



## **From a Holding Company to an Integrated Banking Group**

28 January 2011

## Agenda

- Transaction Summary
- Transaction Structure and Relative Value
- Timetable
- "la Caixa": The Reference in Spanish Retail Banking
- Pro-forma Financials
- Final Remarks
- Appendix

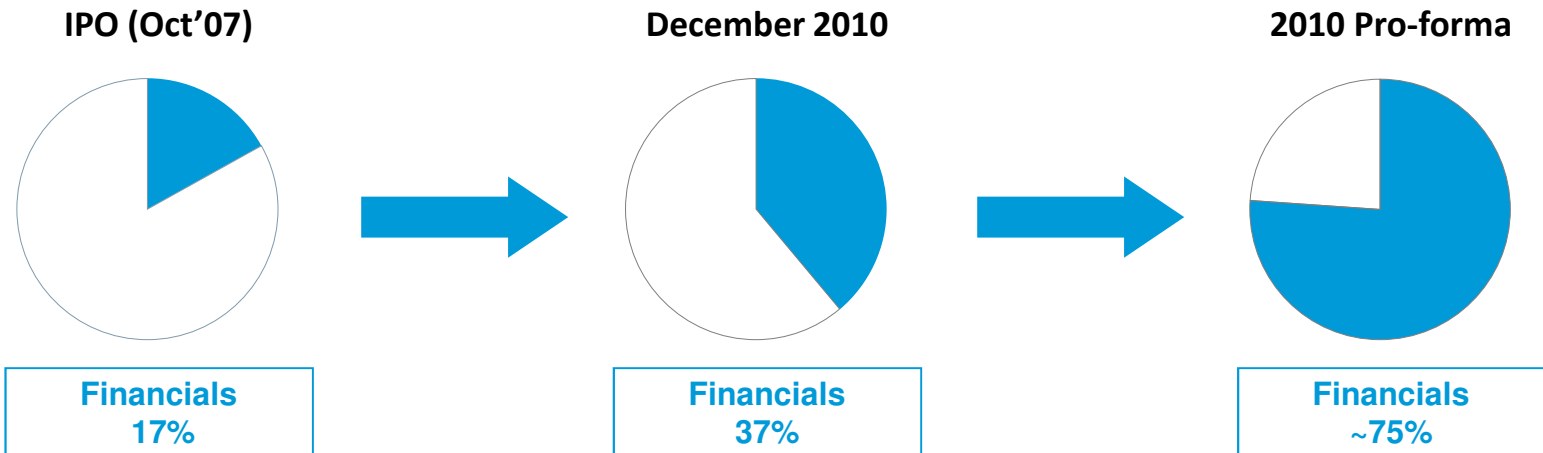
## Transaction Summary

- **Criteria to exchange its stakes in Gas Natural, Abertis, Aguas de Barcelona, Port Aventura and Mediterranea Beach & Golf, for “la Caixa”'s Banking Business (excluding its real estate assets)**
- **Given higher value of the Banking Business, Criteria will issue €2.0 Bn worth of new shares to “la Caixa”**
  - **Capital increase at latest available NAV <sup>(1)</sup> (€5.46 per share, as of 26 January)**
  - **“la Caixa” will have a 81.1% stake in Criteria**
- **Criteria will become the new CaixaBank, an integrated banking group**
- **In order to further reinforce capital ratios, Criteria will issue a €1.5 Bn mandatory convertible bond**
  - **Instrument will be distributed and underwritten by “la Caixa”**
- **The new CaixaBank will have a core capital ratio of 10.9%**

### Notes

1. Pro-forma the 50% VidaCaixa Adeslas disposal to Mutua Madrileña

## A Natural Step in Criteria's Strategic Development



Key Strategic Goals at IPO	Accomplishment
<ul style="list-style-type: none"> <li>▪ Increase financials exposure towards 40 – 60%</li> <li>▪ Build banking presence in attractive growth markets                             <ul style="list-style-type: none"> <li>– BEA, Inbursa, Erste</li> </ul> </li> <li>▪ Active portfolio management</li> <li>▪ Value Creation                             <ul style="list-style-type: none"> <li>– Criteria has outperformed IBEX by 17% since IPO <sup>(1)</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ ✓ ✓</li> <li>✓ ✓ ✓</li> <li>✓ ✓ ✓</li> <li>✓ ✓ ✓</li> </ul>

**Notes**  
 1. Total return: share price appreciation + dividends

## Value Creating Transaction for Criteria Shareholders

### 1. Relative Valuations

- Relative Valuations are attractive for Criteria's shareholders
- Acquiring the leading Spanish banking franchise at 0.8x Book Value
- Value of banking business vs. industrial portfolio at the lowest point in the cycle

### 2. Capital Increase at NAV

- "la Caixa" subscribes a €2.0 Bn capital increase at NAV of €5.46 or 27% premium to current share price of Criteria <sup>(1)</sup>

### 3. "la Caixa" is a Unique Banking Business

- Leading Spanish Retail Banking franchise
- Fortress balance sheet, with high levels of capital, liquidity and above average credit quality
- No foreclosed or acquired real estate assets

### 4. NAV / Book Value Accretion

- As a result of receiving banking business at a valuation of 0.8x Book Value, Criteria's NAV and Book Value increases by €2.1 Bn and €2.4 Bn respectively
  - Which results in an accretion of NAV / Book Value per share of 10% / 14%

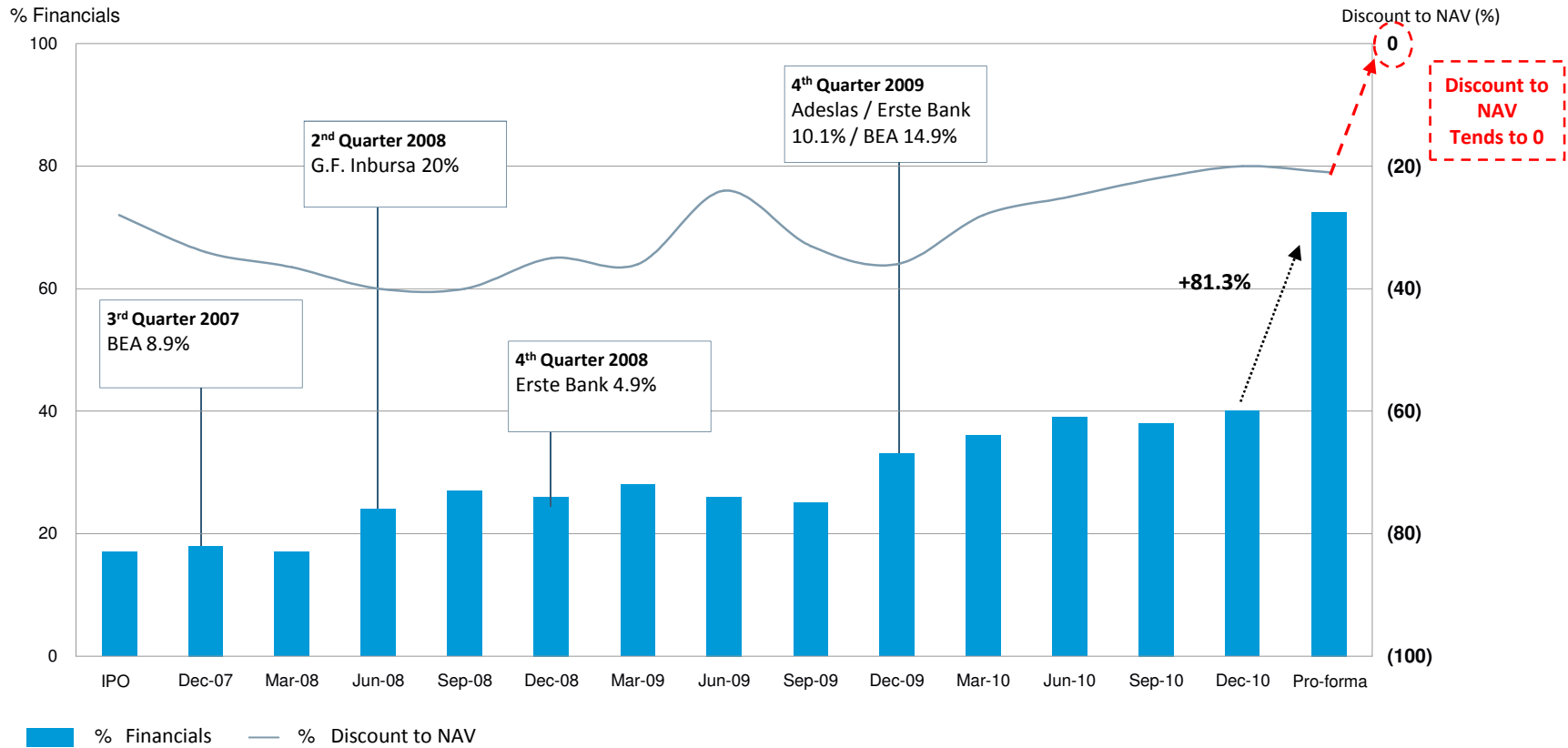
### 5. Discount to NAV no longer warranted

- Criteria converts from a holding company into an integrated banking group
  - No longer merits a holding company discount

#### Notes

1. €4.31 as of 26 January 2011

## From a Holding Company to an Integrated Banking Group

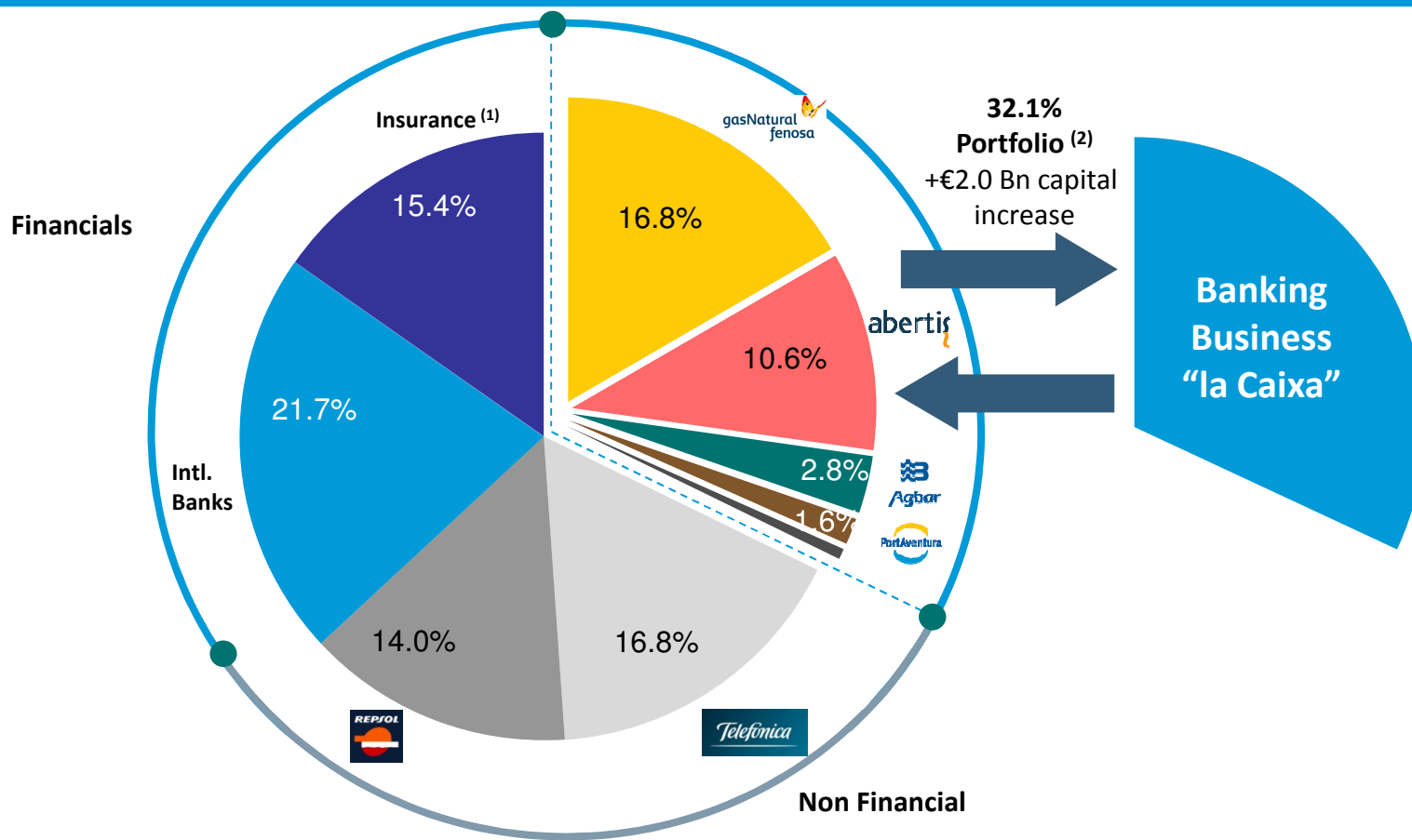


As weight of financials in the portfolio has progressively increased, discount to NAV has narrowed up to the current ~21% <sup>(1)</sup>

**Notes**

1. As of 26 January 2011

## Transaction Structure



Criteria is swapping part of its Services Portfolio for the Banking Business of "la Caixa"

**Notes**

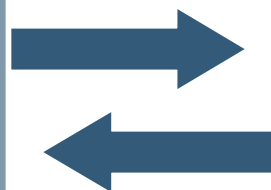
- 1. Pro-forma of the sale of 50% of VidaCaixa Adeslas
- 2. 32.1% of the Portfolio + a capital increase for €2.0 Bn will be exchanged for the Banking Business of "la Caixa"

## Detail of Exchanged Assets

### "la Caixa" Banking Business

All existing assets and liabilities of "la Caixa" except:

- 1) **Foreclosed or acquired real estate assets** <sup>(1)</sup>, other real estate exposures in ServiHabitat and Caixa Girona and Stakes in Metrovacesa & Colonial (book value €2.6 Bn)
- 2) **€8.2 Bn of Net Debt** <sup>(2)</sup>
  - €6.2 Bn Subordinated Debt <sup>(3)</sup>
  - €2.0 Bn Government Guaranteed debt <sup>(4)</sup>



### Criteria Exchanged Portfolio

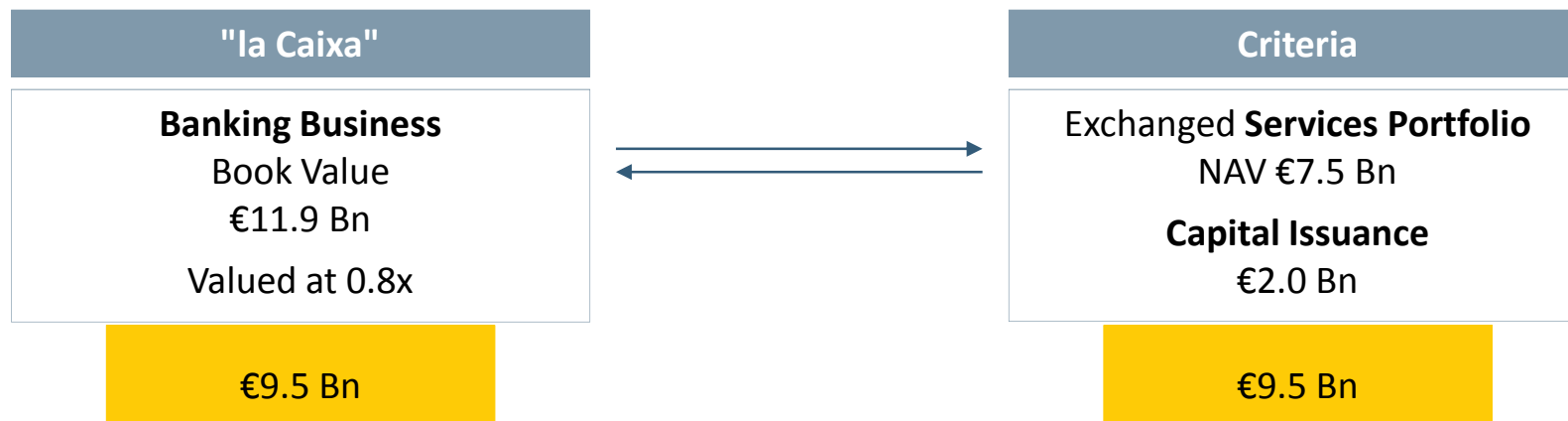
- 36.6% Gas Natural
  - 24.6% Abertis <sup>(5)</sup>
  - 24.0% AGBAR
  - 50% Port Aventura
  - 100% Mediterranea
- 
- €2.0 Bn in newly issued shares of Criteria <sup>(6)</sup>

#### Notes

1. Foreclosures and real estate acquisitions or repossessions until 1 month after the announcement of the transaction will also be excluded from the segregation
2. Exchangeable bond into Criteria shares issued by "la Caixa" with maturity in June 2011 also excluded from segregation
3. Maturities in 2012, 2019, 2020 and perpetual
4. Maturity in 2012
5. Including 3.88% held by Inversiones Autopistas
6. Issued at pro-forma NAV after disposal of 50% stake in VidaCaixa Adeslas as of 26 January 2011 of €5.46 per share



## Proposed Valuations

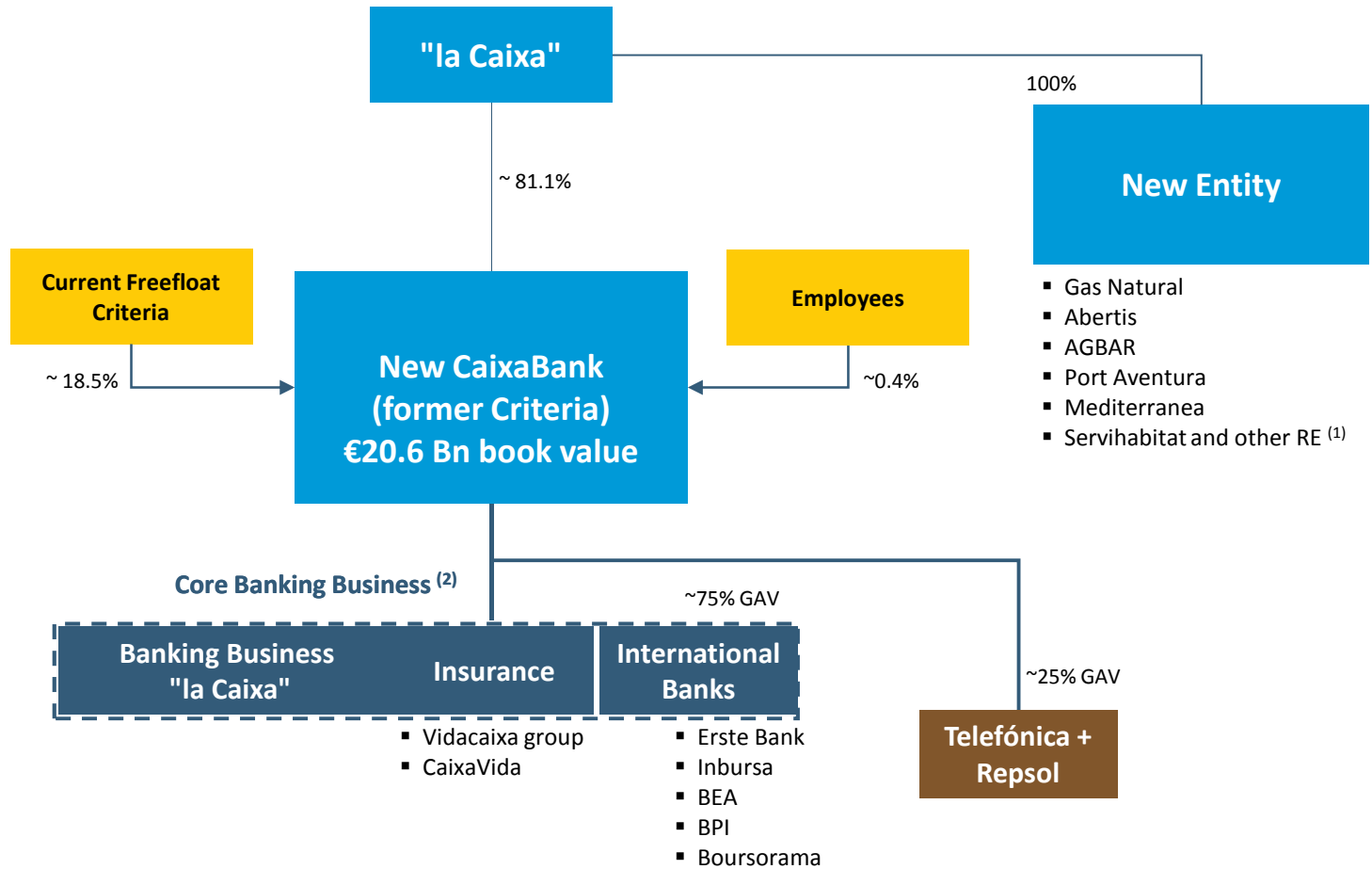


- "la Caixa"'s banking business is being valued at 0.8x Book Value
- Criteria's exchanged services portfolio valued at €7.5 Bn - average market price for the last 30 days <sup>(1)</sup>
- The difference is settled in new shares issued by Criteria at pro-forma NAV (€5.46 per share as of 26/01/2011), i.e. no discount applied and a premium of 27% over Criteria's current share price
- Value of 0.8x assigned to the Banking Business in line with current multiples of listed domestic banks
  - However, "la Caixa"'s superior market position, above average capital ratios, credit quality and liquidity deserve a premium
- If banking business were to be valued at 1.0x BV, this would represent a 32% premium for the exchanged portfolio
- Transaction will be accounted for as an exchange of businesses with no impact on P&L

**Notes**

1. For Gas Natural average of the last 30 ex-dividend trading days + €118.9 MM dividend paid in January 2011

## Resulting Group Structure



**Notes**

1. Real Estate company of "la Caixa" Group (includes all real estate, acquisitions of assets and stakes in real estate companies). Includes: Stakes in Metrovacesa and Colonial + Caixa Girona Real Estate Assets
2. Core banking business of New CaixaBank also includes financial businesses of InverCaixa, Finconsum and ServiCaixa and the 5.0% stake in BME

## Timetable

27-28 January



24 February

End February /  
March

28 April

May

May

31 July

- Transaction Announcement / Webcast
- Criteria conducts confirmatory due diligence on “la Caixa”'s banking business
- Criteria to seek fairness opinions from independent advisors
- Criteria 2010A accounts
- End of Due Diligence and receipt of report
- Boards of “la Caixa” / Criteria approve final terms of the transaction
- Criteria (New CaixaBank) – Analyst Presentation
  - Strategy of CaixaBank going forward
- Management Roadshow by new CaixaBank
- General Assembly of “la Caixa” approves the transaction
- Annual Shareholders Meeting of Criteria, approval of the transaction, 2010A accounts and June dividend (first optional dividend in shares)
- Issuance of the €1.5 Bn Mandatory Convertible Bond
- Expected closing of the transaction

## CaixaBank: Leading Retail Franchise in Spain

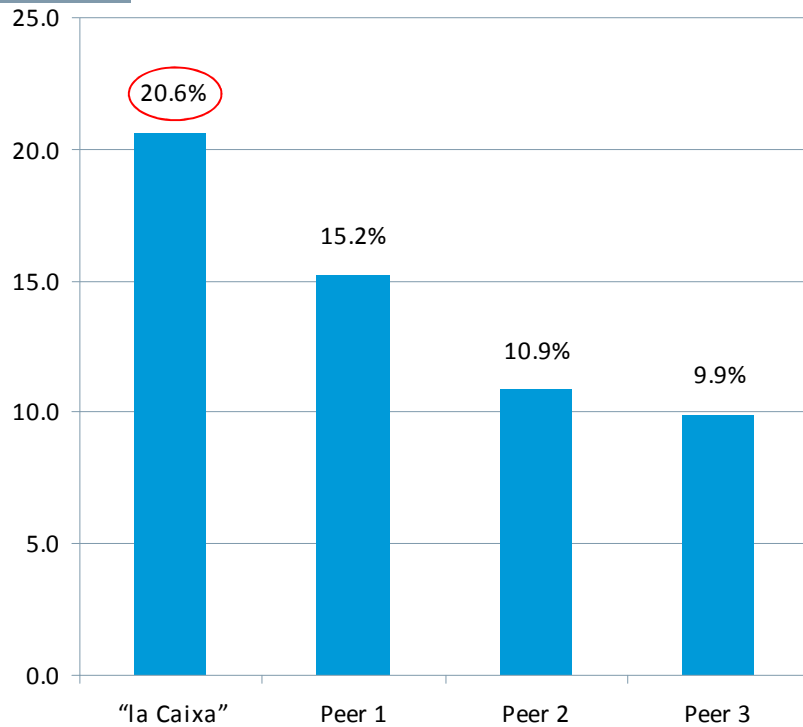
Change in Market Share 2006-2010

+30bps

-150bps

+20bps

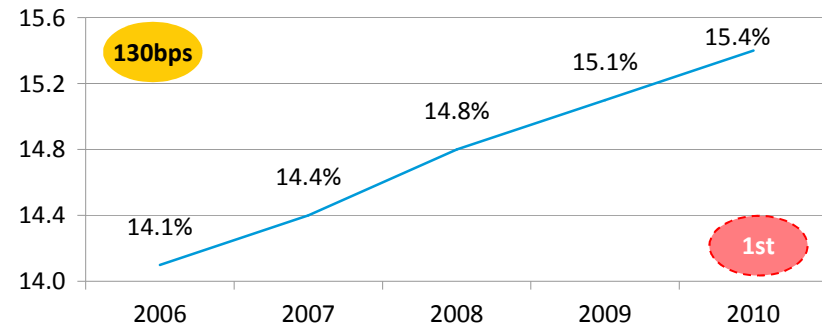
+10bps



Source FRS Inmark

"la Caixa" has consistently reinforced its position as the pre-eminent retail bank in Spain

### Payroll deposits

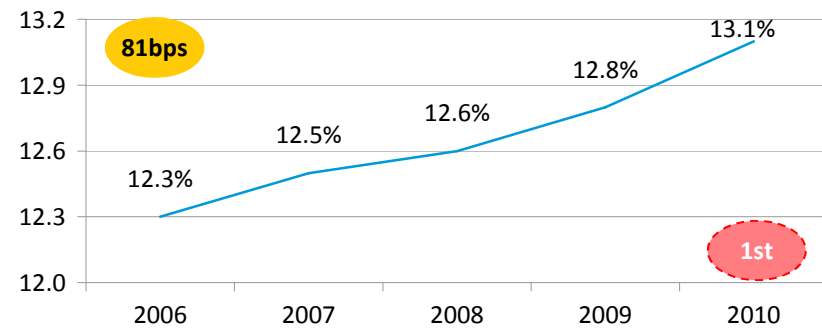


130bps

1st

2,046,709 Payroll deposits

### Pension deposits



81bps

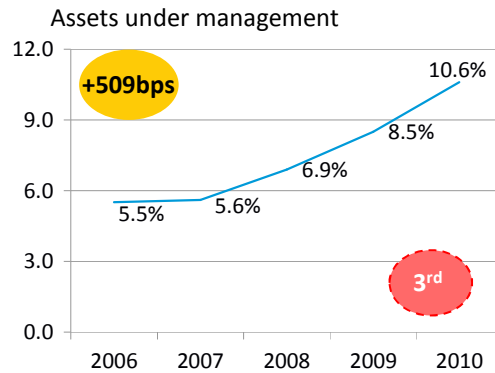
1st

1,078,269 Pension deposits

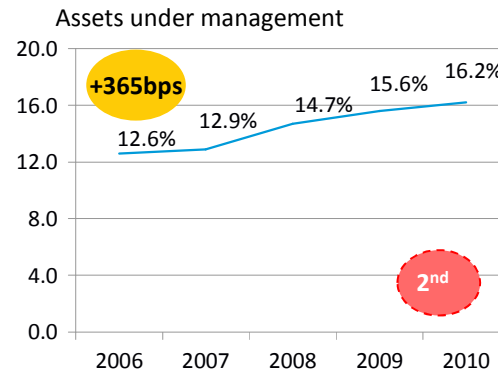
Track record of reinforcing customer loyalty

## CaixaBank: Leading Retail Franchise in Spain

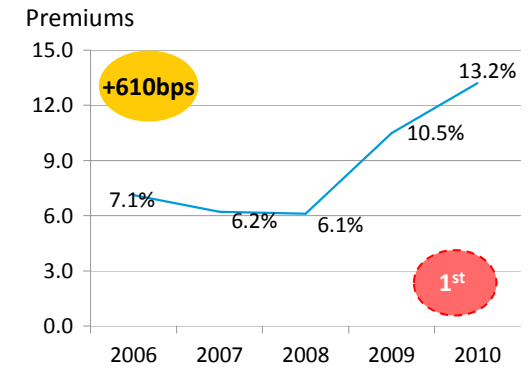
### Investment Funds (%)



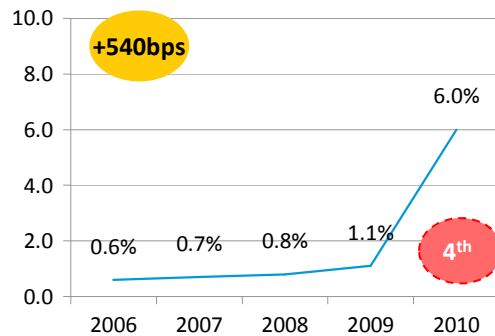
### Pension Plans (%)



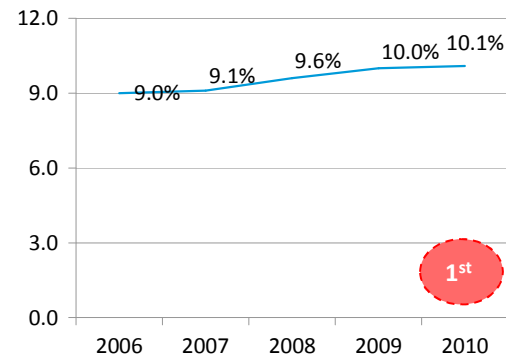
### Life Insurance (%)



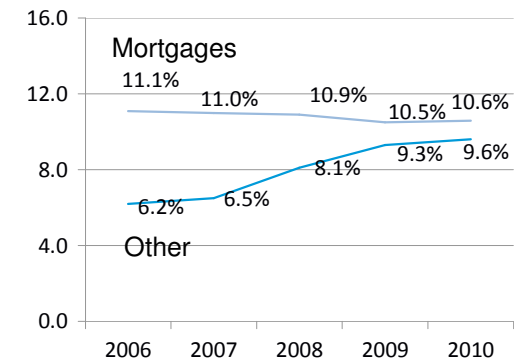
### Non-Life Insurance (%)



### Loans (Resident Private Sector) (%)



### Loans by Guarantee (%)

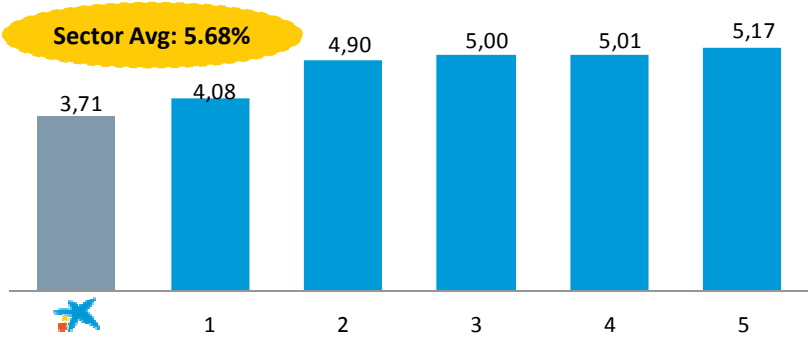


Source: FRS Inmark, Social Security, Inverco, BdE, AEF and NECS

Great commercial activity: increasing market shares

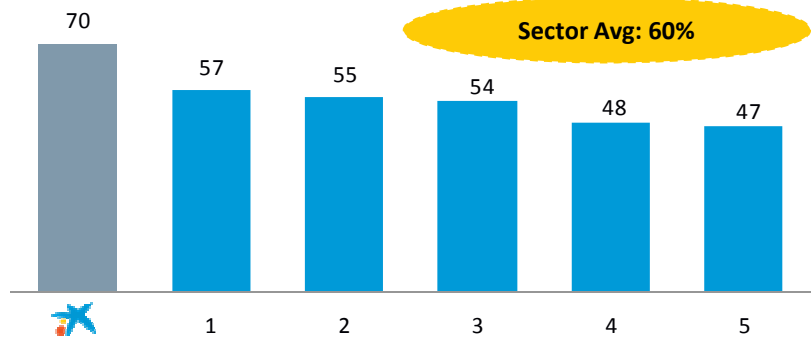
## Fortress Balance Sheet

### Lowest Level of NPL Ratio (%)



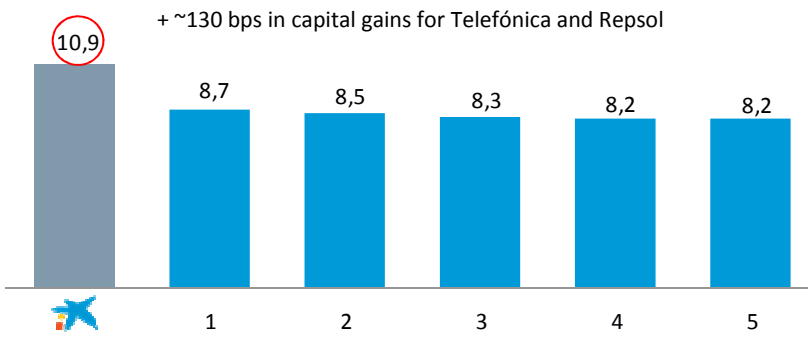
Source Last data published by each institution. Information of "la Caixa" based on 4Q10 figures

### Highest Coverage Ratio (%)



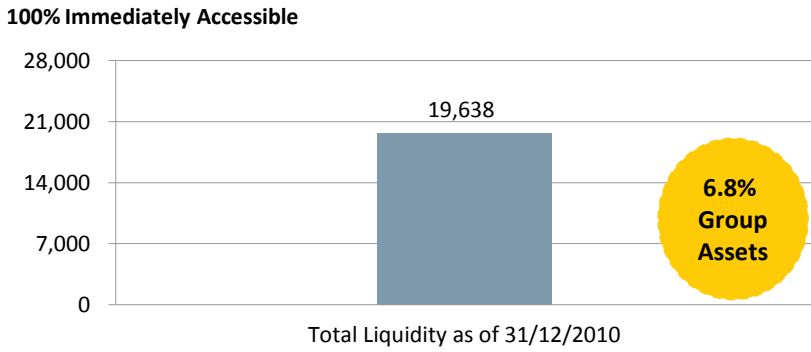
Source Last data published by each institution. Information of "la Caixa" based on 4Q10 figures

### Core Capital Ratio (%)



Source Last data published by each institution. Information of "la Caixa" based on 4Q10 figures

### Excellent level of liquidity (%)

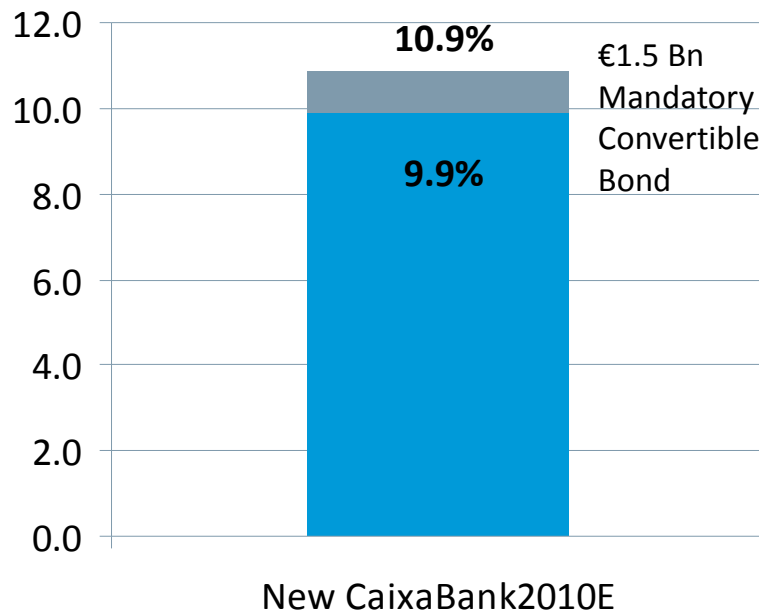


Source Company Data

And no Real Estate Assets as of 31 December 2010

## Strong Capital Position

### Basel II – Pro-forma Core Capital



- Pro-forma Core capital (Basel II) estimated to be 10.9% by YE 2010
- Plus ~130 bps of latent after-tax capital gains for Telefónica and Repsol
- Includes €1.5 Bn mandatory convertible bond to be issued by Criteria and underwritten and distributed by “la Caixa”
- CaixaBank expects to fully comply with Basel III since the beginning of its implementation in 2012
  - Above 8% core capital with no need for phase-in

CaixaBank is born with a strong capital base which will facilitate further growth

## Dividend Policy

- Criteria will pay a minimum dividend for 2010 of €0.231 per share
  - €0.06 expected in March, 2011
  - Final dividend of minimum €0.051 per share after AGM, with the option to receive cash or shares.
  
- Criteria has the intention to maintain a minimum dividend of €0.231 per share in 2011
  - Criteria will also give the option to its shareholder to receive cash or shares in 2 of the 4 dividends for 2011



## Summary of Proforma Numbers for CaixaBank (2008, 2009 and 3Q 2010)

### Pro-forma Balance Sheet Items (€ MM)

	3Q10
Total Assets	272,358
Loans and Advances to Customers	180,812
Customer Funds <sup>(1)</sup>	231,125
Shareholders' Equity	19,793
<b>Estimated FY 2010</b>	
Shareholders' Equity <sup>(2)</sup>	20,608
Shareholders' Equity <sup>(2)</sup> per share (€)	5.52

### Pro-forma P&L (€ MM)

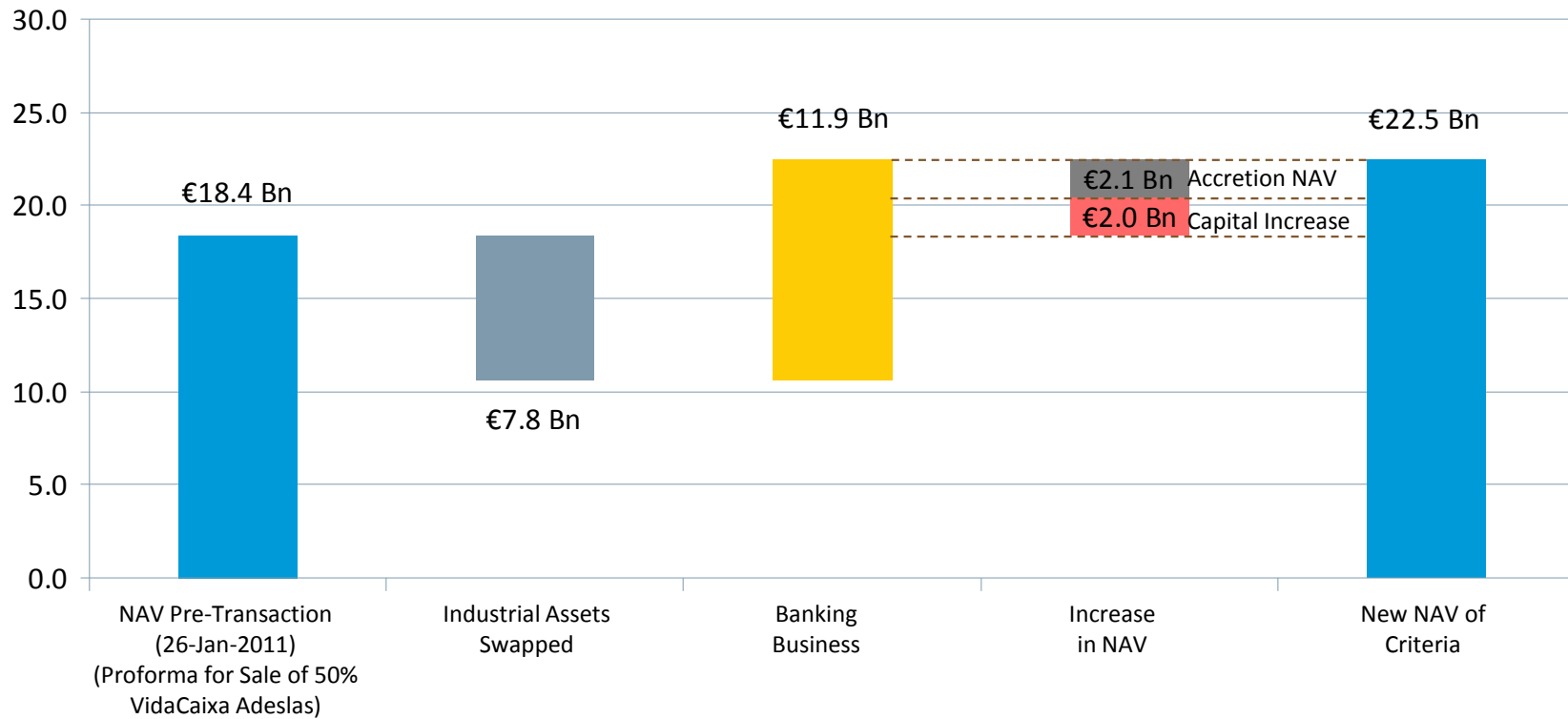
Amounts in millions of euros	2008	2009	3Q10
Financial Income	12,449	9,153	5,254
Financial Costs	(8,565)	(4,987)	(2,627)
<b>Net Interest Income</b>	<b>3,884</b>	<b>4,166</b>	<b>2,627</b>
Dividends	234	253	319
Income accounted for by the equity method <sup>3</sup>	406	494	403
Net Fees	1,250	1,303	1,054
Income from fin. ops. and other products / op. changes	951	722	645
<b>Total Income</b>	<b>6,726</b>	<b>6,938</b>	<b>5,047</b>
<i>Personnel costs</i>	<i>(2,058)</i>	<i>(2,178)</i>	<i>(1,609)</i>
<i>General expenses</i>	<i>(863)</i>	<i>(880)</i>	<i>(581)</i>
Administration Costs	(2,921)	(3,058)	(2,191)
Amortizations	(459)	(477)	(351)
Total Operating Costs	(3,380)	(3,535)	(2,542)
<b>Net Operating Income</b>	<b>3,346</b>	<b>3,403</b>	<b>2,505</b>
Losses for the impairment of financial assets and others	(1,328)	(1,970)	(1,371)
Profits/losses on the disposal of assets and others	72	518	183
<b>Pre-tax income</b>	<b>2,090</b>	<b>1,951</b>	<b>1,318</b>
Taxes and minority interests	(313)	(336)	(126)
<b>Income attributed to the Group</b>	<b>1,777</b>	<b>1,614</b>	<b>1,192</b>
<b>EPS (€ p.s.)</b>	<b>0.53</b>	<b>0.48</b>	<b>0.35</b>

#### Notes

1. "la Caixa" Group customer funds as of 3Q10 minus €8.2 Bn of debt left at "la Caixa"
2. Including the impact from the sale of 50% of VidaCaixa Adeslas to Mutua Madrileña
3. Includes income from Repsol which will be accounted for by the equity method

## Impact on NAV

NAV por Acción €5.46 +10% → €6.02



**As a Result of the Transaction NAV per share increases up to €6.02 per share (10% more)**

## Final Remarks

### Creation of Value for all Shareholders

- Final strategic move of Criteria into financial services
- From 2011 Criteria becomes a fully fledged bank
  - The leading retail banking player in Spain
  - #1 in life premia
  - With substantial exposure to emerging markets growth
  - And a reserve of capital and upside in Telefónica / Repsol
- Fortress balance sheet
  - Lowest NPL Ratio (3.7%) of any large Spanish bank – highest coverage (70%) <sup>(1)</sup>
  - Strong capital base (10.9% core capital)
  - No foreclosed or acquired real estate assets
- Substantial organic and non-organic growth opportunities
- Relative valuation recognizes superior value of Exchanged Portfolio
- Holding discount no longer warranted

#### Notes

1. "la Caixa" YE 2010



## Appendix

## Reorganisation Steps

### 1. Segregation of the Banking Business of “la Caixa”

- “la Caixa” contributes the majority of its assets and liabilities of its Banking Business to its subsidiary MicroBank
- Servihabitat and other real estate assets, as well as €8.2 Bn of “la Caixa”’s current net debt to be excluded of the segregation

### 2. Exchange of MicroBank shares for industrial stakes and Criteria new shares

- Criteria receives 100% of MicroBank’s shares in exchange of:
  1. Certain industrial stakes of Criteria
  2. €2.0 Bn in new issued shares of Criteria in favour of “la Caixa”
- “la Caixa”’s ownership of the Bank will increase to 81.1%
- New shares in Criteria issued at NAV of €5.46 per share <sup>(1)</sup>

### 3. Mandatory Convertible Bond Issuance

- In order to reinforce the capital ratios of CaixaBank, Criteria will issue a €1.5 Bn mandatory convertible bond considered as core capital
- Distributed and underwritten by “la Caixa”
- The conversion of the bond, would be in equal parts in 2, 3 and 4 years (€500 MM each)

### 4. Creation of CaixaBank

- Merger of Criteria with MicroBank and the birth of new CaixaBank

#### Notes

1. Pro-forma the 50% VidaCaixa Adeslas disposal to Mutua Madrileña

## €1.5 Bn Mandatory Convertible Bond

### Issuance / Distribution

- Issued by Criteria as a mandatory convertible bond
- Converts into shares of Criteria (by that time CaixaBank) in €500 MM tranches in 2013, 2014 and 2015
- Retail distribution through “la Caixa” branch network / fully underwritten by “la Caixa”

### Conversion Price

- Variable conversion price
  - Nominal of the bond will convert in a variable number of Criteria shares, depending on share price at the time of conversion

### Capital Treatment

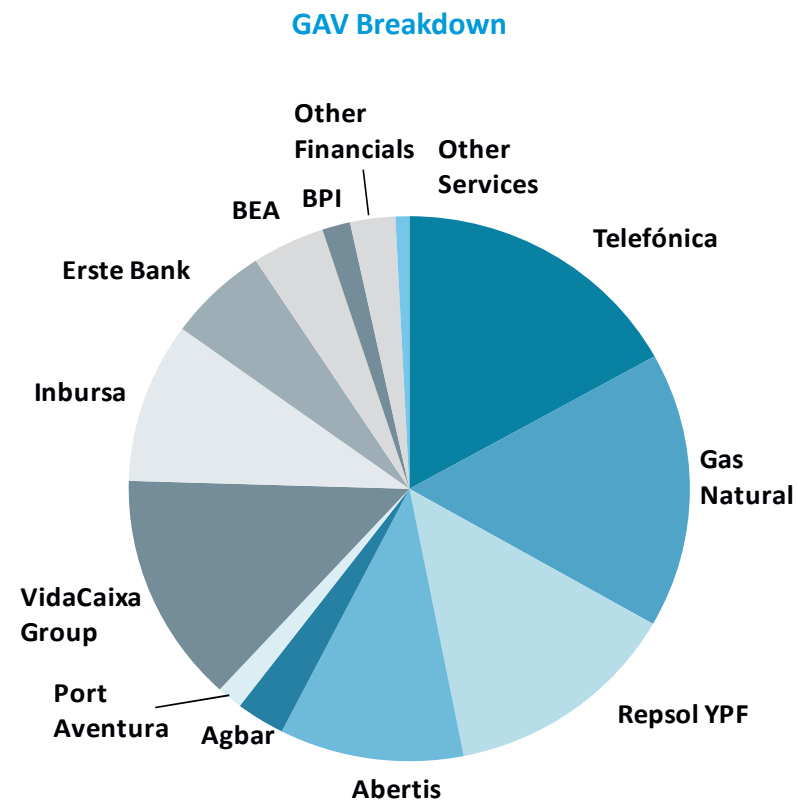
- Core capital since day one
- Adds ~100 bps of capital

### Term

- Compulsory at maturity (2013, 2014, 2015)

## Criteria's Portfolio as of 26 January 2011 (Pro-forma 50% Disposal of VidaCaixa Adeslas)

		Ownership	Value (€ MM)	% GAV
Services	Telefónica	5.0%	4,221	17.4%
	Gas Natural	36.6%	4,026	16.6%
	Repsol YPF	13.0%	3,576	14.7%
	Abertis	24.6%	2,628	10.8%
	Agbar	24.0%	654	2.7%
	Port Aventura	*	353	1.5%
	BME	5.0%	82	0.3%
	Other Assets		192	0.8%
Insurance and SFS	VidaCaixa Group	100.0%	3,122	12.8%
	InverCaixa	100.0%	186	0.8%
	Finconsum	100.0%	123	0.5%
	GDS	67.0%	25	0.1%
	GestiCaixa	100.0%	22	0.1%
International Banks	GF Inbursa	20.0%	2,119	8.7%
	Erste Bank	10.1%	1,360	5.6%
	BEA	15.2%	1,042	4.3%
	Banco BPI	30.1%	380	1.6%
	Boursorama	20.8%	146	0.6%
	Own Shares		53	0.2%
<b>Total GAV</b>			<b>24,310</b>	<b>100%</b>



(\* ) 50% Port Aventura Entertainment and 100% of Mediterranea Beach & Golf Community, S.A.

## Institutional Investors & Analysts Contact

We are at your entire disposal for any questions or suggestions you may wish to make. To contact us, please call or write to us at the following email address and telephone number:

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