16 February to propose to the Annual General Assembly that the last dividend distribution corresponding to fiscal year 2014, to be paid in June 2015, should be distributed as a cash payment.

On 12 March 2015 the Board of Directors agreed that dividends for 2015 under its shareholder remuneration policy would amount to **€0.16 per share, to be made via two cash payments and two payments under the scrip dividend programme,** with shareholder remuneration to remain a quarterly event in all cases.

(1) Index created in-house with peers' daily share prices weighted by daily market capitalisation (Bankia, Bankinter, BBVA, Popular, Sabadell and Santander).

Key performance indicators for the CaixaBank share at March 31, 2015	
Market capitalization (€ M)	25,457
Number of outstanding shares[1]	5,765,928
Share price *(€/share)*	
Share price at the beginning of the period (December 31, 2014)	4.361
Share price at closing of the period (March 31, 2015)	4.415
Maximum price[2]	4.510
Minimum price[2]	3.829
Trading volume *(number of shares, excluding special transactions, in thousands)*	
Maximum daily trading volume	39,681
Minimum daily trading volume	7,241
Average daily trading volume	17,812
Stock market ratios	
Net Profit (€M) (12 months)	807
Average number of shares - fully diluted[1]	5,764,987
Net income attributable per Share (EPS) (€/share)	**0.15**
Equity (€M)	26,449
Number of shares at March 31, 2015 - fully diluted[1]	5,765,928
Book value per share (€/share) - fully diluted	**4.59**
Tangible Equity (€M)	21,342
Number of shares at March 31, 2015 - fully diluted[1]	5,765,928
Tangible book value per share (€/share) - fully diluted	**3.70**
PER (Price / Profit; times)	**29.43**
TangibleP/BV (Market value/ tangible book value) - fully diluted	**1.19**
Dividend Yield[3]	**4.3%**

([1]) Number of shares, in thousands, excluding treasury stock. CaixaBank does not currently have any convertible capital securities outstanding that could be converted into common shares and thus increase its share count.

([2]) Price at close of trading.

([3]) Calculated by dividing the yield for the last 12 months (€0.19 /share) by the closing price at the end of the period (€4.415/share).

Significant events in the first quarter of 2015

Acquisition of Barclays Bank, SAU

On 31 August 2014, CaixaBank announced the signing of an agreement with Barclays Bank PLC whereby CaixaBank was to acquire Barclays Bank, SAU.

On 2 January 2015, CaixaBank acquired 100% of the share capital of Barclays Bank, SAU, having already obtained full go-ahead from the authorities.

The deal extends to the entire retail banking, wealth management and corporate banking arms of Barclays Bank in Spain, excluding the investment banking and card businesses.

CaixaBank furnished Barclays Bank PLC the sum of €820 million towards the estimated price of Barclays Bank, SAU.

Valuation of the assets and liabilities of Barclays Bank, SAU

As a result of the acquisition and following the provisional price purchase allocation, Barclays Bank, SAU's equity has been adjusted to reflect the fair value of its assets and liabilities at 31 December 2014.

Following recognition of these adjustments (€-205 million, net) to the equity of Barclays Bank, SAU, negative goodwill of €602 million, net, was generated in respect of the price paid.

Approval of the merger by absorption

On 30 March 2015, the Boards of Directors of CaixaBank and Barclays Bank, SAU approved the provisional terms of the merger between CaixaBank (absorbing company) and Barclays Bank (absorbed company).

The merger will entail: (i) the dissolution of Barclays Bank, and (ii) the block transfer of its equity to CaixaBank, which shall acquire its rights and obligations under universal succession arrangements.

The merger is subject to and conditional on approval by the Spanish Ministry of Economy and Competitiveness.

Takeover bid for Banco BPI

On 17 February 2015, CaixaBank submitted a notice to the Portuguese stock market regulator, the Comissão do Mercado de Valores Mobiliários (CMVM), announcing its intention to launch a takeover bid targeting the common stock of the Portuguese bank BPI.

The offer is voluntary and sets a cash price of €1.329 per share. The price is the weighted average of the last six months' prices and considered to be fair in accordance with Portuguese regulations. The offer is directed at all BPI's share capital not owned by CaixaBank and is conditional on: (i) take-up by the owners of over 5.9% of the shares issued, so that CaixaBank, considering its current stake of 44.1%, will go on to hold more than 50% of BPI's share capital after the operation and (ii) the removal at the annual general meeting of the 20% cap on the voting rights held by a single shareholder, as established in Article 12.4 of BPI's by-laws. For this restriction to be removed, the owners of 75% of the capital represented at the meeting must vote in favour of the motion, with CaixaBank exercising only 20% of the voting rights.

Appendices

Investment portfolio

CaixaBank´s investment portfolio at 31 March 2015 is as follows (main investees only):

CaixaBank

LISTED - SERVICES

Telefónica	5.25%
Repsol	11.7%

SPECIALIZED FINANCIAL SERVICES

Barclays Bank, SAU	100%
InverCaixa	100%
Finconsum	100%
Credifimo	100%
Nuevo Micro Bank	100%
CaixaCard	100%
CaixaRenting	100%
GestiCaixa	100%
Self Trade Bank	49.0%
Comercia Global Payments	49.0%
CaixaBank Electronic Money (EDE)	80%
Telefónica Consumer Finance	50%

INTERNATIONAL BANKING[1]

44.1%	Banco BPI
20.5%	Boursorama
9.0%	GF Inbursa
17.2%	The Bank of East Asia
9.9%	Erste Group Bank

INSURANCE

100%	VidaCaixa
100%	AgenCaixa
49.9%	SegurCaixa Adeslas

REAL ESTATE AND OTHER SERVICES

100%	BuildingCenter
49.0%	Servihabitat Serv. Inmob.
12.7%	SAREB
100%	SILK Aplicaciones
100%	e-la Caixa
100%	GDS Cusa
100%	Caixa Emprendedor XXI

([1]) A breakdown of the carrying amount of banking investees is provided on the following page.

Banking investees

Consolidated carrying amount of banking investees and share price at 31 March 2015:

€ million	% Participation	Consolidated carrying amount[1]	*Of which:* Goodwill[2]	€ / share
GF Inbursa	9.01	958	323	1.59
The Bank of East Asia	17.17	2,180	655	4.86
Erste Group Bank	9.92	897		21.04
Banco BPI	44.10	956		1.49
Boursorama	20.49	178	66	9.78
		5,169	**1,044**	

([1]) Consolidated carrying amount of equity of the different entities, attributable to the CaixaBank Group, net of write-downs.

([2]) Goodwill, net of write-downs.

Ratings

Agency	Long-Term	Short-Term	Outlook
Standard&Poor's	BBB	A-2	Credit watch Negative
Fitch	BBB	F2	Positive
Moody's	Baa3	P-3	Review for Upgrade
DBRS	A (low)	R-1 (low)	Stable

Recent actions by the rating agencies

Standard&Poor's *placed the long-term rating (BBB) in credit watch negative on 20 February 2015 following the announcement to launch a takeover bid for BPI. The agency is looking at how the Bank will reinforce its capital position if the deal finally goes ahead.*

Fitch *confirmed its long-term rating (BBB) and maintained its outlook at positive on 25 February 2015.*

Moody's *placed the long-term rating (Baa3) in review for upgrade on 17 March 2015 following the announcement of its new bank rating methodology.*

DBRS *confirmed its long-term rating (A low) and placed its outlook from negative to stable on 10 February 2015.*

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Financial information relating to investees is based mainly on estimates.

CaixaBank

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