Business Activity and Results

January – March

2016

CaixaBank

Contents

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 quarter of 2016 and 2015 and for the year 2015, and the corresponding breakdowns of consolidated income statement and balance sheet items provided in this report, are presented under management criteria, but have still been prepared in accordance with International Financial Reporting Standards (IFRS-EU) as adopted by the European Union under the terms of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, as subsequently modified. In preparing these statements, Circular 4/2004 of the Bank of Spain of 22 December, as subsequently modified, has also been taken into due account in that it adapts IFRS-EU to Spanish credit institutions.
This report has been prepared from the accounting records of CaixaBank, S.A. and the other Group companies, and includes certain adjustments and reclassifications required to apply the policies and criteria used by the Group companies on a consistent basis with those of CaixaBank.
Figures are presented in millions of euros unless the use of another monetary unit is stated explicitly, and may be expressed as either million euros or € million.

Leading retail bank in Spain

13.8
million customers

24.0%
market penetration as main bank among individual customers

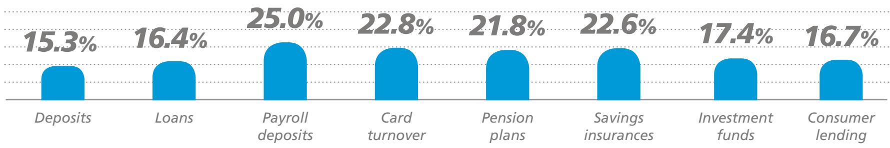
28.3%
market penetration among individual customers

341,363
total assets (€ million)

295,716
customer funds (€ million)

206,158
customer lending (€ million)

Ranked Nº 1
in the main retail products and services



Latest available information. Data prepared in-house, based on Bank of Spain, Social Security, INVERCO, ICEA, Servired, 4B and Euro6000. Loan share for the domestic private sector and share of deposits (demand + term). Market penetration source: FRS Inmark.

Multi-channel platform

5,183
branches

9,601
ATMs

5.0
online banking customers (million)

2.9
mobile banking customers (million)

Solid balance sheet indicators

LIQUIDITY

49,555
liquidity (€ million)

143%
liquidity coverage ratio

CAPITAL ADEQUACY

11.6% (+210 bp buffer)
fully loaded CET1

12.8% (+350 bp buffer)
regulatory CET1

The decisions of the European Central Bank (ECB) and the Bank of Spain require CaixaBank to maintain a CET1 ratio of 9.3125% (9.5% Fully loaded) at 31 March 2016.

RISK MANAGEMENT

-5,170
NPL in million €
over the last 12 months

7.6%
NPL ratio

55%
coverage ratio
non-performing loans

58%
coverage ratio
foreclosed available for sale RE assets

Profitability and efficiency

273
profit attributable to the Group (€ million)

544
banking and insurance business

-127
equity investments

-144
non-core real estate activity

52.4%
improved efficiency, down 2.3 pp stripping out extraordinary costs over the last 12 months

3.7%
ROTE

10.9%
of which banking and insurance business

Key figures

€ million	January - March 2016	2015	Annual Change	4Q15	Quarterly Change
INCOME STATEMENT HEADINGS					
Net interest income	1,020	1,138	(10.4%)	1,045	(2.4%)
Fees and commissions	465	513	(9.4%)	489	(5.0%)
Gross income	1,922	1,953	(1.6%)	1,410	36.3%
Expenses stripping out extraordinary costs	(1,003)	(1,035)	(3.1%)	(997)	0.6%
Pre-impairment income stripping out extraordinary costs	919	918	0.1%	413	122.7%
Pre-impairment income	919	679	35.4%	413	122.7%
Pre-tax income	376	211	78.7%	(267)	-
Profit attributable to the Group	273	375	(27.2%)	(182)	-

€ million	March 2016	December 2015	Change
BALANCE SHEET			
Total assets	341,363	344,255	(0.8%)
Equity	24,971	25,205	(0.9%)
Customer funds	295,716	296,599	(0.3%)
Customer loans, gross	206,158	206,437	(0.1%)
EFFICIENCY AND PROFITABILITY (last 12 months)			
Cost-to-income ratio (total operating expenses/ gross income)	56.3%	59.6%	(3.3)
Cost-to-income ratio stripping out extraordinary costs	52.4%	52.6%	(0.2)
ROE (profit attributable to the Group/ average equity)	3.0%	3.4%	(0.4)
ROTE (attributable profit / average tangible equity)	3.7%	4.3%	(0.6)
ROA (net profit / average total assets)	0.2%	0.2%	0.0
RORWA (net profit / risk-weighted assets)	0.6%	0.7%	(0.1)
RISK MANAGEMENT			
Non-performing loans (NPL)	16,425	17,100	(675)
Non-performing loan ratio	7.6%	7.9%	(0.3)
Non-performing loan ratio stripping out real estate developers	6.0%	6.2%	(0.2)
Cost ok risk	0.6%	0.7%	(0.1)
Provisions for non-performing loans	9,038	9,512	(474)
NPL coverage ratio	55%	56%	(1)
NPL coverage ratio including collateral	128%	128%	0
Net foreclosed available for sale real estate assets	7,194	7,259	(65)
Foreclosed available for sale real estate assets coverage ratio	58%	58%	0
LIQUIDITY			
Liquidity	49,555	54.090	(4,535)
Loan to deposits	106.7%	106.1%	0.6
Liquidity Coverage Ratio	143%	172%	(29)
CAPITAL ADEQUACY[1]			
Common Equity Tier 1 (CET1)	12.8%	12.9%	(0.1)
Total Capital	15.9%	15.9%	0.0
Risk-weighted assets (RWAs)	139,779	143,312	(3,533)
Leverage ratio	5.8%	5.7%	0.1
Fully loaded Common Equity Tier 1 (CET1)	11.6%	11.6%	0.0
SHARE INFORMATION			
Share price (€/share)	2.597	3.214	(0.617)
Market capitalization	15,337	18,702	(3,365)
Book value per share - fully diluted (€/share)	4.23	4.33	(0.10)
Tangible book value per share - fully diluted (€/share)	3.39	3.47	(0.08)
Number of shares - fully diluted (millions)	5,906	5,819	87
Net income attributable per share (EPS) (€/share) (12 months)	0.12	0.14	(0.02)
Average number of shares - fully diluted (millions)	5,906	5,820	86
PER (Price/ Profit)	21.53	22.97	(1.44)
Tangible PBV (Market value/ book value of tangible assets)	0.77	0.93	(0.16)
BANKING BUSINESS AND RESOURCES (Units)			
Customers (millions)	13.8	13.8	0.0
CaixaBank Group Employees	32,235	32,242	(7)
Branches in Spain	5,183	5,211	(28)
ATMs	9,601	9,631	(30)

(1) Figures at December 2015 updated to reflect final COREP adjustments.

Key Group information for the first quarter of 2016

Our Bank

Leading retail bank in Spain, with 13.8 million customers

Leadership

- CaixaBank is **the main bank for 1 out of every 4 retail customers in Spain** and 28.3% of all customers arrange services with our bank[1].
- **Unrivalled market shares[2] for the main retail products and services:**
  - **Financing**: loan market share of 16.4%, 17.5% for mortgages and 16.7% for consumer lending.
  - **Savings**: 15.3% market share for customer deposits and high shares also for investment funds (17.4%), savings insurance (22.6%) and pension plans (21.8%).
  - **Services**: market share for payroll deposits -a key indicator of customer engagement- climbed to 25.0% while pension payments stood at 20.1%.

Quality, proximity and expertise

- Universal banking model, with an extensive range of products and services tailored to the different needs of customers, and expertise in each business segment.
- Named **Best Private Bank in Spain** by Euromoney for the second straight year as part of its 2016 Private Banking Survey.
- **CaixaBank Asset Management,** handed the Fundclass award for **best Spanish fund manager, in its category**.

  CaixaBank AM is the Spanish market leader both in the number of fund investors and in assets under management, which amounts to roughly €50,000 million.
- Success of CaixaFu[Tu]ro, a strategic initiative to help customers plan their finances through pension plans and systematic savings products.

Multi-channel focus and leadership in banking digitalisation

- **Continuous innovation** in relations with customers through new devices and features. A key highlight here is the recent launch of imaginBank, a new banking model operated exclusively via mobile phone apps.
- Leading national and international bank in **online banking market penetration[1] 32.5%**, with 5.0 million customers[3] and 2.9 million customers[3] in mobile banking.
- Market leader with 15.3 million cards in circulation (22.8% market share[2] in card turnover).
- CaixaBank has a total of 5,183 branches and offers the largest network of ATMs (9,601).

Sustainable and socially responsible banking model

- **CaixaBank ranks among the best banks when it comes to corporate responsibility** and continues to feature on the Dow Jones Sustainability Index (DJS), the FTSE4Good, Ethibel Sustainability Index (ESI) Excellence Europe, MSCI Global Sustainability Indexes and the Advanced Sustainable Performance Index (ASPI).

(1) Market penetration source: FRS Inmark. Online market penetration according to ComScore MMX.

(2) Latest available information. Data prepared in-house, based on Bank of Spain, Social Security, INVERCO, ICEA, Servired, 4B and Euro6000. Loan share for the domestic private sector and share of deposits (demand + term).

(3) Customers who have carried out at least one transaction via the CaixaBank website in the last two months. Latest information available.

Business activity

Total assets amounting to €341,363 million

- **Customer funds totalled €295,716 million**, down 0.3% in the first quarter of 2016 (up 0.2% stripping out the market valuation impact of off-balance sheet products).
- **Gross customer lending stood at €206,158 million**, remaining virtually unchanged in the first quarter of 2016 (-0.1%).

  The **performing loan portfolio gained 0.2%** thanks to an increase in new lending.

Results

Pre-tax income up 78.7%

- **Attributable profit** for the first quarter of 2016 **amounted to €273 million** (-27.2% year on year), which in 2015 included one-off impacts associated with the integration of Barclays Bank, SAU and other factors.
- **Gross income totalled €1,922 million** (-1.6%):
  - Net interest income dropped to €1,020 million (-10.4%) as interest rates continued to fall.
  - Fee and commission income stood at €465 million (-9.4%), as a result of the recent market volatility and income from one-off transactions in the first quarter of 2015.
  - Upward trend in gains on financial assets (+125.0%).
- **Operating expenses down 3.1%** (stripping out the €239 million in costs associated with the integration of Barclays Bank, SAU, reported in the first quarter of 2015).
- The cost-to-income ratio, stripping out non-recurring costs, stood at 52.4% (-2.3pp in the last 12 months).
- **Pre-impairment income reached €919 million** (+35.4%), up 0.1% excluding extraordinary costs in 2015.
- Significant drop in impairment losses on financial assets and others (-45.2%). **Ongoing reduction in the cost of risk** to 0.58% (-33bp in the past 12 months).
- Gains and losses on disposals of assets and others included, in the first quarter of 2015, one-off transactions associated with the acquisition of Barclays Bank, SAU.
- The **profit of the banking and insurance business for the first quarter of 2016 amounted to €544 million**, excluding the non-core real estate and equity investments businesses.

Balance sheet strength

Liquidity

- **Bank liquidity was €49,555 million**, all immediately available (14.5% of total assets).
- **Robust retail lending structure**, with a loan-to-deposits (LTD) ratio of 106.7%.
- **Liquidity Coverage Ratio** of 143%, well clear of the minimum requirement of 70% from 1 January 2016.

Capital Management

- **Fully-loaded Common Equity Tier 1 (CET1) ratio of 11.6%** (2.1pp clear of supervisory requirements[1]), remains stable in the quarter.
- The **regulatory CET1 ratio stood at 12.8%** (3.5pp clear of supervisory requirements[1]) while the regulatory leverage ratio was 5.8%.

Risk management

- **Ongoing reduction in non-performing loans** (€-5,170 million in the last 12 months).
- The NPL ratio stood at 7.6% (6.0% stripping out the real estate developer segment).
- NPL portfolio coverage ratio of 55% (€9,038 million in provisions).
- **Net foreclosed assets available for sale fell** to €7,194 million. Coverage ratio[2] of 58%.
- Net foreclosed assets held for rent amounted to €3,022 million, with an occupancy ratio of 92%.
- **Property sales and rentals have generated €1,960 million in the past twelve months**, with positive results for the second straight quarter.

Financial strength and improvement in asset quality indicators

(1) The decisions of the European Central Bank (ECB) and the Bank of Spain require CaixaBank to maintain a CET1 ratio of 9.3125% (9.5% Fully loaded) at 31 March 2016. The minimum capital requirements include Pillar 1 capital (4.5%), Pillar 2 and the capital conservation buffer (4.75% jointly), and the buffer for other systemically important institutions (0.25% to phase-in over 4 years).

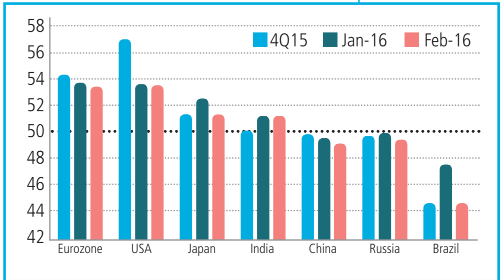
(2) Difference between the cancelled debt and the net carrying amount of the real estate asset, including the initial write-downs and charges to provisions subsequent to the real estate foreclosure.

Macroeconomic trends

Global economic climate and markets

Market volatility in 1Q16

Following the financial turbulence that triggered heavy losses in January and much of February, the investment outlook is now looking more healthy at the end of the first quarter of 2016. Share and corporate bond prices have recovered somewhat and financial assets have become significantly less volatile in a matter of weeks. This resurgence of the financial system came largely on the back of a better-than-expected set of macroeconomic figures, particularly in the United States, coupled with ongoing support from central banks, especially the Federal Reserve (Fed) and the European Central Bank (ECB), and rallying crude oil prices, which gained close to 50% following the lows of January. **In a nutshell, the first quarter of 2016 was certainly a turbulent period for the financial markets, but it also ended better than it started**.



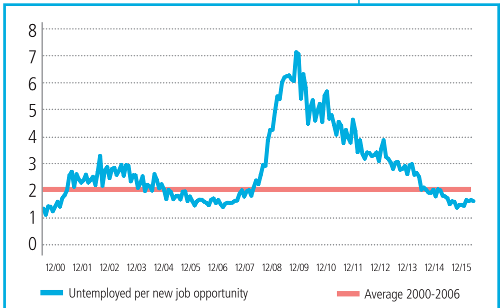
PMI index[1]
(*Purchasing Managers' Index*) (Level)

This financial uncertainty is unlikely to have a major impact on levels of global growth, which we expect to reach 3.4% in 2016, above the growth reported in 2014 and 2015. **Yet despite this seemingly benign outlook, significant downside risks continue to menace**, including a possible flare-up of financial uncertainty, difficulties in ensuring a soft landing for the Chinese economy, and a further worsening of the troubles facing fragile emerging nations such as Brazil, Russia, South Africa and Turkey.

The Fed has adopted an accommodative stance, waiting for external uncertainties to pass in view of the maturity of the nation's economic recovery

Turning first to the **state of the US economy**, the Fed is facing a difficult decision. Beyond the short-term concerns, **economic growth maintained a leisurely 2% pace year on year in the latter half of 2015** and we expect this trend to continue over much of 2016. Key to this growth has been the country's healthy job market, which has seen over 12 million new jobs since the start of the recovery, pushing down unemployment to a more than respectable 5.0%. Against this backdrop, inflation, which remains relatively contained, is set to climb in the coming months on the back of rallying oil prices, increased wage pressure and strong domestic demand.

Given the current situation, the path taken by the Fed in December towards monetary normalisation appears to make perfect sense. That said, and in spite of the recent financial turbulence and uncertainty surrounding global growth, its most recent statement was even more accommodative than what investors had been expecting. The Fed has been faced with a difficult choice of either taking immediate action given the maturity of the economic cycle or waiting for external uncertainties to pass, and it appears to have chosen the latter. Yet this will likely be a temporary move and **the process of monetary normalisation is likely to continue as we move into the second half of 2016**.



United States - Job market[2]
(%)

(1) Services PMI for advanced countries and manufacturing PMI for emerging nations. ISM index used for the United States. Official PMI used for China. Source: CaixaBank Research, based on data from Markit, ISM and the Nat. Bureau of Statistics of China.

(2) CaixaBank Research, based on the data of the employment statistics office.

Economic scenario - Europe and Spain

The ECB shifts to a looser monetary policy

Turning to the European economy, highlights for the quarter included the **ECB's announcement of a new package of measures in response** to what it views as a worsening of the macroeconomic outlook for the euro area: further rate cuts (dropping its refi rate to 0.00% and its deposit rate to -0.40%), expanding its bond-buying programme (by a further 20,000 million euros a month to reach 80,000 million), including corporate debt in its bond-buying programme and four new bank liquidity auctions, which will be at negative rates provided certain conditions are met. These latest measures, more forceful than expected, are intended to provide further incentives for lending and have made it increasingly likely that rates will remain extremely low for the foreseeable future.

	Forecast			Chance compared to december 2015 forecast (pp)		
	2016	2017	2018	2016	2017	2018
GDP	1.4	1.7	1.8	▼0.3	▼0.2	-
HCPI[1]	0.1	1.3	1.6	▼0.9	▼0.3	-
HCPI excluding energy and food products	1.1	1.3	1.6	▼0.2	▼0.3	-

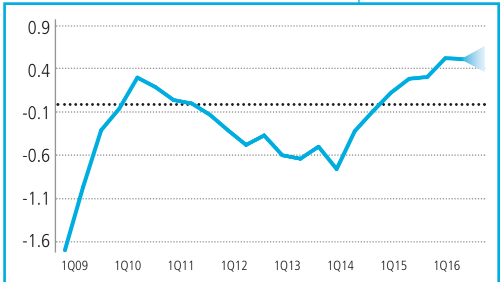
Euro area - ECB projections[2]
Annual change (%)

Although the package may ultimately have relatively little impact on growth and inflation in the long term, it is expected to affect the corporate debt segment, which will have a knock-on effect on certain aspects of the financial markets, such as changing the price of certain assets while also boosting investor confidence.

Spain enters a more mature phase of the cycle

Turning to Spain, economic growth will be more balanced moving forward, although expected GDP growth of 2.8% for 2016 is slightly down on the 3.2% growth reported in 2015. This downward pattern could already been seen from the figures for the first quarter of 2016. According to CaixaBank Research forecasts, the quarter-on-quarter growth rate stood at 0.7% in the first quarter of 2016, just one tenth of a point below the rate reported at the end of 2015.

Although domestic demand remained the main growth driver, with household spending and investment leading the charge, the contribution made by the external sector continued to improve. This slowdown of sorts was down to the gradual disappearance of several factors that had fanned growth in 2015, such as falling oil prices and a weakening euro. It was also in response to the steady withdrawal of fiscal support measures, which cannot realistically remain at 2015 levels if the country hopes to meet its public deficit targets. The slowdown was therefore to be expected despite the recent episode of financial turbulence in early 2016 and, on the domestic front, the country's seeming inability to form a coalition government.



GDP[3]
Quarter-on-quarter change (%)

All things said, the country is seeing better quality growth, albeit less of it, and this at least will help ensure that the growth is sustainable. A key highlight has been the resurgence of the external sector, which looks set to contribute more to economic growth in 2016. Further highlights included the continuing recovery of the real estate sector, growth in bank lending and job market improvements; three factors that are helping the country move back towards full monetary normalisation. On the downside, we had the figures on the public deficit, which accounted for 5.0% of GDP in 2015, 0.8 of a percentage point above the target agreed upon with Brussels (4.2%).

(1) Harmonised index of consumer prices.

(2) Source: CaixaBank Research, based on ECB data (ECB Staff Macroeconomic Projections).

(3) Confidence interval of 90% Source: CaixaBank Research, based on the Spanish Statistics Institute (INE) data.

Results

Income statement

Year-on-year trends

€ million	January - March 2016	2015	Change %
Financial income	1,699	2,360	(28.0)
Financial expenses	(679)	(1,222)	(44.4)
Net interest income	**1,020**	**1,138**	**(10.4)**
Dividends	5	2	191.4
Share of profit/(loss) of entities accounted for using the equity method	132	178	(25.6)
Net fees and commissions	465	513	(9.4)
Gains on financial assets and exchange rate differences	291	129	125.0
Other operating income and expenses	9	(7)	
Gross income	**1,922**	**1,953**	**(1.6)**
Recurring expenses	(1,003)	(1,035)	(3.1)
Extraordinary expenses		(239)	
Pre-impairment income	**919**	**679**	**35.4**
Pre-impairment income stripping out extraordinary costs	**919**	**918**	**0.1**
Impairment losses on financial assets and others	(410)	(748)	(45.2)
Gains/(losses) on disposal of assets and others	(133)	280	
Pre-tax income	**376**	**211**	**78.7**
Income tax	(101)	164	
Profit for the period	**275**	**375**	**(26.9)**
Minority interest and others	2	0	
Profit attributable to the Group	**273**	**375**	**(27.2)**

- **Net interest income** of €1,020 million, down 10.4%, mainly as a result of:
  - Lower financing costs on retail savings, especially maturity deposits, which has brought down costs from 1.21% in the first quarter of 2015 to 0.69% (-52bp) and lower cost of institutional financing (lower volume and rate).
  - The change in income was down to lower returns on the loan portfolio in response to the drop in market interest rates, the removal of floor clauses from mortgage loan contracts arranged with individual customers, and a decreased fixed income portfolio.
- **Fee and commission income** totalled €465 million, down 9.4% largely as a result of the recent market volatility and the income from one-off transactions recognised in the first quarter of 2015.
- **Income from the investee portfolio** stood at €137 million (-23.6%).
- **Gains on financial assets and exchange rate differences** was up 125.0% to reach €291 million.
- Robust income levels, placing **gross income** at €1,922 million (-1.6%).
- **Recurring expenses** were down 3.1% in response to the ongoing cost containment and streamlining policy.

  A total of €239 million in costs associated with the process of integrating Barclays Bank, SAU was recognised in the first quarter of 2015.

- **Pre-impairment income** amounted to €919 million (+35.4%), up 0.1% stripping out extraordinary costs.
- **Impairment losses on financial assets and others** were down 45.2% following the improvements in the quality of the loan portfolio. Ongoing reduction in the cost of risk to 0.58% (-33bp in the past twelve months).
- **Gains/(losses) on disposal of assets and others** includes, among other items, the proceeds from the sale of assets and other write-downs, mostly real estate.

  The 2016 result is explained, among others, by foreclosed real estate losses and the impact of the early redemption of the exchangeable bond into Repsol shares[1].

  In 2015, it mainly includes the negative goodwill arising on the consolidation of Barclays Bank, SAU (€602 million) and asset impairment due to obsolescence associated with the integration process (€64 million).
- **Pre-tax income** up 78.7%.
- With respect to **income tax expense**, double taxation avoidance principles are applied to income contributed by investees, with a significant impact on the first quarter of 2015 following the recognition of the negative goodwill on consolidation of Barclays Bank, SAU.
- **Attributable profit** from CaixaBank in the first quarter of 2016 amounted to €273 million.

Quarterly Performance

€ million	1Q15	2Q15	3Q15	4Q15	1Q16
Financial income	2,360	2,213	1,834	1,965	1,699
Financial expenses	(1,222)	(1,081)	(796)	(920)	(679)
Net interest income	**1,138**	**1,132**	**1,038**	**1,045**	**1,020**
Dividends	2	108	2	91	5
Share of profit/(loss) of entities accounted for using the equity method	178	204	120	(127)	132
Net fees and commissions	513	514	497	489	465
Gains on financial assets and exchange rate differences	129	567	52	119	291
Other operating income and expenses	(7)	86	43	(207)	9
Gross income	**1,953**	**2,611**	**1,752**	**1,410**	**1,922**
Recurring expenses	(1,035)	(1,018)	(1,013)	(997)	(1,003)
Extraordinary expenses	(239)	(302)	(2)	0	0
Pre-impairment income	**679**	**1.291**	**737**	**413**	**919**
Impairment losses on financial assets and others	(748)	(691)	(323)	(754)	(410)
Gains/(losses) on disposal of assets and others	280	(254)	(66)	74	(133)
Pre-tax income	**211**	**346**	**348**	**(267)**	**376**
Income tax	164	(12)	(58)	87	(101)
Profit for the period	**375**	**334**	**290**	**(180)**	**275**
Minority interest and others	0	1	2	2	2
Profit attributable to the Group	**375**	**333**	**288**	**(182)**	**273**

- The drop in market interest rates had a negative impact on **net interest income** (-2.4%).
- **Income from the investee portfolio** was influenced by the attribution of non-recurring accounting provisions relating to Repsol in the fourth quarter of 2015.
- **Fee and commission income** amounted to €465 million (-5.0%), partly influenced by the drop in fees from off-balance sheet products due to the heavy market volatility in the quarter.
- **Gains on financial assets and exchange rate differences** stood at €291 million.

(1) See section on Significant Events.

- **Other operating income and expenses** includes, in the first quarter of 2016, Spanish property tax, which, under IFRIC 21, is recognised in full at the start of the period.

  In the fourth quarter of 2015, the payments made to the Deposit Guarantee Fund and to the National Resolution Fund were recognised (€-278 million).

- Recognition of Spanish property tax on own-use properties impacted **operating expenses** in the first quarter of 2016, which would otherwise slightly decrease.

- Drop in **impairment losses on financial assets and others** due to recognition in the fourth quarter of 2015 of coverage for contingencies associated with floor clauses and impairment of other assets.

Returns on average total assets

% of annualized average total assets	1Q15	2Q15	3Q15	4Q15	1Q16
Financial income	2.73	2.59	2.17	2.28	2.01
Financial expenses	(1.41)	(1.26)	(0.94)	(1.07)	(0.81)
Net interest income	**1.32**	**1.33**	**1.23**	**1.21**	**1.20**
Dividends	0.00	0.13	0.00	0.11	0.01
Share of profit/(loss) of entities accounted for using the equity method	0.20	0.24	0.14	(0.15)	0.16
Net fees and commissions	0.58	0.60	0.59	0.57	0.55
Gains on financial assets and exchange rate differences	0.14	0.64	0.08	0.15	0.33
Other operating income and expenses	(0.01)	0.10	0.05	(0.24)	0.01
Gross income	**2.23**	**3.04**	**2.09**	**1.65**	**2.26**
Recurring expenses	(1.19)	(1.19)	(1.21)	(1.17)	(1.18)
Extraordinary expenses	(0.27)	(0.35)	0.00	0.00	0.00
Pre-impairment income	**0.77**	**1.50**	**0.88**	**0.48**	**1.08**
Impairment losses on financial assets and others	(0.85)	(0.81)	(0.38)	(0.88)	(0.48)
Gains/(losses) on disposal of assets and others	0.32	(0.29)	(0.09)	0.09	(0.16)
Pre-tax income	**0.24**	**0.40**	**0.41**	**(0.31)**	**0.44**
Income tax	0.19	(0.01)	(0.06)	0.10	(0.12)
Profit for the period	**0.43**	**0.39**	**0.35**	**(0.21)**	**0.32**
Minority interest and others	0.00	0.00	0.01	0.00	0.00
Profit attributable to the Group	**0.43**	**0.39**	**0.34**	**(0.21)**	**0.32**
€ Million *Average total net assets*	350,847	343,352	335,591	341,701	339,616

Gross income

Net interest income

Net interest income of €1,020 million (-10.4% year on year) against a backdrop of very low interest rates. The annual change reflects:

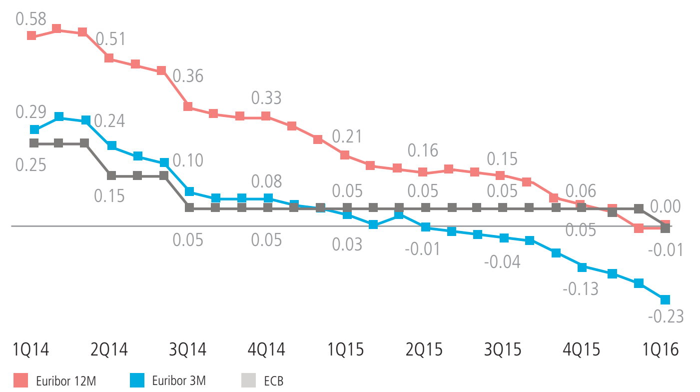
- Forceful management of retail activity, prompting a **sharp drop in the cost of maturity deposits** and less wholesale financing.
- **Lower returns on the loan portfolio**, largely in response to falling interest rates, the removal of floor clauses from mortgage loan contracts arranged with individual customers, and the drop in revenue from fixed-income securities due to their lower weighting in the portfolio and a lower interest rate on the portfolio.

Down 2.4% quarter on quarter due to the drop in income on the loan portfolio and fixed income securities, outpacing the drop in the cost of deposits and institutional financing.

- **Return on the loan portfolio down to 2.38%**. The drop in the rate curve had a negative 5 basis-point impact on loan repricings (-3bp for mortgage loans).
- The rate on new loans excluding the public sector (2.91%) gained 8 basis points in the quarter, 53 basis points above the portfolio rate.
- **Customer deposit costs continued to fall thanks to a successful commercial drive. The cost of maturity deposits shed 16 basis points to reach 0.69%**. This drop can be put down to the rate on new deposits, which was 49 basis points lower than the rate on the existing portfolio rate and stood at 0.20% (-7bp quarter on quarter).

The **customer spread** increased to 2.07% in the first quarter, up 1 basis point quarter on quarter as the drop in the cost of deposits outpaced the drop in lending.

The **balance sheet spread** was 1.20% (-1bp in the quarter).



Interest rates
(%)

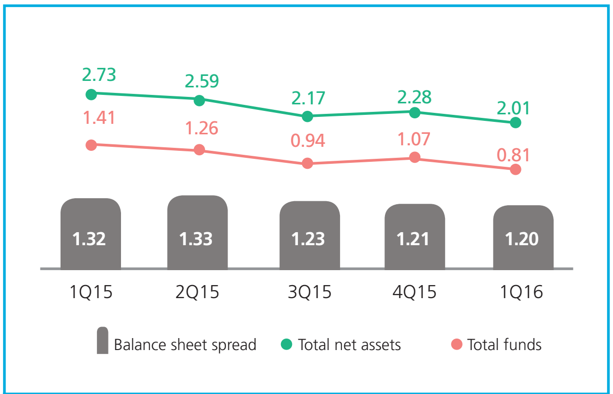
- The ratio of financing income as a percentage of average total assets was 2.01%, down 27 basis points on the previous quarter due to the impact of the loan portfolio, fixed income and insurance activity reported under other assets with returns.
- The ratio of financing costs to total average assets was 0.81%, down 26 basis points in the quarter due to the lower cost of customer funds and institutional financing and the insurance activity included in other funds with cost.

Quarterly cost and income

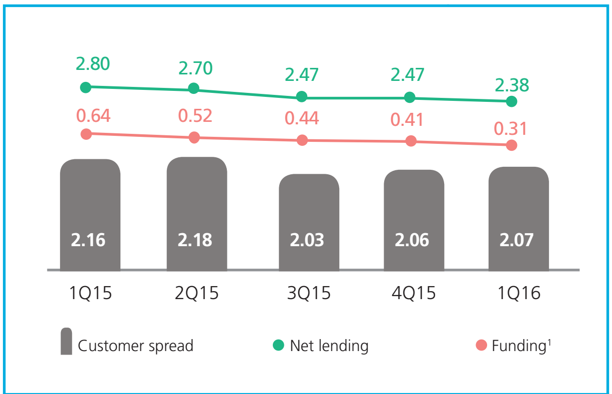
€ million		4Q15 Average balance	4Q15 Income or cost	4Q15 Rate %	1Q16 Average balance	1Q16 Income or cost	1Q16 Rate %
Financial Institutions		10,026	7	0.28	13,573	5	0.13
Loans	(a)	193,074	1,203	2.47	191,931	1,137	2.38
Fixed income securities portfolio		26,890	194	2.86	23,837	161	2.71
Other assets with returns[1]		45,855	558	4.83	44,707	394	3.55
Other assets		65,856	3		65,568	2	
Total average assets	**(b)**	**341,701**	**1,965**	**2.28**	**339.616**	**1.699**	**2,01**
Financial Institutions		36,939	(61)	0.65	36,083	(61)	0.68
Retail customer funds	(c)	172,527	(178)	0.41	172,366	(133)	0.31
Demand deposits		110,695	(45)	0.16	112,287	(30)	0.11
Maturity deposits		61,832	(133)	0.85	60,079	(103)	0.69
Time deposits		61,378	(133)	0.86	59,592	(103)	0.70
Retail repurchase agreements and marketable debt securities		454		0.14	487		0.02
Wholesale marketable debt securities & other		33,885	(148)	1.73	32,694	(123)	1.51
Subordinated liabilities		4,428	(35)	3.13	4,407	(34)	3.13
Other funds with cost[1]		47,421	(496)	4.15	47,132	(327)	2.79
Other funds		46,501	(2)		46,934	(1)	
Total average funds	**(d)**	**341,701**	**(920)**	**1.07**	**339,616**	**(679)**	**0.81**
Net interest income			**1,045**			**1,020**	
Customer spread (%)	**(a-c)**		**2.06**			**2.07**	
Balance sheet spread (%)	**(b-d)**		**1.21**			**1.20**	

€ million		1Q15 Average balance	1Q15 Income or cost	1Q15 Rate %	2Q15 Average balance	2Q15 Income or cost	2Q15 Rate %	3Q15 Average balance	3Q15 Income or cost	3Q15 Rate %
Financial Institutions		6,345	4	0.24	7,086	3	0.16	7,497	3	0.17
Loans	(a)	195,502	1,350	2.80	195,076	1,313	2.70	193,502	1,205	2.47
Fixed income securities portfolio		34,917	291	3.37	27,869	236	3.39	26,871	205	3.03
Other assets with returns[1]		46,084	713	6.28	43,987	659	6.01	42,411	420	3.93
Other assets		67,999	2		69,334	2		65,310	1	
Total average assets	**(b)**	**350,847**	**2,360**	**2.73**	**343,352**	**2,213**	**2.59**	**335,591**	**1,834**	**2.17**
Financial Institutions		33,834	(57)	0.68	33,474	(57)	0.68	33,435	(53)	0.63
Retail customer funds	(c)	172,420	(272)	0.64	170,177	(219)	0.52	169,963	(186)	0.44
Demand deposits		97,123	(47)	0,20	100,187	(41)	0.17	105,664	(39)	0.15
Maturity deposits		75,297	(225)	1.21	69,990	(178)	1.02	64,299	(147)	0.91
Time deposits		72,251	(218)	1.22	67,963	(178)	1.05	63,562	(147)	0.91
Retail repurchase agreements and marketable debt securities		3,046	(7)	0.95	2,027		0.02	737		0.34
Wholesale marketable debt securities & other		39,835	(203)	2.07	37,009	(169)	1.83	36,593	(160)	1.74
Subordinated liabilities		4,469	(34)	3.13	4,468	(35)	3.16	4,459	(36)	3.18
Other funds with cost[1]		50,962	(653)	5.20	47,646	(599)	5.04	44,266	(359)	3.22
Other funds		49,327	(3)		50,578	(2)		46,875	(2)	
Total average funds	**(d)**	**350,847**	**(1,222)**	**1.41**	**343,352**	**(1,081)**	**1.26**	**335,591**	**(796)**	**0,94**
Net interest income			**1,138**			**1,132**			**1,038**	
Customer spread (%)	**(a-c)**		**2.16**			**2.18**			**2.03**	
Balance sheet spread (%)	**(b-d)**		**1.32**			**1.33**			**1.23**	

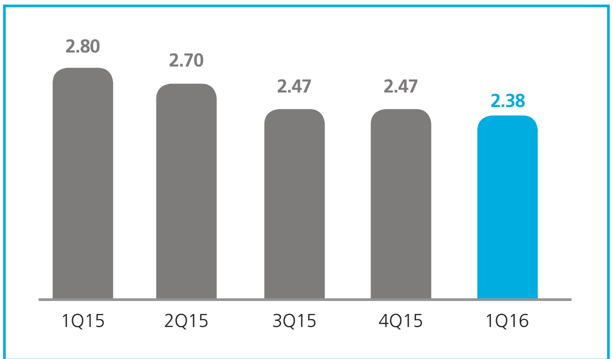
(1) Other assets with returns and Other funds with cost relate largely to the Group's life insurance activity. Due to market conditions, this was impacted in 2015 following the move from guaranteed savings products to other financial products of the Group. As a result of these surrenders, the income and cost of these two headings have both increased, although the net contribution of the insurance business remains stable.



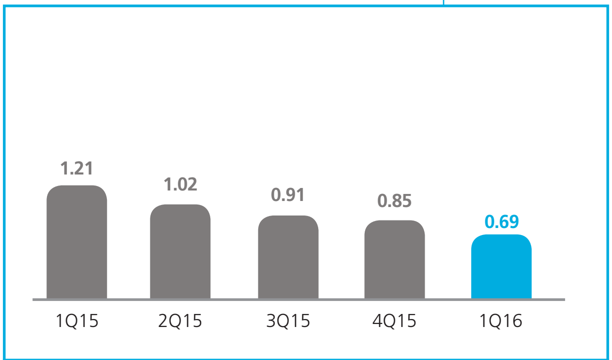
Balance sheet spread as a% of average total assets



Customer spread in %



Loan rates as a% (back book)



Maturity deposit rates as a% (back book)

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

Fees and commissions

- **Fee and commission income for the quarter totalled €465 million** against a backdrop of a bearish market, which had a particularly heavy impact on investment fund and pension plan fees, and commissions and large transactions.
- **Banking services, securities and other fees amounted to €287 million**. These include income from securities transactions and fees on other transactions, as well as fees relating to risk activities, deposit management, payment methods and investment banking.

  More income was reported in the first quarter of 2015 due to a number of one-off investment banking transactions, impacting the year-on-year change.
- **Fees and commissions from the sale of general insurances and the management of pension plans** gained 18.3% year on year to reach €81 million due the extensive range of products and an increase in assets under management for pension plans.
- **Investment fund fees** amounted to €97 million, up 1.2% year on year.

Fees and commissions

	January - March		Change	
€ million	2016	2015	absolute	%
Banking services, securities and other fees	287	349	(62)	(17.7)
Sales of insurance products and management of pension plans	81	68	13	18.3
Mutual funds, managed accounts and SICAVs	97	96	1	1.2
Net fees and commissions	**465**	**513**	**(48)**	**(9.4)**

€ million	1Q15	2Q15	3Q15	4Q15	1Q16
Banking services, securities and other fees	349	328	315	296	287
Sales of insurance products and management of pension plans	68	75	72	87	81
Mutual funds, managed accounts and SICAVs	96	111	110	106	97
Net fees and commissions	**513**	**514**	**497**	**489**	**465**

Income from equity investments

- **Income from equity investments totalled €137 million.**
- The change in share of profit/(loss) of entities accounted for using the equity method (-25.6%) was down to seasonal factors and the impact on profit of changes in businesses and market conditions.

  Non-recurring accounting provisions for Repsol were recognised in the fourth quarter of 2015.
- The Telefónica dividend was recognised in the second and fourth quarters of 2015.

Income from equity investments

	January - March		Change	
€ million	2016	2015	absolute	%
Dividends	5	2	3	191.4
Share of profit/(loss) of entities accounted for using the equity method	132	178	(46)	(25.6)
Income from equity investments	**137**	**180**	**(43)**	**(23.6)**

€ million	1Q15	2Q15	3Q15	4Q15	1Q16
Dividends	2	108	2	91	5
Share of profit/(loss) of entities accounted for using the equity method	178	204	120	(127)	132
Income from equity investments	**180**	**312**	**122**	**(36)**	**137**

Gains on financial assets and exchange rate differences

- **Gains on financial assets and exchange rate differences** was up 125.0% to reach €291 million.
- A number of unrealised capital gains materialised in the first quarter of 2016, mainly on fixed-income assets classified as financial assets available for sale.

Other operating income and expenses

- **Growth in income from life-risk insurance activity (+41.5% year on year)** following the increase in sales.
- **Other operating income and expenses** includes, among other items, income and expenses from non-real estate subsidiaries. It also encompasses income from rentals and expenses incurred in managing foreclosed properties, including Spanish property tax (€44 million in 2016).
- **Quarterly performance** impacted by:
  - Recognition of Spanish property tax in the first quarter, which accrues in full at the start of the period.
  - Recognition of the payments made to the Deposit Guarantee Fund (DGF) and National Resolution Funds (NRF) in the fourth quarter of 2015.

Other operating income and expenses

	January - March		Change	
€ million	2016	2015	absolute	%
Income and expenses from insurance activity	64	45	19	41.5
Other	(55)	(52)	(3)	4.1
Other operating income and expenses	**9**	**(7)**	**16**	

€ million	1Q15	2Q15	3Q15	4Q15	1Q16
Income and expenses from insurance activity	45	56	52	61	64
Contribution to the DGF and NRF				(278)	
Other	(52)	30	(9)	10	(55)
Other operating income and expenses	**(7)**	**86**	**43**	**(207)**	**9**

Pre-impairment income and expenses

- Reduction in **operating expenses stripping out extraordinary costs (-3.1%)** on the back of the ongoing drive to streamline and contain costs and unlock synergies and savings under the labour agreement signed in 2015.

  A total of €239 million **in extraordinary costs** was recognised in the first quarter of 2015 in connection with the integration of Barclays Bank, SAU[1].

  Operating costs decreased slightly **during the quarter**, stripping out the impact of the Spanish property tax for own use property.

- **Pre-impairment income amounted to €919 million** (+35.4%), up 0.1% stripping out extraordinary costs.

Improvement in the cost-to-income ratio, stripping out extraordinary costs, to 52.4% (-2.3pp in the last 12 months)

Pre-impairment income

	January - March		Change	
€ million	2016	2015	absolute	%
Gross income	**1,922**	**1,953**	**(31)**	**(1.6)**
Recurring expenses	(1,003)	(1,035)	32	(3.1)
Extraordinary expenses		(239)	239	
Pre-impairment income	**919**	**679**	**240**	**35.4**
Pre-impairment income stripping out extraordinary costs	**919**	**918**	**1**	**0.1**

€ million	1Q15	2Q15	3Q15	4Q15	1Q16
Gross income	**1,953**	**2,611**	**1,752**	**1,410**	**1,922**
Recurring expenses	(1,035)	(1,018)	(1,013)	(997)	(1,003)
Extraordinary expenses	(239)	(302)	(2)		
Pre-impairment income	**679**	**1,291**	**737**	**413**	**919**
Cost-to-income ratio stripping out extraordinary costs (%) (last 12 months)	*54.7*	*50.8*	*51.7*	*52.6*	*52.4*
Cost-to-income ratio (%) (last 12 months)	*58.0*	*57.8*	*58.6*	*59.6*	*56.3*

(1) A total of €259 million was recognised as a result of the integration of Barclays Bank, SAU and a further €284 million from the labour agreement during the year.

Operating expenses

€ million	January - March 2016	2015	Change absolute	%
Personnel expenses	(666)	(688)	22	(3.2)
General expenses	(248)	(253)	5	(2.0)
Administrative expenses	**(914)**	**(941)**	**27**	**(2.9)**
Depreciation and amortization	**(89)**	**(94)**	**5**	**(5.1)**
Total recurring expenses	**(1,003)**	**(1,035)**	**32**	**(3.1)**
Total extraordinary expenses		**(239)**	**239**	
Total operating expenses	**(1,003)**	**(1,274)**	**271**	**(21.3)**

€ million	1Q15	2Q15	3Q15	4Q15	1Q16
Personnel expenses	(688)	(676)	(676)	(665)	(666)
General expenses	(253)	(247)	(248)	(248)	(248)
Administrative expenses	**(941)**	**(923)**	**(924)**	**(913)**	**(914)**
Depreciation and amortization	**(94)**	**(95)**	**(89)**	**(84)**	**(89)**
Total recurring expenses	**(1,035)**	**(1,018)**	**(1,013)**	**(997)**	**(1,003)**
Total extraordinary expenses	**(239)**	**(302)**	**(2)**		
Total operating expenses	**(1,274)**	**(1,320)**	**(1,015)**	**(997)**	**(1,003)**

Resources

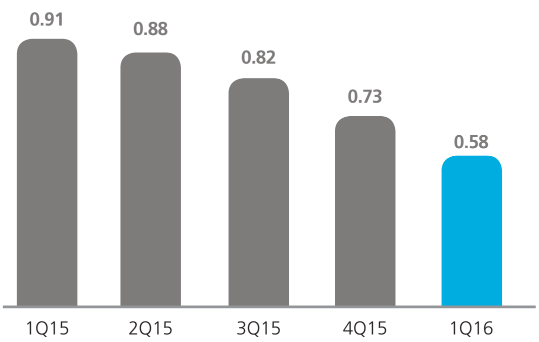
	Mar. 31, 2016	Dec. 31, 2015	Change
Branches in Spain	5,183	5,211	(28)
Employees	32,235	32,242	(7)

Impairment losses on financial assets and others

- **Impairment losses on financial assets and others down 45.2%** in response to the drop in **insolvency allowances (-59.2%)** as asset quality indicators gradually return to normal.
- **Other charges to provisions** primarily reflects the current estimation of coverage needs for future contingencies and other asset impairment allowances.

The fourth quarter of 2015 included, among other items, an estimation of the required coverage, under conservative criteria, for contingencies associated with the legal proceedings under way in relation to the floor clauses present in certain mortgage loan contracts, most of which were arranged by integrated entities.

Cost of risk down 33 basis points in the last 12 months to reach 0.58%



Cost of risk[1]
(%)

Impairment losses on financial assets and others

€ million	January - March 2016	January - March 2015	Change absolute	Change %
Allowance for insolvency risk	(225)	(550)	325	(59.2)
Insolvency allowances	**(225)**	**(550)**	**325**	**(59.2)**
Other charges to provisions	(185)	(198)	13	(6.4)
Impairment losses on financial assets and others	**(410)**	**(748)**	**338**	**(45.2)**

€ million	1Q15	2Q15	3Q15	4Q15	1Q16
Allowance for insolvency risk	(550)	(537)	(288)	(218)	(225)
Insolvency allowances	**(550)**	**(537)**	**(288)**	**(218)**	**(225)**
Other charges to provisions	(198)	(154)	(35)	(536)	(185)
Impairment losses on financial assets and others	**(748)**	**(691)**	**(323)**	**(754)**	**(410)**

(1) Ratio of total accumulated insolvency allowances for the last 12 months to total gross customer loans and contingent liabilities at the end of the period.

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

- **Gains/(losses) on disposal of assets and others** primarily comprises the results of completed one-off transactions and proceeds on asset sales and write-downs mainly relating to the real estate portfolio.

  2016 includes, among others, the negative result related to the real estate assets, stemming from calendar charges to provisions and the profit on sales, as well as the negative impact of the early redemption of the exchangeable bond into Repsol shares.

  Key events in the first quarter of 2015 included the recognition of the negative goodwill arising from the integration of Barclays Bank, SAU (€602 million) and asset impairment due to obsolescence, also associated with the integration process (€64 million).

- With respect to **income tax expense**, double taxation avoidance principles are applied to income contributed by investees and to gains or losses on corporate transactions. Significant impact in the first quarter of 2015 following recognition of the negative goodwill on consolidation of Barclays Bank, SAU.

- **Net profit attributable to the Group** was €273 million.

Business activity

Balance sheet

€ Million	Mar. 31, 2015	Jun. 30, 2015	Sep. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	Annual change absolute	Annual change %
Cash and Central Banks	4,061	4,616	6,653	5,772	4,385	(1,387)	(24.0)
Trading portfolio	14,154	13,829	15,121	13,532	14,769	1,237	9.1
Available-for-sale financial assets	71,761	60,492	61,428	62,997	65,997	3,000	4.8
Loans	210,983	213,770	208,706	211,317	207,334	(3,983)	(1.9)
Deposits at credit institutions	5,464	6,727	5,365	7,493	7,130	(363)	(4.8)
Customer loans[1]	203,161	205,363	201,582	202,896	199,265	(3,631)	(1.8)
Debt securities	2,358	1,680	1,759	928	939	11	1.2
Investment portfolio at maturity	7,383	5,171	5,179	3,820	3,831	11	0.3
Non-current assets held for sale	7,835	7,899	7,747	7,961	7,760	(201)	(2.5)
Investment portfolio	9,939	9,795	9,752	9,674	9,148	(526)	(5.4)
Property and equipment	6,245	6,308	6,362	6,293	6,303	10	0.2
Intangible assets	3,683	3,671	3,669	3,672	3,660	(12)	(0.3)
Other assets	19,513	18,416	18,837	19,217	18,176	(1,041)	(5.4)
Total assets	**355,557**	**343,967**	**343,454**	**344,255**	**341,363**	**(2,892)**	**(0.8)**
Liabilities	**329,108**	**318,213**	**317,879**	**319,050**	**316,392**	**(2,658)**	**(0.8)**
Trading portfolio	14,551	11,864	11,642	12,200	12,147	(53)	(0.4)
Financial liabilities at amortized cost	257,731	256,308	254,240	253,499	248,050	(5,449)	(2.1)
Deposits by credit institutions and Central Banks	31,175	31,539	33,741	34,262	32,127	(2,135)	(6.2)
Customer deposits	187,850	185,809	182,705	184,032	183,262	(770)	(0.4)
Marketable debt securities	30,196	29,900	29,463	28,070	25,190	(2,880)	(10.3)
Subordinated debt securities	4,406	4,410	4,422	4,345	4,356	11	0.3
Other financial liabilities	4,104	4,650	3,909	2,790	3,115	325	11.6
Insurance liabilities	43,232	37,221	39,569	40,575	43,515	2,940	7.2
Provisions	4,644	4,654	4,400	4,598	4,564	(34)	(0.7)
Other liabilities	8,950	8,166	8,028	8,178	8,116	(62)	(0.8)
Equity	**26,449**	**25,754**	**25,575**	**25,205**	**24,971**	**(234)**	**(0.9)**
Shareholders' equity	23,752	23,977	24,158	23,689	23,969	280	1.2
Profit attributable to the Group	*375*	*708*	*996*	*814*	*273*		
Minority interests and valuation adjustments	2,697	1,777	1,417	1,516	1,002	(514)	(33.9)
Total liabilities and equity	**355,557**	**343,967**	**343,454**	**344,255**	**341,363**	**(2,892)**	**(0.8)**

(1) The heading customer loans on the public balance sheet was mainly impacted in the first quarter of 2016 by the reverse repurchase agreements (€-3,472 million). Net customer loans under management criteria, remained stable in the quarter (+0.1%), see next page.

Loans and advances to customers

Customer loans and advances, gross, totalled €206,158 million, relatively unchanged in the first quarter of 2016 (-0.1%).

Performing loans grew by 0.2%, continuing the positive trend seen in recent quarters.

Highlights **for changes by segment** include:

- **Loans for home purchases** continued to feel the effects of household deleveraging, although the process has slowed down in comparison to previous quarters.

  CaixaBank holds a mortgage loan market share[1] of 17.5%.

- **Loans to individuals-other** remained virtually unchanged (-0.2%).

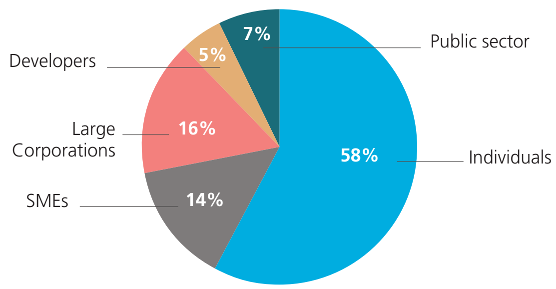
- Third straight quarter of **growth in financing to Corporates and SMEs (+1.4%)**.

  The commercial strategies and specialized know-how have both been successful in enabling the bank to detect promising business opportunities and respond to the financing needs of clients operating within these segments.

  Market shares[1] for working capital financing products climbed to 19.9% for factoring and reverse factoring and to 15.8% for commercial loans.

- **Reduction in financing to real estate developers of 5.4%**, including active management of problematic assets.

Performing loans grew by 0.2%



Diversification of the lending portfolio
(% of gross lending)

Loans and advances to customers

€ million	Mar. 31, 2016	Dec. 31, 2015	Annual change %
Loans to individuals	**120,208**	**120,994**	**(0.6)**
Home purchases	88,651	89,378	(0.8)
Other	31,557	31,616	(0.2)
Loans to business	**71,919**	**71,638**	**0.4**
Corporates and SMEs	60,675	59,856	1.4
Real estate developers	9,294	9,825	(5.4)
CriteriaCaixa	1,950	1,957	(0.4)
Public sector	**14,031**	**13,805**	**1.6**
Loans and advances, gross	**206,158**	**206,437**	**(0.1)**
Of which:			
Performing loans	*190,215*	*189,830*	*0.2*
Provisions	(8,697)	(9,163)	(5.1)
Loans and advances, net[2]	**197,461**	**197,274**	**0.1**
Contingent Liabilities	*11,307*	*10,650*	*6.2*

(2) Does not include other financial assets (mainly assets under the asset protection scheme and reverse repos) reported on the public balance sheet under loans and advances to customers: €1,804 million euros at 31 March 2016 and €5,622 million at 31 December 2015.

(1) Latest available information. Data prepared in-house, based on Bank of Spain (Infbal) and AEF (Spanish Factoring Association) information.

Customer funds

Customer funds amounted to €295,716 million, down 0.3% in the first quarter of 2016. Growth of 0.2% stripping out the negative impact of market changes on assets under management.

- **On-balance sheet funds** gained 0.3% to reach €217,400 million. Highlights for the first quarter of 2016 included:
  - Demand deposits at €116,976 million, up 0.1%.
  - Term deposits totalled €60,147 million in response to the large number of deposits renewed on maturity and forceful management of profit margins against a backdrop of very low interest rates.
  - **Significant increase in liabilities under insurance contracts[1] (+4.2%)** following the success of the commercial campaigns rolled out under the CaixaFu[Tu]ro programme.
- **Assets under management** stood at €72,511 million, down 2.7% largely on account of heavy market volatility in the quarter.
- CaixaBank continues to lead the investment fund market, in terms of both number of fund investors and assets under management, with a market share[2] of 17.4%, and also the pension plan market, with a share[2] of 21.8%.

Increase of +0.2% in customer funds, factoring out the impact of market conditions

Customer funds

€ million	Mar. 31, 2016	Dec. 31, 2015	Annual change %
Customer funds	180,463	181,118	(0.4)
Demand deposits	116,976	116,841	0.1
Term deposits[3]	60,147	60,936	(1.3)
Subordinated liabilities (retail)	3,340	3,341	(0.0)
Reverse repurchase agreements and other accounts	1,076	1,287	(16.4)
Liabilities under insurance contracts	35,861	34,427	4.2
On-balance sheet funds[4]	**217,400**	**216,832**	**0.3**
Assets under management	72,511	74,500	(2.7)
Mutual funds, managed accounts and SICAVs	49,389	51,321	(3.8)
Pension plans	23,122	23,179	(0.2)
Other accounts[5]	5,805	5,267	10.2
Off-balance sheet funds	**78,316**	**79,767**	**(1.8)**
Total customer funds	**295,716**	**296,599**	**(0.3)**

(3) Includes retail debt securities amounting to €575 million at 31 March 2016 and €417 million at 31 December 2015.

(4) Does not include central counterparties or public sector repurchase agreements (€961 million at 31 March 2016, and €58 million at 31 December 2015).

(5) Includes funds associated with the agreements to distribute pension funds and insurance products from Barclays Bank, SAU and a subordinated debt placement issued by "la Caixa" (currently held by CriteriaCaixa).

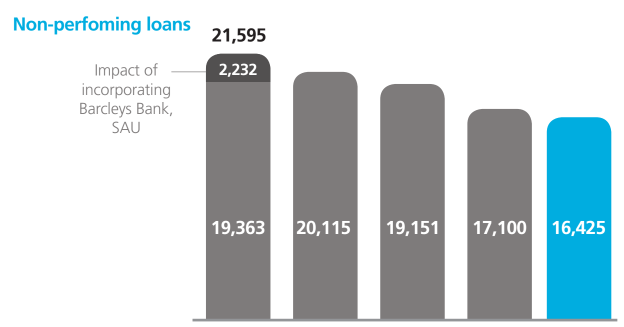
(1) Excluding the impact of the change in value of the associated financial assets.

(2) Latest available information. Data prepared in-house, based on INVERCO and ICEA information.

Risk management

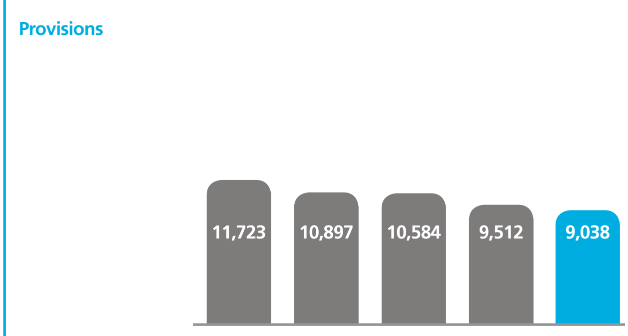
Credit risk quality

Non-performing loans[1]
(€ million)



	1Q15	2Q15	3Q15	4Q15	1Q16
NPL ratio	9.7%	9.0%	8.7%	7.9%	7.6%
NPL ratio excluding real estate developers	7.0%	6.7%	6.5%	6.2%	6.0%

Coverage[1]
(€ million)



	1Q15	2Q15	3Q15	4Q15	1Q16
Coverage ratio	54%	54%	55%	56%	55%
Coverage ratio real estate developers	53%	53%	55%	56%	56%

NPL performance

- NPLs shed €675 million during the quarter.
- The **NPL ratio dropped to 7.6%** (-33bp). Stripping out the real estate developer segment, the ratio is 6.0%.

Ongoing reduction in NPLs - down €5,170 million in the past 12 months

Coverage performance

- **Robust coverage ratio of 55%** following the decision to pursue conservative risk coverage policies.
- Loan-loss provisions totalled €9,038 million.
- The change in NPL provisions stemmed mainly from the cancellation of debt incurred through the acquisition and foreclosure of real estate assets and the reduction in provisions associated with written-off assets.

Refinancing

- At 31 March 2016, refinanced transactions amounted to €20,692 million. Of this amount, €7,777 million (38% of the portfolio) is classified as non-performing and €2,090 million (10% of the portfolio) as substandard.
- Provisions associated with these transactions totalled €3,392 million.

(1) Calculations includes loans and contingent liabilities.

NPL ratio, by segment

	Mar. 31, 2015	Jun. 30, 2015	Sep. 30, 2015	Dec. 31, 2015	Mar. 31, 2016
Loans to individuals	**5.2%**	**5.0%**	**5.0%**	**4.6%**	**4.6%**
Home purchases	4.1%	4.0%	4.0%	3.7%	3.7%
Other	8.5%	7.9%	8.0%	7.2%	7.2%
Loans to business	**19.5%**	**18.3%**	**17.3%**	**15.3%**	**14.3%**
Corporates and SMEs	12.7%	12.3%	11.7%	11.1%	10.6%
Real estate developers	52.8%	50.9%	50.1%	44.1%	41.6%
Public sector	**0.9%**	**0.5%**	**0.5%**	**0.5%**	**0.6%**
NPL Ratio (loans and contingent liabilities)	**9.7%**	**9.0%**	**8.7%**	**7.9%**	**7.6%**
NPL ratio ex-developers	**7.0%**	**6.7%**	**6.5%**	**6.2%**	**6.0%**

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

€ million	1Q15	2Q15	3Q15	4Q15	1Q16
Opening balance	**20,110**	**21,595**	**20,115**	**19,151**	**17,100**
Exposures recognized as non-performing (NPL-inflows)	2,522	2,500	1,734	1,913	1,521
Derecognitions from non-performing exposures	(3,269)	(3,980)	(2,698)	(3,964)	(2,196)
Of which written off	(854)	(591)	(397)	(640)	(381)
Net NPL inflows of Barclays Bank, SAU at 1 January 2015	2,232				
Closing balance	**21,595**	**20,115**	**19,151**	**17,100**	**16,425**

Change in NPL provisions

€ million	1Q15	2Q15	3Q15	4Q15	1Q16
Opening balance	**11,120**	**11,723**	**10,897**	**10,584**	**9,512**
Insolvency allowances	550	537	288	218	225
Amounts used	(1,343)	(1,125)	(425)	(1,047)	(567)
Transfers and other changes	(263)	(238)	(176)	(243)	(132)
Barclays Bank, SAU, provisions at 1 January 2015	1,659				
Closing balance	**11,723**	**10,897**	**10,584**	**9,512**	**9,038**

Loans to real estate developers

- **Drop of 5.4% in exposure to the real estate developer sector** in the first quarter of 2016, which now accounts for 4.5% of the total portfolio.
- Specific coverage for problematic assets (non-performing and substandard) stood at 46.9%, while coverage of non-performing assets was 52.4%.

68.7% of the portfolio finances finished buildings

Loans to real estate developers

€ million	Mar. 31, 2016	Weight %	Dec. 31, 2015	Weight %	Annual change
Without mortgage collateral	**871**	**9.4**	**1,083**	**11.0**	**(212)**
With mortgage collateral	**8,423**	**90.6**	**8,742**	**89.0**	**(319)**
Completed buildings	6,387	68.7	6,534	66.5	(147)
Homes	4,179	45.0	4,322	44.0	(143)
Other	2,208	23.8	2,212	22.5	(4)
Buildings under construction	654	7.0	643	6.5	11
Homes	552	5.9	541	5.5	11
Other	102	1.1	102	1.0	
Land	1,382	14.9	1,565	15.9	(183)
Developed land	997	10.7	1,186	12.1	(189)
Other	385	4.1	379	3.9	6
Total	**9,294**	**100**	**9,825**	**100**	**(531)**

NPLs and coverage for real estate development risk

€ million	Mar. 31, 2016				Dec. 31, 2015			
	Non-performing	Substandar	Coverage	Coverage %	Non-performing	Substandar	Coverage	Coverage %
Without mortgage collateral	**307**	**25**	**282**	**84.9**	**500**	**40**	**483**	**89.4**
With mortgage collateral	**3,556**	**432**	**1,742**	**43.7**	**3,837**	**488**	**1,892**	**43.7**
Completed buildings	2,531	297	1,028	36.4	2,643	326	1,076	36.2
Homes	1,388	185	556	35.3	1,467	213	602	35.8
Other	1,143	112	472	37.6	1,176	113	474	36.8
Buildings under construction	182	25	110	53.1	205	33	123	51.7
Homes	152	24	94	53.4	174	32	107	51.9
Other	30	1	16	51.6	31	1	16	50.0
Land	843	110	604	63.4	989	129	693	62.0
Developed land	587	93	434	63.8	689	109	498	62.4
Other	256	17	170	62.3	300	20	195	60.9
Total	**3,863**	**457**	**2,024**	**46.9**	**4,337**	**528**	**2,375**	**48.8**

Breakdown by type of collateral

€ million	Mar. 31, 2016			
	Gross amount	Excess over value of collateral[1]	Specific provisions	% provision of risk
Non-performing	3,863		1,886	48.8
Mortgage	3,556	1,496	1,608	45.2
Personal	307		278	90.6
Substandard	457		138	30.2
Total	**4,320**		**2,024**	**46.9**

€ million	Dec. 31, 2015			
	Gross amount	Excess over value of collateral[1]	Specific provisions	% provision of risk
Non-performing	4,337		2,209	50.9
Mortgage	3,837	1,631	1,740	45.3
Personal	500		469	93.8
Substandard	528		166	31.4
Total	**4,865**		**2,375**	**48.8**

(1) 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 property and completed offices, premises and industrial buildings, 60% other completed homes, 50% other property mortgages.

Financing for home purchases

- Main risk segment with a well-diversified portfolio with solid collateral and a low NPL ratio, 3.7%.

Accounts for 43% of total gross loans

Financing for home purchases

	Gross amount				
€ million	Mar. 31, 2015	Jun. 30, 2015	Sep. 30, 2015	Dec. 31, 2015	Mar. 31, 2016
Without mortgage collateral	811	796	784	770	763
Of which: non-performing	19	7	8	7	10
With mortgage collateral	91,684	90,669	89,721	88,608	87,888
Of which: non-performing	3,784	3,659	3,580	3,275	3,298
Total	**92,495**	**91,465**	**90,505**	**89,378**	**88,651**

Loan to value breakdown[1]

	Mar. 31, 2016					
€ million	LTV≤40%	40%<LTV≤60%	60%<LTV≤80%	80<LTV≤100%	LTV>100%	TOTAL
Gross amount	20,435	33,043	28,763	4,969	678	87,888
Of which: non-performing	245	809	1,551	523	170	3,298

(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

Stabilisation of foreclosed assets available for sale

- The portfolio of **foreclosed real estate assets available for sale stood at €7,194 million**, net (€-65 million in the first quarter of 2016).
- The **coverage ratio was 57.5%**, including initial write-downs and charges to provisions recognised after the real estate foreclosures.
- Real estate assets in the process of foreclosure (€596 and €692 million net at 31 March 2016 and 31 December 2015, respectively) are not considered foreclosed assets available for sale since the Bank does not have possession of the asset.
- At 31 March 2016, the Group's real estate assets held for rent stood at €3,022 million, net of provisions. The portfolio has an occupancy rate of 92%.
- **Total properties rented or sold** over the last twelve months **stood at €1,960 million** with positive results on sales for the second consecutive quarter.

  The composition of the portfolio of available-for-sale foreclosed real estate assets, 56% of which are finished homes, is a unique factor aiding in the sale of these properties on the market.

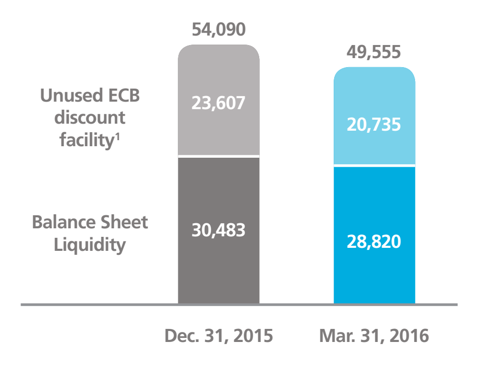
Foreclosed real estate assets available for sale and associated coverage

	Mar. 31, 2016			
€ million	Net carrying amount	Coverage[1]	Coverage %	Provisions
Property acquired related to loans to construction companies and real estate developments	**4,887**	**(7,434)**	**60.3**	**(4,279)**
Completed buildings	2,510	(2,443)	49.3	(1,415)
Homes	1,881	(1,859)	49.7	(1,056)
Other	629	(584)	48.1	(359)
Buildings under construction	409	(617)	60.1	(451)
Homes	369	(566)	60.5	(422)
Other	40	(51)	56.0	(29)
Land	1,968	(4,374)	69.0	(2,413)
Developed land	1,017	(1,891)	65.0	(1,041)
Other	951	(2,483)	72.3	(1,372)
Property acquired related to mortgage loans to homebuyers	**1,542**	**(1,470)**	**48.8**	**(808)**
Other foreclosed assets	**765**	**(847)**	**52.5**	**(536)**
Total	**7,194**	**(9,751)**	**57.5**	**(5,623)**

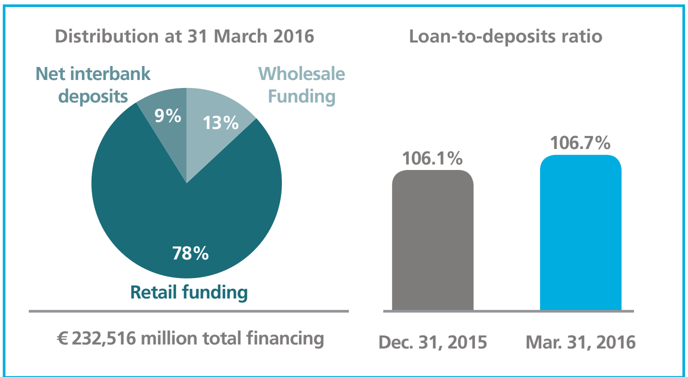
	Dec. 31, 2015			
€ million	Net carrying amount	Coverage[1]	Coverage %	Provisions
Property acquired related to loans to construction companies and real estate developments	**4,968**	**(7,564)**	**60.4**	**(4,247)**
Completed buildings	2,625	(2,618)	49.9	(1,439)
Homes	1,983	(2,017)	50.4	(1,076)
Other	642	(601)	48.4	(363)
Buildings under construction	377	(612)	61.9	(428)
Homes	342	(542)	61.3	(394)
Other	35	(70)	66.7	(34)
Land	1,966	(4,334)	68.8	(2,380)
Developed land	1,017	(1,854)	64.6	(1,015)
Other	949	(2,480)	72.3	(1,365)
Property acquired related to mortgage loans to homebuyers	**1,474**	**(1,422)**	**49.1**	**(760)**
Other foreclosed assets	**817**	**(878)**	**51.8**	**(551)**
Total	**7,259**	**(9,864)**	**57.6**	**(5,558)**

(1) Difference between the cancelled debt and the net carrying amount of the real estate asset, including the initial write-downs and charges to provisions subsequent to the real estate foreclosure.

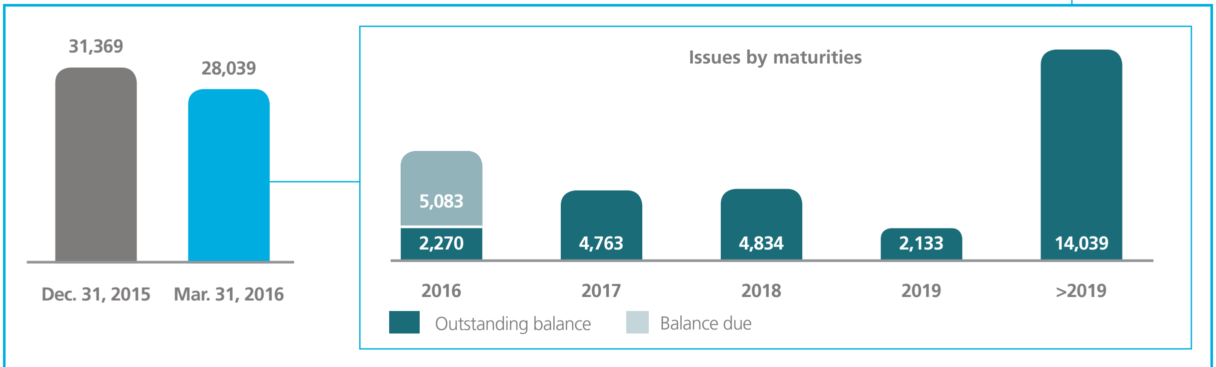
Liquidity and financing structure



Bank liquidity
(€ million)



Financing structure



Institutional financing[2]
(€ million)

- **Bank liquidity stood at €49,555 million** at 31 March 2016, all immediately available. Performance in the first three months of 2016 was shaped by the change in the loan-deposit gap, unrenewed maturities of institutional emissions and the maturity and management of loan collateral.
- At 31 March 2016, the Bank had drawn down €18,319 million under the ECB facility, consisting entirely of TLTRO.
- The loan to deposits stood at 106.7%, reflecting the robust state of retail financing.
- Institutional financing[2] amounted to €28,039 million, with performance impacted by maturities that were not renewed:
  - Maturities totalling €5,083 million.
  - Mortgage covered bond issue worth €1,500 million at seven years, with demand exceeding €2,500 million.
- Available capacity to issue mortgage and regional public sector covered bonds stands at €7,525 million.
- The **Liquidity Coverage Ratio** (LCR) was 143% in the first quarter of 2016, comfortably ahead of the 70% minimum requirement in force since 1 January 2016.

(1) As of 31 December 2015 and 31 March 2016, this includes €911 million and €450 million in assets yet to be contributed to the ECB facility. These assets were effectively delivered in January and April of 2016, respectively.

(2) Institutional issuances for the purpose of managing bank liquidity, net of treasury shares. Does not essentially include liabilities associated with securitised bonds, valuation adjustments or accruals. Includes, at 31 March 2016, €1,065 million in subordinated liabilities and €4,629 million in multi-issuer covered bonds classified for accounting purposes under customer deposits and €220 million in nominative covered bonds, for accounting purposes under deposits by credit institutions and Central Banks.

Performance of the LTD ratio

€ million	Mar. 31, 2015	Jun. 30, 2015	Sep. 30, 2015	Dec. 31, 2015	Mar. 31, 2016
Loans and advances, net	**194,800**	**195,139**	**193,140**	**192,213**	**192,602**
Loans and advances gross	212,077	211,559	209,005	206,437	206,158
Allowance for impairment losses	(11,136)	(10,419)	(10,109)	(9,163)	(8,697)
Brokered loans[1]	(6,141)	(6,001)	(5,756)	(5,061)	(4,859)
Customer funds	**175,633**	**179,756**	**176,422**	**181,118**	**180,463**
Demand deposits	101,644	109,580	111,367	116,841	116,976
Time deposits	70,637	66,833	61,712	60,936	60,147
Subordinated liabilities (retail)	3,352	3,343	3,343	3,341	3,340
Loan to Deposits	**110.9%**	**108.6%**	**109.5%**	**106.1%**	**106.7%**

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

Collateralisation of mortgage covered bonds

€ million		Mar. 31, 2016
Mortgage covered bonds issued	a	45,274
Loans and credits (collateral for covered bonds)	b	106,972
Collateralization	**b/a**	**236%**
Overcollateralization	**b/a -1**	**136%**
Mortgage covered bond issuance capacity[1]		**5,994**

(1) CaixaBank is also able to issue regional public sector covered bonds totalling €1,531 million. Issue capacity based on the public sector portfolio, with a 70% limit.

Capital management

- At 31 March 2016, CaixaBank had a **fully-loaded Common Equity Tier 1 ratio (CET1) of 11.6%**. The Bank **generated 9 basis points of fully-loaded CET1 capital** in the first quarter of the year.

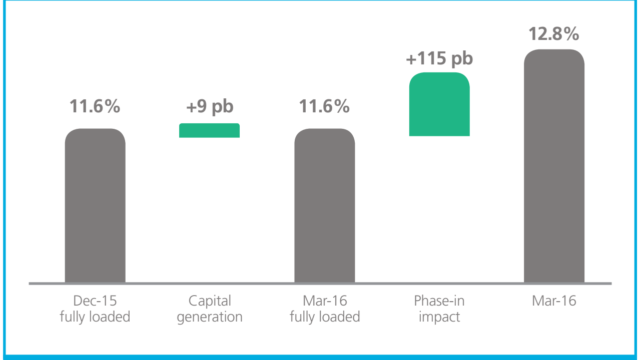
  In fully-loaded terms total capital amounted to 14.8%, while the leverage ratio stood at 5.3%.

- According to the criteria in force in 2016 for the phased-in implementation, regulatory capital and leverage amounted to: **12.8% CET1 and 15.9% total capital, with a leverage ratio of 5.8%**. These regulatory ratios have been affected by the change of year in the phase-in calendar (approximately -20bp in CET1).

Fully-loaded Common Equity Tier 1 (CET1) remains at 11.6%

- **Regulatory risk-weighted assets (RWA) amounted to €139,779 million**, down €3,533 million on the same figure for December 2015, impacted by the less demanding requirements on the synthetical securitisation issued in January 2016 and other market movements.

- The European Central Bank (ECB) and the Bank of Spain requires CaixaBank to maintain a CET1 ratio of 9.3125% at 31 March 2016 (including systemic and conservation buffers). In view of the current CET1 ratio, this requirement is comfortably met, meaning CaixaBank would not be subject to any of the possible restrictions imposed by capital adequacy regulations in relation to dividend distributions, variable remuneration and interest to holders of additional Tier 1 capital instruments.



CET1 change

- CaixaBank is also subject to minimum capital requirements on a non-consolidated basis. CaixaBank's regulatory CET1 ratio under this perimeter is currently 12.8%.

Solvency performance and key indicators

€ million	Mar. 31, 2015	Jun. 30, 2015	Sept. 30, 2015	Dec. 31, 2015[1]	Mar. 31, 2016
			BIS III (Phase-in)		
CET1 Instruments	24,298	24,434	24,192	23,984	23,696
Shareholders' equity	23,752	23,977	24,158	23,688	*23,969*
Capital	5,768	5,768	5,824	5,824	*5,910*
Profit attributable to the Group	375	708	996	814	*273*
Reserves and other	17,609	17,501	17,338	17,050	*17,786*
Other CET1 Instruments[2]	546	457	34	296	*(273)*
Deductions from CET1	(5,761)	(5,576)	(5,504)	(5,499)	(5,821)
CET1	**18,537**	**18,858**	**18,688**	**18,485**	**17,875**
TIER 1	**18,537**	**18,858**	**18,688**	**18,485**	**17,875**
T2 instruments	4,442	4,457	4,460	4,444	4,374
T2 deductions	(185)	(86)	(96)	(102)	(93)
TIER 2	**4,257**	**4,371**	**4,364**	**4,342**	**4,281**
TOTAL CAPITAL	**22,794**	**23,229**	**23,052**	**22,827**	**22,156**
Risk-weighted assets	*153,120*	*147,634*	*146,291*	*143,312*	*139,779*
CET1 Ratio	*12.1%*	*12.8%*	*12.8%*	*12.9%*	*12.8%*
Tier 1 Ratio	*12.1%*	*12.8%*	*12.8%*	*12.9%*	*12.8%*
Total Capital Ratio	*14.9%*	*15.7%*	*15.8%*	*15.9%*	*15.9%*
Leverage Ratio	*5.6%*	*5.7%*	*5.8%*	*5.7%*	*5.8%*

€ million	Mar. 31, 2015	Jun. 30, 2015	Sept. 30, 2015	Dec. 31, 2015[1]	Mar. 31, 2016
			BIS III (Fully Loaded)		
CET1 Instruments	25,960	25,357	24,903	24,813	24,363
Shareholders' equity	23,752	23,977	24,158	23,688	*23,969*
Capital	5,768	5,768	5,824	5,824	*5,910*
Profit attributable to the Group	375	708	996	814	*273*
Reserves and other	17,609	17,501	17,338	17,050	*17,786*
Other CET1 Instruments[2]	2,208	1,380	745	1,125	*394*
Deductions from CET1	(8,814)	(8,699)	(8,371)	(8,233)	(8,311)
CET1	**17,146**	**16,658**	**16,532**	**16,580**	**16,052**
TIER 1	**17,146**	**16,658**	**16,532**	**16,580**	**16,052**
T2 instruments	4,442	4,457	4,460	4,444	4,374
T2 deductions		(1)		(1)	
TIER 2	**4,442**	**4,456**	**4,460**	**4,443**	**4,374**
TOTAL CAPITAL	**21,588**	**21,114**	**20,992**	**21,023**	**20,426**
Risk-weighted assets	*149,741*	*144,716*	*141,911*	*143,575*	*137,872*
CET1 Ratio	*11.5%*	*11.5%*	*11.6%*	*11.6%*	*11.6%*
Ratio Tier 1	*11.5%*	*11.5%*	*11.6%*	*11.6%*	*11.6%*
Tier 1 Ratio	*14.4%*	*14.6%*	*14.8%*	*14.6%*	*14.8%*
Leverage Ratio	*5.2%*	*5.1%*	*5.2%*	*5.2%*	*5.3%*

(1) December 2015 figures updated according to final COREP adjustments.
(2) Mainly includes valuation adjustments and non-controlling interests.

Segment reporting

Segment reporting is intended to control and track the results of the different businesses, taking into account the **inherent risks and specific management approach** for each business.

Until last year, information was shown for two different lines of businesses: banking and insurance and equity investments.

In the **first quarter of 2015**, however, the **real estate loan management model was restructured**, resulting in a dedicated team and network of centres comprising managers that specialise in real estate loans requiring special management. Under this model, separate results were shown for the non-core real estate business as part of the banking and insurance business.

One year on from its initial implementation, this new model is now fully consolidated. Therefore, to reflect the current management approach and as the Bank has information to show year-on-year comparisons on a like-for-like basis, the results by business segment are now presented **for three different business lines**:

- **Banking and insurance**: includes banking revenues (retail, corporate and institutional banking, cash management and market transactions); insurance activity; liquidity management and ALCO; and income from financing the other businesses.
- **Non-core real estate:** shows the results, net of financing costs, of non-core real estate assets, which include:
  - Non-core developer loans.
  - Foreclosed real estate assets (available for sale and rental) mainly owned by the real estate subsidiary BuildingCenter.
  - Other real estate assets and interests.
- **Equity investments,** which includes international banking stakes (Erste Group Bank, Banco BPI, Bank of East Asia and Grupo Financiero Inbursa) as well as Repsol and Telefónica. It also includes significant stakes in other sectors incorporated as a result of the recent acquisitions by the Group.

  The business includes dividend income and/or share of profits from investees accounted for using the equity method, net of financing costs.

Capital is assigned to the non-core real estate and equity investments businesses based on the corporate target of maintaining a fully-loaded regulatory Common Equity Tier 1 (CET1) ratio of over 11% and takes into account both capital consumption by risk-weighted assets at 11% and the applicable deductions.

The difference between the Group's own funds and the capital assigned to these businesses is included in the banking and insurance business.

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

Income statement, by business segment

€ million	Banking & Insurance January - March 2016	2015	% Change	Non-core real estate January - March 2016	2015	% Change	Equity investments January - March 2016	2015	% Change
Net interest income	**1,082**	**1,211**	**(10.7)**	**(10)**	**(27)**	**(61.9)**	**(52)**	**(46)**	**13.2**
Dividends and share of profit/(loss) of entities accounted for using the equity method	27	25	8.4	3	3	(10.6)	107	152	(29.1)
Net fees	465	512	(9.2)		1				
Gains on financial assets and other operating income and expenses	388	204	90.2	(89)	(82)	8.4	1		
Gross Income	**1,962**	**1,952**	**0.5**	**(96)**	**(105)**	**(8.6)**	**56**	**106**	**(46.7)**
Recurring expenses	(975)	(1,009)	(3.3)	(27)	(25)	7.8	(1)	(1)	
Extraordinary expenses		(239)							
Pre-impairment income	**987**	**704**	**40.0**	**(123)**	**(130)**	**(5.4)**	**55**	**105**	**(47.1)**
Pre-impairment income stripping out extraordinary costs	**987**	**943**	**4.7**	**(123)**	**(130)**	**(5.4)**	**55**	**105**	**(47.1)**
Impairment losses on financial assets and others	(224)	(282)	(20.6)	(22)	(466)	(95.3)	(164)		
Gains/(losses) on disposal of assets and others		482		(53)	(202)	(73.8)	(80)		
Pre-tax income	**763**	**904**	**(15.7)**	**(198)**	**(798)**	**(75.2)**	**(189)**	**105**	
Income tax	(217)	(91)		54	241	(77.4)	62	14	
Profit for the period	**546**	**813**	**(32.9)**	**(144)**	**(557)**	**(74.1)**	**(127)**	**119**	
Minority interest and others	2								
Profit attributable to the Group	**544**	**813**	**(33.2)**	**(144)**	**(557)**	**(74.1)**	**(127)**	**119**	
Average equity	*18,044*	*17,780*	*1.5*	*1,557*	*1,726*	*(9.8)*	*4,152*	*4,087*	*(1.6)*
Total Assets	*315,916*	*326,714*	*(3.3)*	*15,123*	*16,547*	*(8.6)*	*10,324*	*12,296*	*(16.0)*
ROTE	*10.9%*	*12.5%[1]*					*5.1%*	*9.4%*	
Cost-to-income	*50.4%*	*51.7%*							
Non-performing loan ratio	*5.8%*	*6.7%*	*(0.9)*	*81.5%*	*86.3%*	*(4.8)*			
Non-performing coverage ratio	*56%*	*54%*	*2*	*51%*	*55%*	*(4)*			

Banking and insurance business

- **Profit of €544 million in the first quarter of 2016, with a return of 10.9%** (ROTE last 12 months).

  The year-on-year performance (-33.2%) was affected by a number of one-off impacts associated with the integration of Barclays Bank, SAU and other events.

- Gross income was €1,962 million, in line with gross income for the same period of 2015 (+0.5%).
- **Recurring expenses were down 3.3%** in response to the ongoing efforts to contain costs. Costs totalling €239 million were recognised in the first quarter of 2015 in connection with the integration of Barclays Bank, SAU.
- **Growth of 40.0% in pre-impairment income** to reach €987 million (+4.7% without extraordinary costs).
- The cost-to-income ratio stripping out extraordinary costs fell to 50.4%.
- **Drop in impairment losses on financial assets and others** (-20.6%). The cost of risk was 0.49%.
- Gains/losses on disposals of assets and others in 2015 included the negative goodwill arising from the integration of Barclays Bank, SAU (€602 million) and asset impairment due to obsolescence, also associated with the integration process (€64 million).
- The NPL loan ratio was 5.8% while the coverage ratio came in at 56%.

Note: the ratios of cost-to -income, return and CoR for 1Q16 are calculated based on the last twelve months (stripping out extraordinary costs). In 1Q15 Banking and insurance business ratios are calculated on an annualized basis, as a like-for-like comparison is not available.

(1) Stripping out non-recurring aspects relating to the acquisition of Barclays Bank, SAU (negative goodwill of € 602 million, restructuration costs of €-239 million and impairment due to obsolesce of €-64 million).

Non-core real estate business

- The **non-core real estate business** generated a loss of €144 million in the first quarter of 2016 (versus €557 million in losses in same period of 2015).
- **Net loans under management** amounted to €2,710 million, **down 6.7% for the year to date and 35.4% year on year.**
- The NPL ratio stood at 81.5%, with a coverage ratio of 51%.
- Net foreclosed real estate assets available for sale were €7,194 million and assets held for rent amounted to €3,022 million.
- Total properties rented or sold over the last twelve months have generated €1,960 million.

Balance sheet - Non-core real estate business

€ million	Mar. 31, 2016	Dec. 31, 2015	Mar. 31, 2015
Assets	**15,123**	**15,317**	**16,547**
Loans to non-core real estate developers, net	2,710	2,906	4,192
Loans to non-core real estate developers, gross	4,610	5,143	8,043
Provisions	(1,900)	(2,237)	(3,851)
Foreclosed real estate assets available for sale	7,194	7,259	6,998
Rental portfolio	3,022	2,966	2,833
Other	2,197	2,186	2,524
Liabilities	**15,123**	**15,317**	**16,547**
Deposits and other liabilities	463	638	608
Intra-group financing	13,105	13,144	14,242
Assigned capital	1,555	1,535	1,697

Equity investments business

- Profit from the **equity investments business** was €-127 million in the first quarter of 2016.

  Impairment losses on financial assets and others include the extraordinary write-downs of non-listed investee companies.

  Result for the business also reflects the negative impact of the early redemption of the exchangeable bond for Repsol shares, which mainly includes the effect of the handing over of the shares and the result generated from cancelling the embedded derivative of the instrument, which was recognised in equity due to its consideration as cash-flow hedge.

The CaixaBank share

Share price performance

European stock markets closed out the first quarter in negative territory, with the IBEX35 and Euro Stoxx 50 falling 8.6% and 8.0%, respectively, from where they were at year-end 2015. Both indices have felt the effects of the high volatility that has been ravaging the markets since mid-2015, though the situation appears to have calmed down somewhat since mid-February of this year.

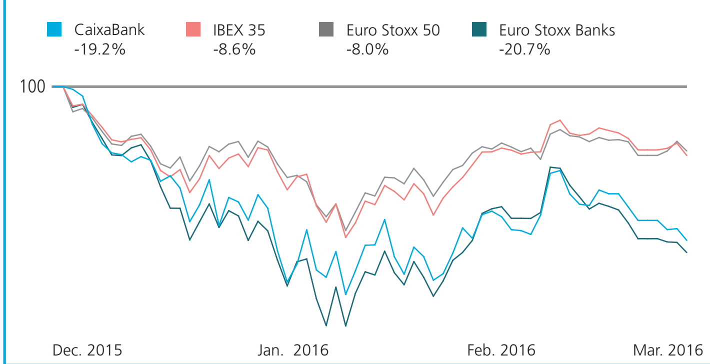
The announcement by the European Central Bank in March of a new package of measures to stimulate the economy has certainly helped calm the markets but has failed to counteract dwindling enthusiasm among investors. Market performance is largely a reflection of the prevailing uncertainty surrounding the sustainability of the global economic recovery and wobbling oil prices.

For its part, the European banking sector has been hit by fresh fears concerning the credit quality of Italian banks and rules governing the payment of coupons on hybrid issues. So far the Spanish index has been largely immune to the political uncertainty as to what form the new government will take.

The CaixaBank share ended trading on 31 March 2016 at €2.597/share (-19.2% in the quarter), falling short of the drop seen by the Euro Stoxx Banks (-20.7%) but more pronounced than the average for other Spanish banks[1] (-14.7%).

The steady increase in the free float and the heavier weighting of CaixaBank shares in the portfolio of institutional investors were not enough to offset the slump in trading volume (-4.6%[2] year on year) owing to the high levels of market volatility.

On 31 March 2016, the CaixaBank share closed at €2.597 per share



CaixaBank shares versus the main Spanish and European indices in the first quarter of 2016

Shareholder returns

CaixaBank has paid shareholders a total of €0.16 per share in the last twelve months, split into quarterly payments; two of which were paid under the Scrip Dividend Programme, while the other two were paid in cash.

A payout of €0.04 per share was made on 18 March 2016 under the Scrip Dividend Programme corresponding to the third quarterly payment charged to profit for 2015. A total of 93.30% of shareholders chose shares over cash, an indication of their confidence in the Bank.

On 10 March 2016, the Board of Directors proposed that dividends for 2016 under its shareholder remuneration policy will be paid via three cash payments and one payment under the Scrip Dividend Programme, with shareholder remuneration to remain a quarterly event.

(1)IBEX35 Banks - Bloomberg.

(2) Volume excluding special operations.

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

Concept	€/ share	Payment date[1]
Optional Scrip Dividend[2]	0.04	18 March 2016
Cash dividend, interim 2015	0.04	24 December 2015
Optional Scrip Dividend[3]	0.04	25 September 2015
Cash dividend, final dividend 2014	0.04	12 June 2015

(1) Settlement date for rights sold to CaixaBank related to the Optional Scrip Dividend Program.
(2) Listing date for bonus suscription rights: 1 March 2016.
(3) Listing date for bonus suscription rights: 8 September 2015.

Key performance indicators for the CaixaBank share

	Mar. 31, 2016
Market capitalization (€ M)	15,337
Number of outstanding shares[1]	5,905,777
Share price (€/share)	
Share price at the beginning of the period (December 31, 2015)	3.214
Share price at closing of the period (March 31, 2016)	2.597
Maximum price[2]	3.214
Minimum price[2]	2.380
Trading volume (number of shares, excluding special transactions, in thousands)	
Maximum daily trading volume	35,386
Minimum daily trading volume	8,700
Average daily trading volume	17,370
Stock market ratios	
Net Profit (€M) (12 months)	712
Average number of shares - fully diluted [1]	5,906,317
Net income attributable per Share (EPS) (€/share)	**0.12**
Equity (€M)	24,971
Number of shares at March 31, 2016 - fully diluted [1]	5,905,777
Book value per share (€/share) - fully diluted	**4.23**
Tangible Equity (€M)	20,002
Number of shares at March 31, 2016 - fully diluted [1]	5,905,777
Tangible book value per share (€/share) - fully diluted	**3.39**
PER (Price / Profit)	**21.53**
Tangible P/BV (Market value/ tangible book value) - fully diluted	**0.77**
Dividend Yield[3]	**6.2%**

(1) Number of shares, in thousands, excluding treasury stock.
(2) Price at close of trading.
(3) Calculated by dividing the yield for the last 12 months (€0.16 /share) by the closing price at the end of the period (€2.597/share).

Significant events in the first quarter of 2016

Voluntary tender offer for Banco BPI

On 18 April 2016 CaixaBank informed the market that the bank´s Board of Directors has decided to launch a voluntary tender offer for Banco BPI.

The offered price is 1.113€ per share in cash and is subject to the elimination of the voting cap in Banco BPI, obtaining more than 50% of Banco BPI's share capital and regulatory approvals. The tender offer price is in line with the volume-weighted average of Banco BPI's share price during the last six months.

Prior to this announcement, CaixaBank has held conversations with the ECB to keep it informed of the foregoing and has requested a suspension of any administrative proceedings against Banco BPI related to its large exposures limit situation with the purpose of allowing CaixaBank to find a solution for said situation should CaixaBank eventually take control of Banco BPI.

Full early redemption of the bond issue exchangeable for Repsol shares

On 28 January 2016, CaixaBank's Board of Directors resolved to fully call the bond issue exchangeable for Repsol shares titled Unsecured Mandatory Exchangeable Bonds due 2016 (the Exchangeable Bonds).

The Exchangeable Bonds were redeemed by delivering the underlying Repsol shares to bondholders. The redemption date of the Exchangeable Bonds was 3 March 2016, while the underlying shares were delivered on 10 March. Approximately 5,479.45 Repsol shares were delivered for each Exchangeable Bond, plus a cash sum of €1,340.16 as interest accrued and a further cash sum of €3,048.90 to cover unpaid coupons, all in accordance with the terms and conditions of the Exchangeable Bonds.

Accordingly, and after deducting the exchangeable bonds held by the Bank itself, CaixaBank delivered a total of 29,824,636 shares representing 2.069% of Repsol's share capital and paid out a total cash sum of €23,889,653.58.

The decision to call the bonds early by delivering shares does not alter CaixaBank's intention to keep its existing stake in Repsol roughly unchanged, thus allowing it to retain its significant influence over the company.

Swap agreement with CriteriaCaixa to exchange the stakes held in The Bank of East Asia and Grupo Financiero Inbursa for treasury shares and cash

On 3 December 2015, the Board of Trustees of "la Caixa" Banking Foundation and the Boards of Directors of CaixaBank and CriteriaCaixa entered into a swap arrangement whereby CaixaBank agreed to deliver to CriteriaCaixa shares representing 17.24% of The Bank of East Asia (BEA) and 9.01% of Grupo Financiero Inbursa (GFI), while in exchange CriteriaCaixa would hand CaixaBank 9.9% of CaixaBank shares owned by CriteriaCaixa, plus €642 million in cash.

CaixaBank's Board of Directors intends to lay a motion before the Bank's next Annual General Meeting seeking the redemption of a number of treasury shares representing no less than the shares acquired from Criteria under the swap agreement (9.9%) and no more than 10% of CaixaBank's share capital held as treasury shares at that time.

Transaction subject to regulatory clearance in Hong Kong and Mexico; to approval by GFI's board of directors of CriteriaCaixa's acquisition of GFI shares; and to the European Central Bank's authorisation for CaixaBank to acquire treasury shares and the proposal its Board of Directors intends to put before the Annual General Meeting to redeem those shares.

CaixaBank will continue to maintain strategic relations with BEA and GFI post-swap.

The swap will allow CaixaBank to accomplish the objective set out in the 2015-2018 strategic plan one year ahead of schedule, which calls for a one-third reduction in the weight of the capital charge of the investee portfolio to bring it below 10% before the end of 2016, compared to 16% at the end of 2014. Following the deal, the weight of the capital charge of minority holdings will fall to around 8% (pro-forma at December 2015).

Once the deal has been concluded, the fully loaded CET1 ratio will remain at between 11% and 12% (the target set in the Strategic Plan). While CriteriaCaixa's stake in CaixaBank will drop from the current 56.8% to 52%. The fully-diluted holding (taking into account CriteriaCaixa's €750 million bond issue exchangeable for CaixaBank shares and maturing in November 2017) will drop from 54% to 48.9%.

Appendices

Investee information

Main investees (associates and available for sale) at 31 March 2016	
Teléfonica	5.01%
Repsol	10.21%
Banco BPI	44.10%
GF Inbursa[1]	9.01%
The Bank of East Asia[1]	17.30%
Erste Group Bank	9.92%
SegurCaixa Adeslas	49.92%
Comercia Global Payments	49.00%
ServiHabitat Servicios Inmobiliarios	49.00%
Sareb	12.69%

(1) Including the envisaged swap of holdings in Grupo Financiero Inbursa and The Bank of East Asia to CriteriaCaixa in exchange for treasury stock and cash, which is awaiting regulatory clearance (see section on Significant events).

Consolidated carrying amount of banking investees and share price at 31 March 2016

€ million	% Participation	Consolidated carrying amount[1]	Of which: Goodwill[2]	€ / share
GF Inbursa	9.01	840	272	1.40
The Bank of East Asia	17.30	2,122	603	4.57
Erste Group Bank	9.92	1,194		28.00
Banco BPI	44.10	948		1.48

(1) The consolidated carrying amount corresponds to equity of the different entities, attributable to the CaixaBank Group and net of write-downs.
(2) Goodwill, net of write-downs.

Ratings

Agency	Long-Term	Short-Term	Outlook	Last review date	Rating of covered bonds program
Standard&Poor's	BBB	A-2	Stable	22 April 2016	A+
Fitch	BBB	F2	Positive	26 April 2016	
Moody's	Baa2	P-2	Negative	20 April 2016	Aa2
DBRS	A (low)	R-1 (low)	Stable	13 April 2016	AA (high)

Significant events in the first quarter of 2016:

Following the announcement of the voluntary tender offer for Banco BPI, **Moody's, Standard & Poors and Fitch** confirmed the ratings Baa2, BBB and BBB respectively. Moody's outlook is negative while Standard & Poors maintained theirs as stable and Fitch as positive.

DBRS confirmed the rating but amended the outlook from positive to stable after doing the same with Spain's sovereign rating. It also upgraded the AA (Low) rating of CaixaBank's mortgage covered bonds, which as of 11 March 2016 are now AA (High).

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CaixaBank

Institutional Investors & Analysts
investors@caixabank.com
(+34) 93 411 75 03

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