CaixaBank

Goldman Sachs – 17th European Financials Conference

Gonzalo Gortázar, CFO

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In so far as it relates to results from investments, this financial information from the CaixaBank Group for 1Q 2013 has been prepared mainly on the basis of estimates.

Retail banking leadership supported by a strong balance sheet position

1 Strong market position

- Consistent market share gains through the crisis
- BCIV and BdV acquisitions consolidate Spanish retail leadership
- Close to 20% market share in key retail products

2 Reinforced balance sheet

- €61bn liquidity with ongoing LTD reduction
- Core Capital BIS-II at 10.6% after FROB repayment
- NPL coverage increased to 75%

3 Resilient pre-provision profit

- Solid operating metrics
- Cost optimisation to play an important role

Undisputed leadership in most retail products

Main banking relationship	1st	22.2%
Payroll deposits	1st	20.0%
Pension deposits	1st	19.5%
Saving insurance	1st	19.1%
Factoring & confirming	3rd	18.2%
Pension Plans	1st	16.9%
Loans[1]	1st	15.3%
Deposits[1]	1st	14.2%
Mutual Funds	3rd	14.0%
Credit cards	1st	20.9%

Improvement of sustainable competitive advantages and reinforcement of the balance-sheet have been key priorities throughout the crisis

(1) Other resident sectors

Sources: Bank of Spain, INVERCO, ICEA, FRS, Social Security and AEF (includes BCIV and BdV). Latest available information

Focusing on levers that are within our control

Strategic priorities	Key management levers
Strong market position	1 Improvement of competitive position
Reinforced B/S	2 Capital generation and optimization
	3 Liquidity management
	4 Reinforcement of coverage levels
Resilient Pre-provision profit	5 Margin management focused on reducing deposit costs
	6 Efficiency improvement: synergies and restructuring actions

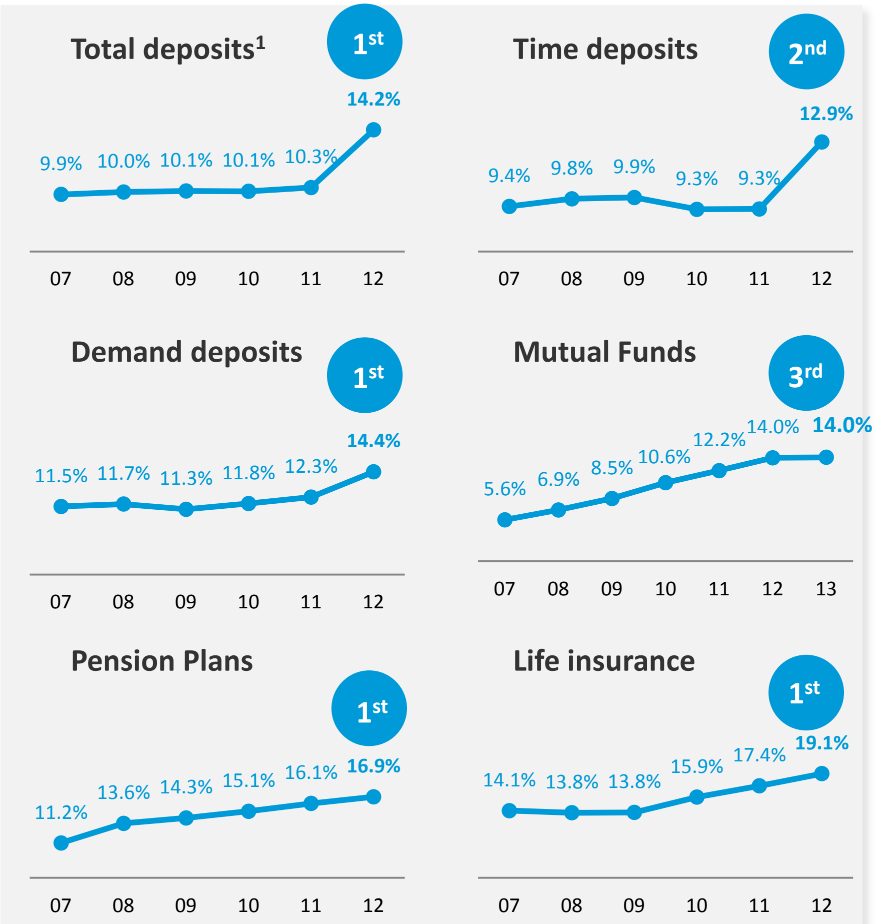
Management of actionable levers to offset unsupportive exogenous factors

Focusing on levers that are within our control

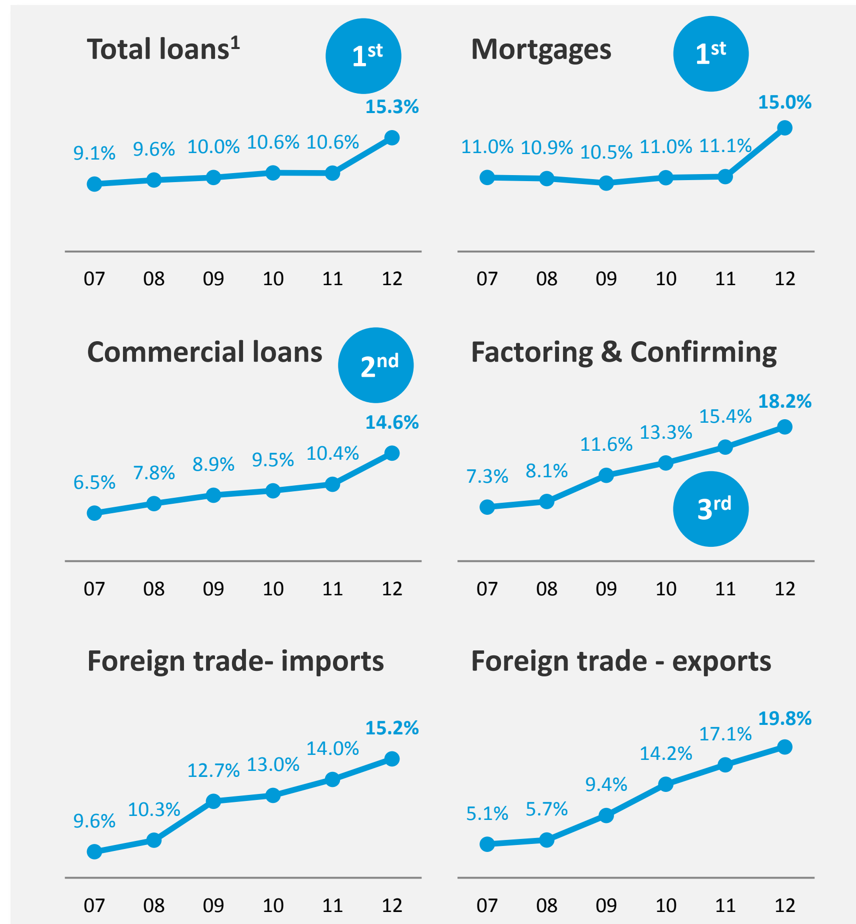
Strategic priorities		Key management levers
Strong market position	→	1 Improvement of competitive position
Reinforced B/S	→	2 Capital generation and optimization 3 Liquidity management 4 Reinforcement of coverage levels
Resilient Pre-provision profit	→	5 Margin management focused on reducing deposit costs 6 Efficiency improvement: synergies and restructuring actions

Market shares in key retail products have been increased throughout the crisis

Customer funds market shares



Credit market shares



(1) To other resident sector, includes BdV
Latest available information
Source: INVERCO, ICEA and Bank of Spain

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Clear levers are available to meet solvency targets

Core Capital BIS-2.5

10.6%[1]

Main impacts under BIS-3 FL regime:

DTAs:

- Temporary impact in nature
- More than offset by pre-tax profit generation in the phase-in period

Minority stakes:

- Part of the deductions already in BIS-2.5 ratio
- 10-15% allowance mitigates the impact
- Capital optimization program in place: sale of a 10% stake in Inbursa

RWAs:

- Strong deleveraging process
- Optimisation of IRB models

FY13 Targets:

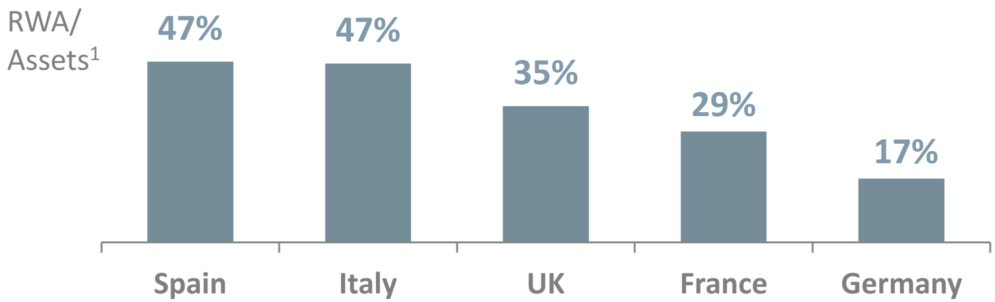
> 8% CC BIS-3 FL

> 11% EBA CT1

(1) As of March 31st

RWA optimisation has been an option in an institution where excess capital was the norm

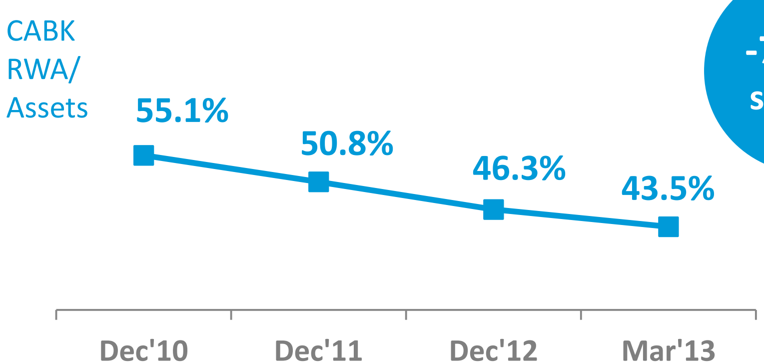
1 Spanish banks are more conservative than other European peers



Recent Oliver Wyman analysis[2] reflects that Spanish banks are on the conservative side

Major impacts observed in LGD calculation (e.g: downturn development samples)

2 CABK is more conservative relative to domestic peers



-7% vs. system

Oliver Wyman Adverse Scenario Losses

	System	
Total EL	**17.4%**	**13.0%**
RE Developers	42.8%	37.6%
Retail Mortgages	4.1%	3.4%
Corporate[3]	13.7%	9.4%
Retail Other	18.6%	9.3%
Foreclosed RE	63.4%	62.0%

-25% vs. system

Lower risk profile is not fully reflected in lower RWAs

(1) Source: CitiGroup estimates based on Dec'12 data
(2) Source: "Comparative analysis of the Regulatory Capital calculation across major European jurisdictions", Oliver Wyman – April 2013
(3) Includes Public Works, Large Corporates and SMEs

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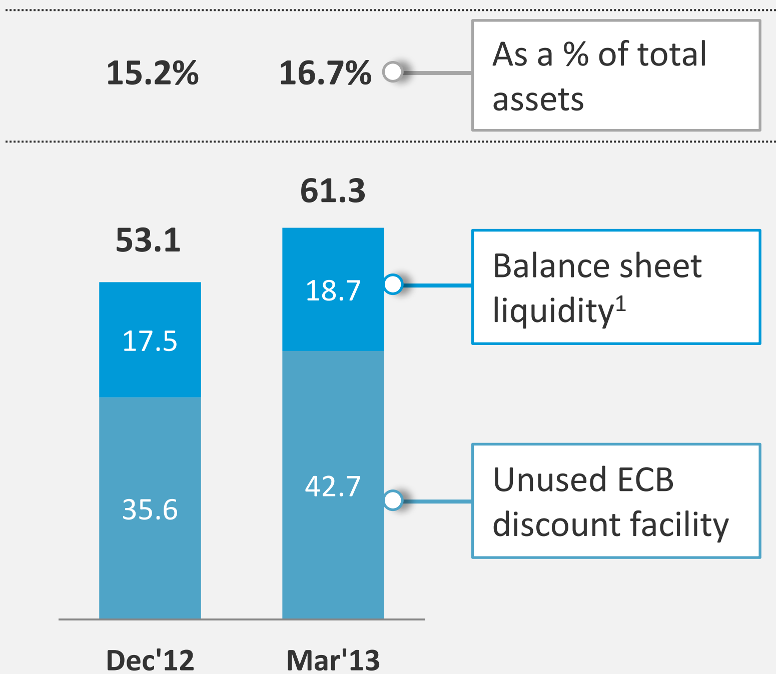
High liquidity levels

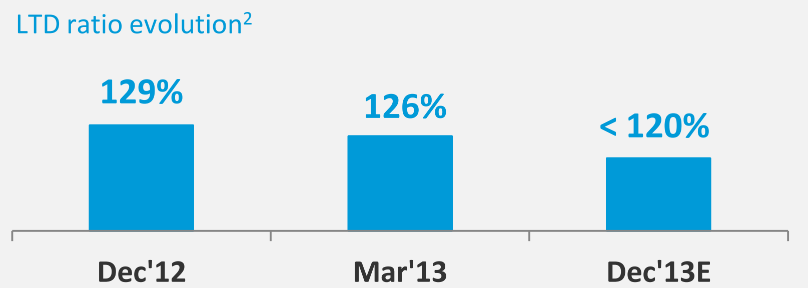
Total available liquidity

In Billion Euros



- **ECB funding: €24.8 bn**
- **€9.3 bn of ECB funding repaid in Jan.'13[3]**

Reduction of LTD ratio



- Strong deleveraging will continue to reinforce balance sheet liquidity
- Wholesale maturities and LTRO repayment can be comfortably managed
- Proven access to market at attractive prices: €3bn issued in 2013

(1) Includes cash, interbank deposits, accounts at central banks and unencumbered sovereign debt
(2) Defined as: gross loans (€228,763M) net of loan provisions (€16,374 M) (total loan provisions excluding those corresponding to contingent guarantees) and excluding pass-through funding from multilateral agencies (€7,649 M) / retail funds (deposits, retail issuances) (€162,697 M)
(3) €4.5 bn from CaixaBank + €4.8 bn from Banco de Valencia

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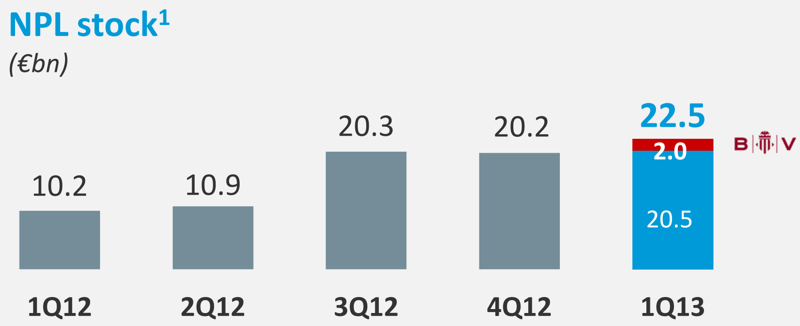
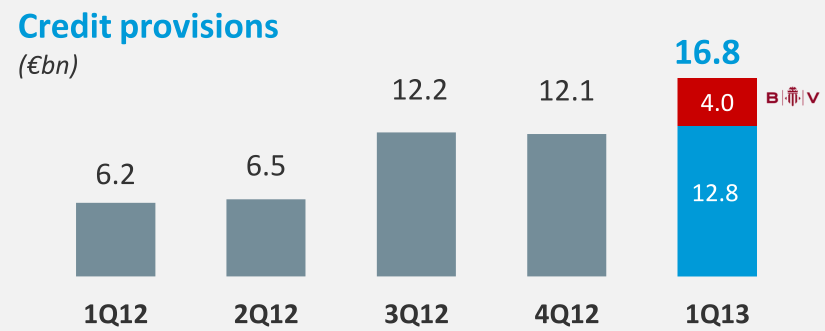
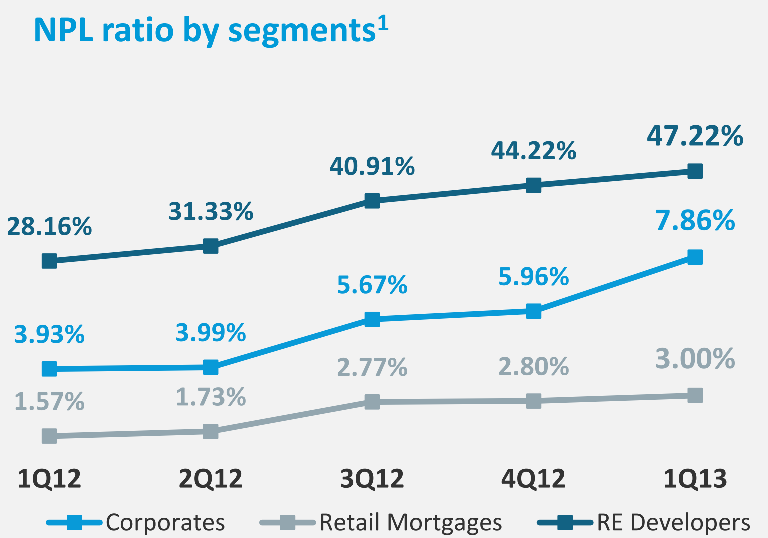
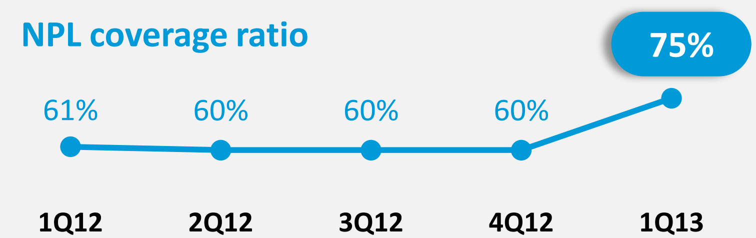
Asset quality still reflects macro headwinds





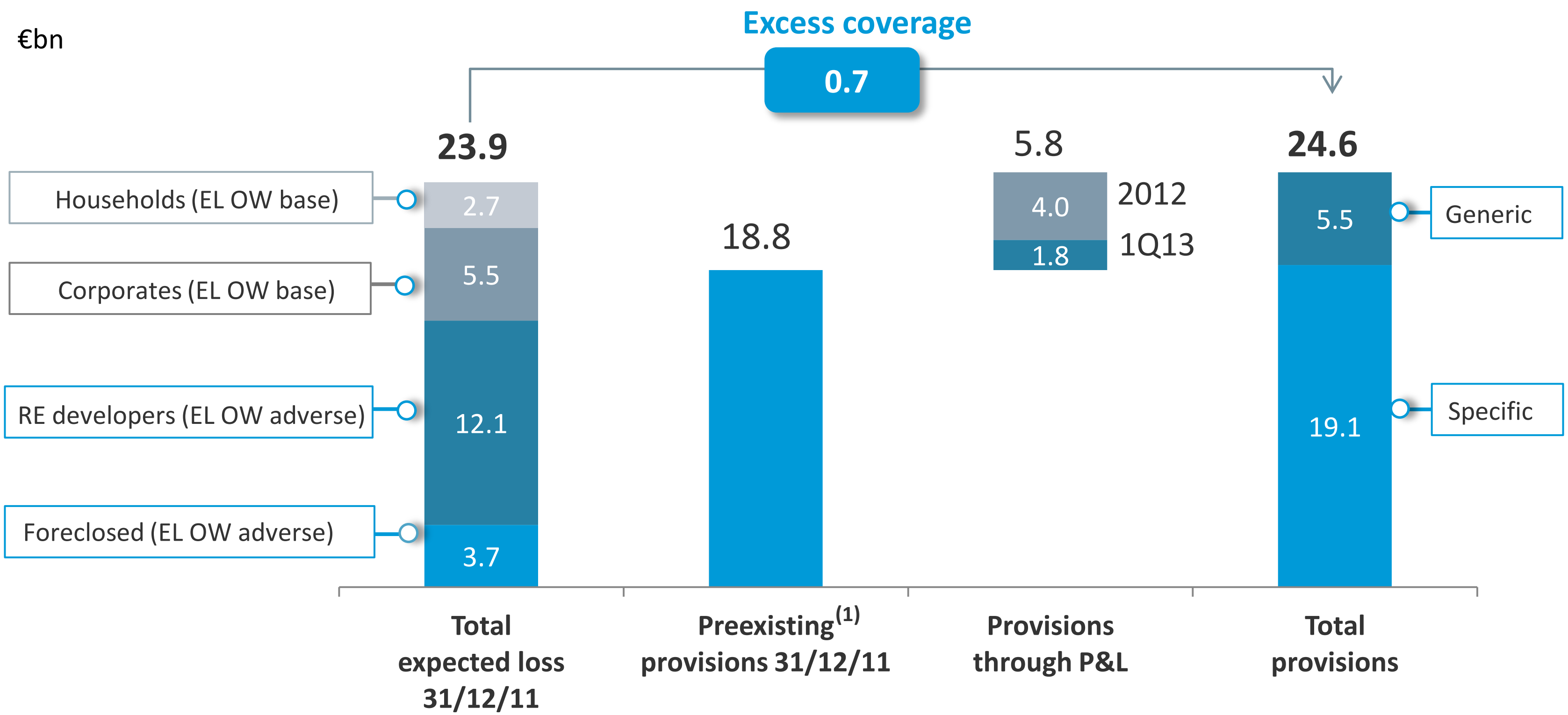




- Asset quality worsening but lower organic NPL entries - NPL ratio increase mainly attributable to denominator
- Residential mortgages show resilience while pressure steps up on corporates
- Coverage ratio reinforced to 75% - ~80% of NPLs have collateral

(1) Includes contingent liabilities

Provisioning levels exceed estimated cumulative losses under a reasonable scenario



High provisioning efforts to continue in upcoming quarters:

- Economy still in recession
- Generic provisions cannot be reallocated
- New rules on restructured loans will require additional provisions

(1) CABK + BCIV provisions as of 31/12/11, including proforma of BCIV PPA but excluding €1.9bn of provisions in Servihabitat. For BdV, €3.8 bn of provisions as of 31/12/12, including proforma fair value adjustments but excluding estimate of EL of remaining exposure to developers. Does not include movements of funds during 2012 for BdV and 1H for BCIV, which would further increase coverage

Restructured loans will require higher provisions

Manageable relative exposure to refinanced loans

Restructured loans breakdown as of Dec 2012

€Bn	Performing	Substandard	NPL	Total	Existing Provision
Public Sector	0.2	0	0	0.2	0
Non-RE corporate	2.7	0.4	1.7	4.9	0.7
Corporate RE	1.5	1.9	3.1	6.4	1.7
Retail	6.3	1.2	1.5	9.0	0.6
Total	10.7	3.5	6.3	20.4	2.9
Of which					
Total Non-RE	9.2	1.6	3.2	14.0	1.2

Manageable impact, though still early to provide specific guidance:

- Application of new rules will imply reclassifications and additional provisions
- Specific impact subject to a case by case analysis and discussions with regulators
- Performing RE loans largely provisioned by the Royal Decrees

Front-loading exercise should lead to lower future CoR – Expected Loss remains unchanged

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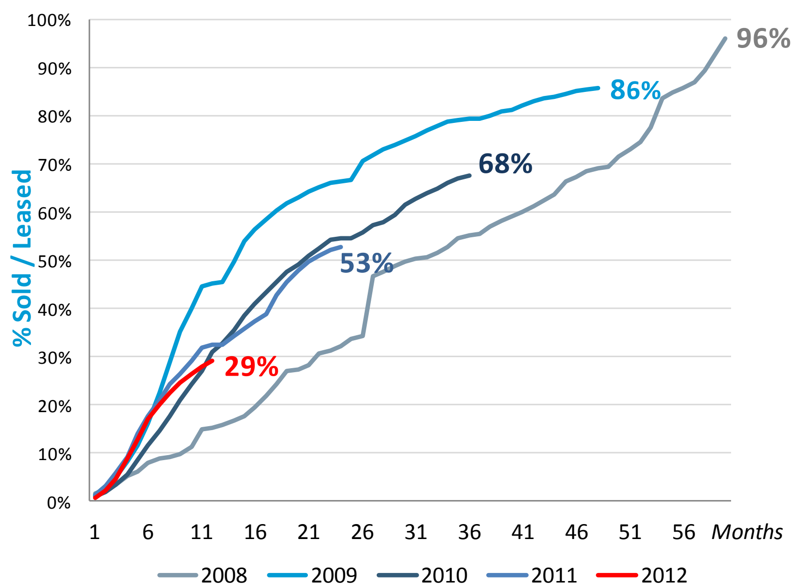
Real Estate: acceleration of commercial activity with increased focus towards rental properties

Stock of repossessed real estate assets

	Net amount	Coverage
RE assets from loans to construction and RE development	**4,268**	**50%**
Finished building	2,557	39%
Buildings under construction	262	53%
Land	1,449	61%
RE assets from mortgage to households	**1,218**	**40%**
Other repossessed assets	**267**	**48%**
Total (net)	**5,753**	**48%**

% of sales and rentals of finished housing[1]: evolution by vintage year of foreclosure



- Repossessed assets increase as developer loans convert to housing stock
- €365 M commercialized in 1Q13 – 70% of 1Q13 activity in form of rentals
- Vintages of finished housing are cleared in an average of four years

(1) Total Group sales, including Servihabitat

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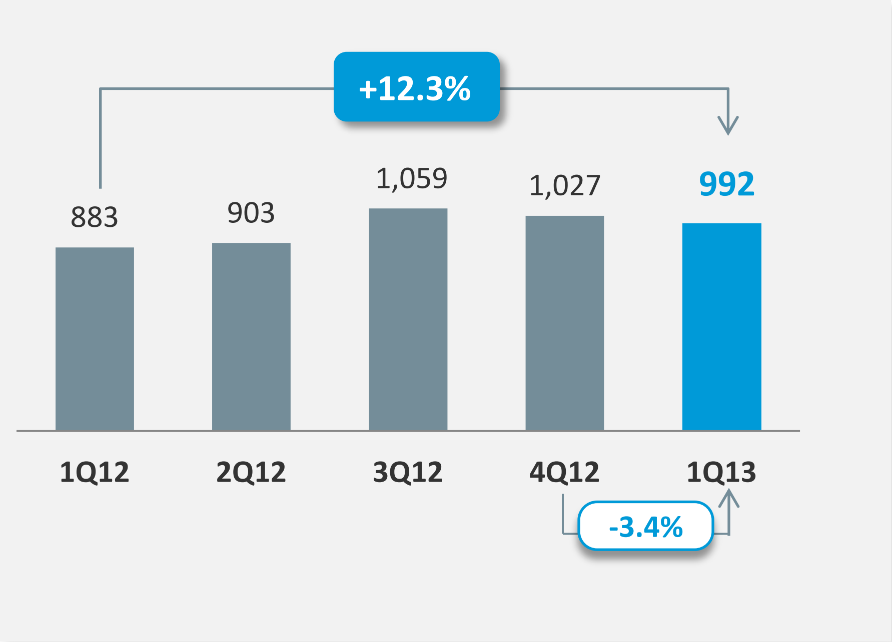
Lower interest rates and falling volumes negatively affect NII

NII evolution - In Million Euros



Conflicting forces affecting NII

Main headwinds (-)

- Negative mortgage back book repricing
- Volume effect: deleveraging
- Non-performing loans

Main tailwinds (+)

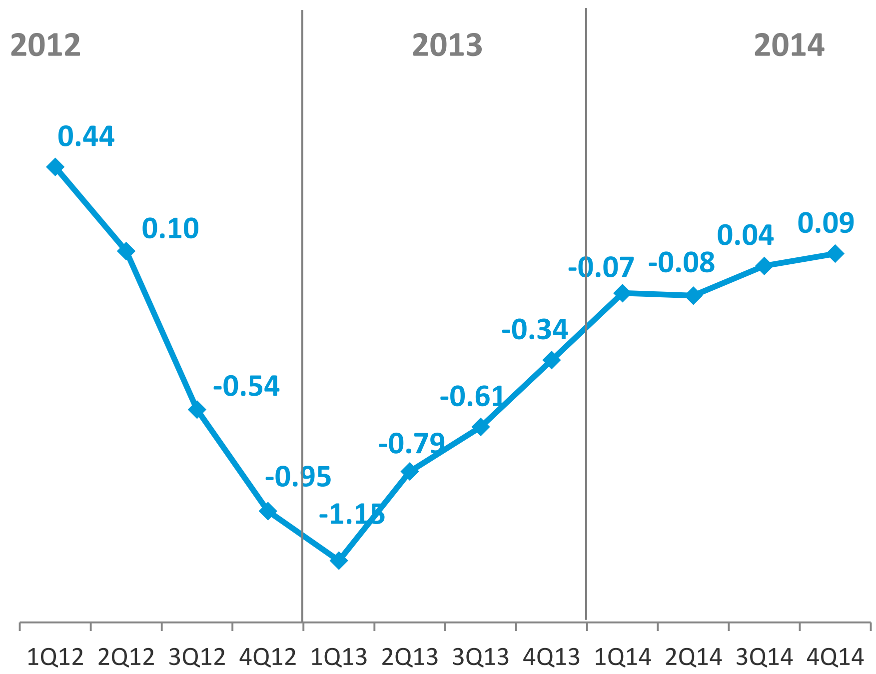
- Reduced pricing pressure in new production of time deposits
- M&A: BCIV and BdV contribute for the full year
- Positive index repricing of wholesale funding
- High credit spreads for new production

Strong headwinds lead to flat 2013 NII expectations relative to 2012

Strong headwinds will continue to affect NII but worst is over

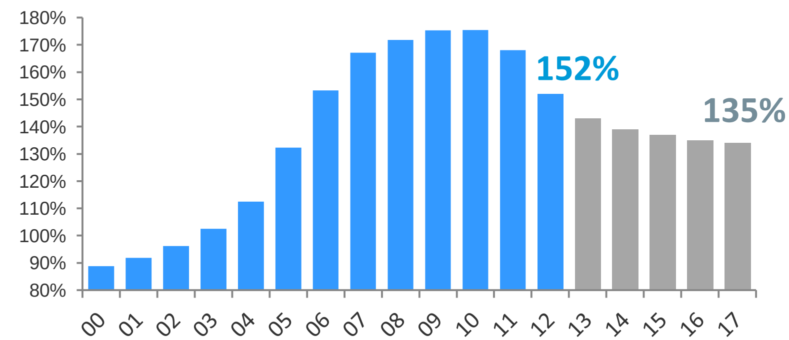
Negative repricing reached its trough in 1Q13

Variation of rates in the repricing process of the mortgage book

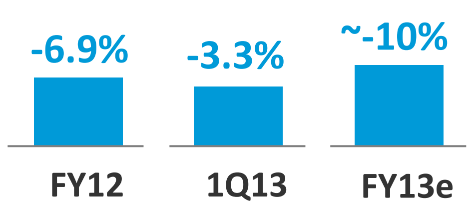


Deleveraging will continue at a fast pace, adding significant liquidity but affecting NII figures

Bank credit to GDP (%)[1]



Organic deleveraging trends for CABK



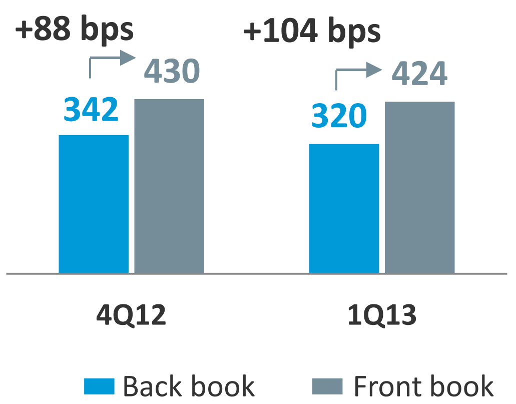
Low rates and gradual deleveraging lead to focus on active management of spreads

(1) Source: "la Caixa" Research Department estimates

Spread management of time deposits is critical to offset low rate impacts

Higher front book loan rates are not sufficient to offset rapid fall in Euribor-indexed back book

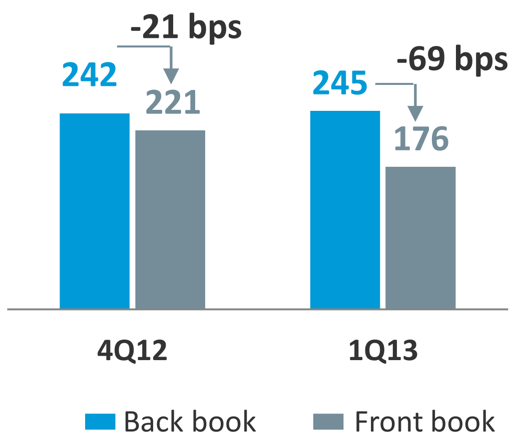
Loan book yields (bps)



Time deposit spreads become critical as new asset production will have a limited impact

Significant reduction in time deposit costs is necessary to offset falling asset yields

Time deposit rates (Back vs. front book)



Potential reduction in time deposit costs

Front vs. back book GAP: 69 bps

Total time deposits (31/03/13): €81 bn

Potential reduction: ~560 M

~80% of reduction to take place after 2013

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Acceleration of restructuring efforts ensure delivery of expected synergies

5 IT integrations in one year

2012

- **Aug'12** – BCIV closing
- **Oct'12** – CAN integration
- **Dec'12** – CajaSol integration

2013

- **Feb'13** – BdV closing
- **Mar'13** – Caja Canarias integration
- **Apr'13** – Caja Burgos integration
- **Jul'13** – BdV merger and integration

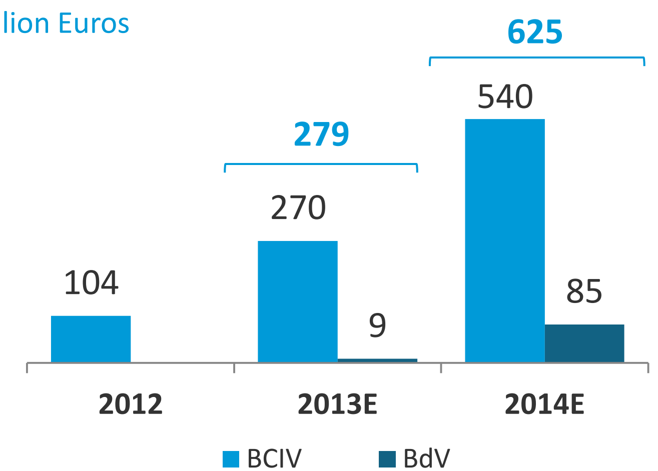
	Closing	Full achievement of synergies
BANCA CÍVICA	August'12	2 years
BdV	February'13	1 year

Agreement to adjust headcount by 2,600 employees

- Sign-up exceeds expectations.
- Departures to be phased until end- 2014.
- This agreement is within targets for both restructuring costs and expected synergies.
- Total restructuring costs of €759M already booked in 1Q results

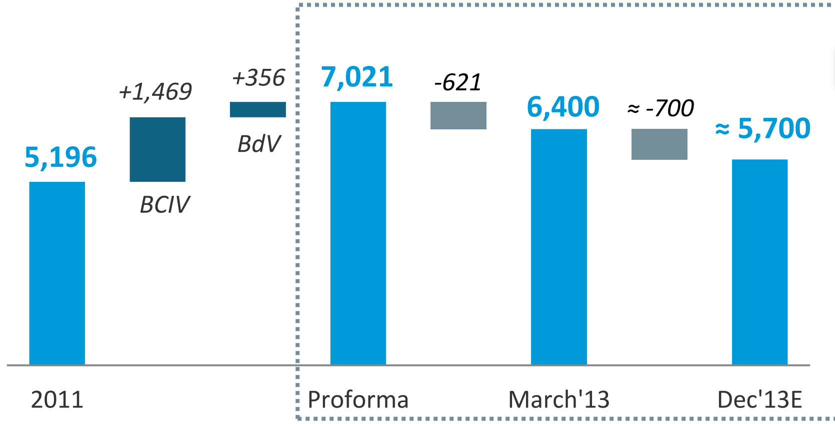
Synergy targets confirmed: committed to delivering a minimum of €625 M by 2014

In Million Euros



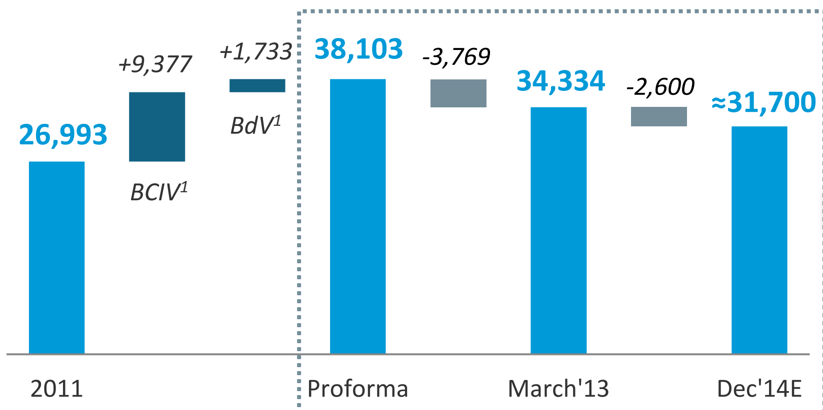
Continued rightsizing efforts are critical to improve profitability

Branch reduction plan



- **19% reduction of branch network since 2011**
  - 90% in core regions of BdV
  - 50% in core regions of BCIV
- **25% reduction since 2007 which includes Caixa Girona and Bankpyme franchises**
- **Branch network optimization gathers pace following IT integrations of new franchises**

Employee reduction plan



- **17% reduction in employee base**
  - 50% of BdV base
  - ≈15% of BCIV + CABK combined base

Focused on finding additional restructuring measures to continue improving our efficiency metrics

(1) Includes staff in subsidiaries

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Final remarks: focusing on levers within our control

Strategic priorities	1. Strong market position	+	2. Reinforced B/S	+	3. Resilient Pre-provision profit

1	Improving competitive position	▪ Sustained market share gains
2	Capital generation and optimization	▪ Capital optimisation program in place ▪ FY13 solvency targets: >8% Core Capital BIS-3 FL; >11% Core Tier1 EBA
3	Liquidity management	▪ Deleveraging will continue to reduce LTD ratio
4	Reinforcing coverage levels	▪ Coverage ratio highest amongst peers
5	Margin management	▪ Low rates and deleveraging lead to focus on reducing funding costs ▪ Progressive reduction of time deposit spreads, to be skewed towards 2014
6	Improving efficiency: synergies and restructuring actions	▪ Min. cost savings of €625 M by 2014

Institutional Investors & Analysts Contact

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investors@caixabank.com

+34 93 411 75 03