



KBW-European Financials Conference
CaixaBank: exhibiting good business health in a difficult environment

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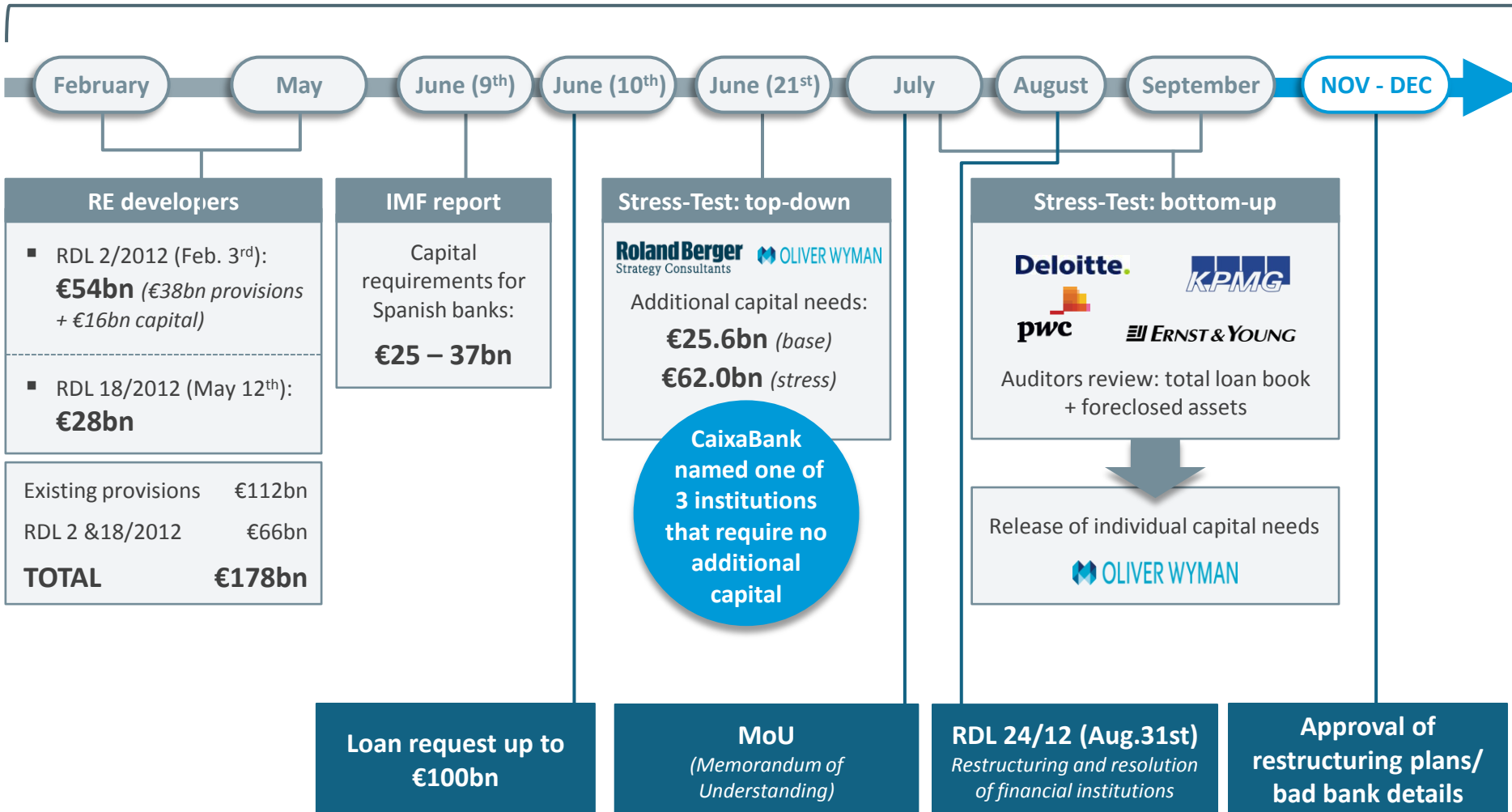
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In so far as it relates to results from investments, this financial information from the CaixaBank Group for 1H12 has been prepared mainly on the basis of estimates.

Operating environment influenced by a changing regulatory framework

2012



Sowing the seeds of recovery

1. WIDE REFORM agenda: a renewed economic program

- Multi-year plan to reduce fiscal deficit
- Structural reforms to increase growth potential
- It will take some time until reforms show their full effects

2. EURO area institutional reforms

- Euro is irreversible: stepped-up ECB support to sov.debt
- Banking Union: early implementation
- Roadmap for further European integration

3. Entering the final stage of the financial SECTOR RESTRUCTURING

- Independent assessment of loan portfolio
- Individualized stress tests: clarification of capital needs
- Banking Resolution Act
- Transfer of problematic assets to Bad Bank



**Restoring and strengthening the soundness
of the Spanish economy**

Exhibiting good business health in a difficult environment

1. Franchise growth









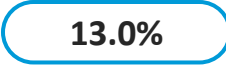
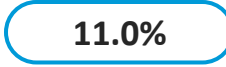

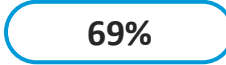
Reinforcing market share in retail banking:

- Successful commercial initiatives with retail funds: + €5.6bn YTD
- Integration with BCIV improves competitive position

2. Balance sheet strength



Bolstering balance sheet strength as a key priority:

		   ¹
▪ Liquidity		
▪ Solvency (<i>Core Capital</i>)		
▪ Asset quality (<i>Coverage</i>)		

3. High income generation capacity

Operating metrics continue to demonstrate core business strength:

- Growing pre-impairment income  

1. Reinforcing leadership in retail banking

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→ Organic growth: significant increase in retail funds

→ Inorganic growth: integration with BCIV reinforces leadership

2. Bolstering balance sheet strength

p.12

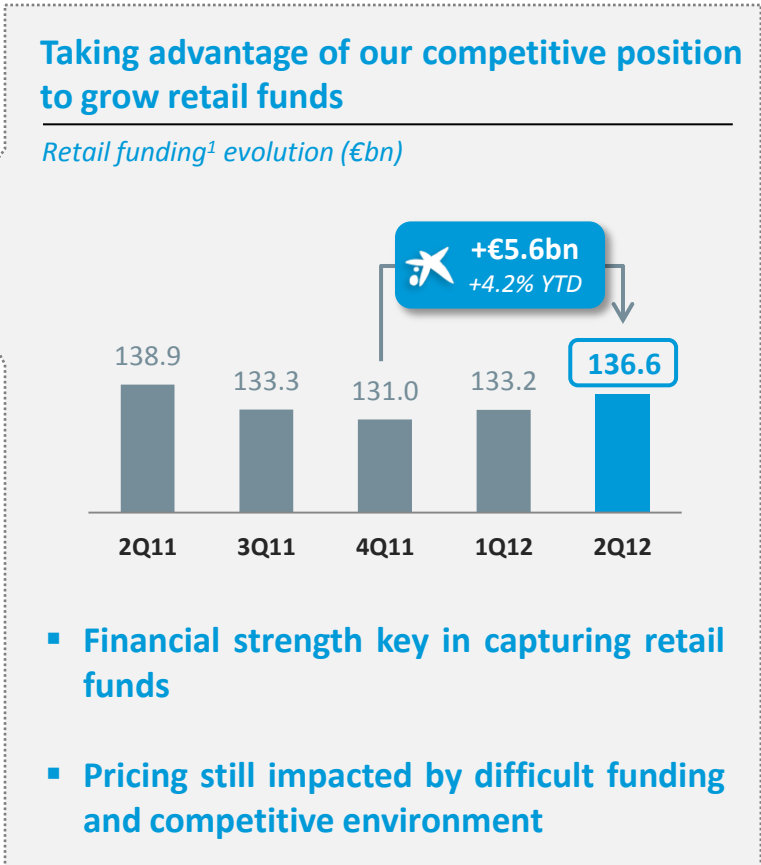
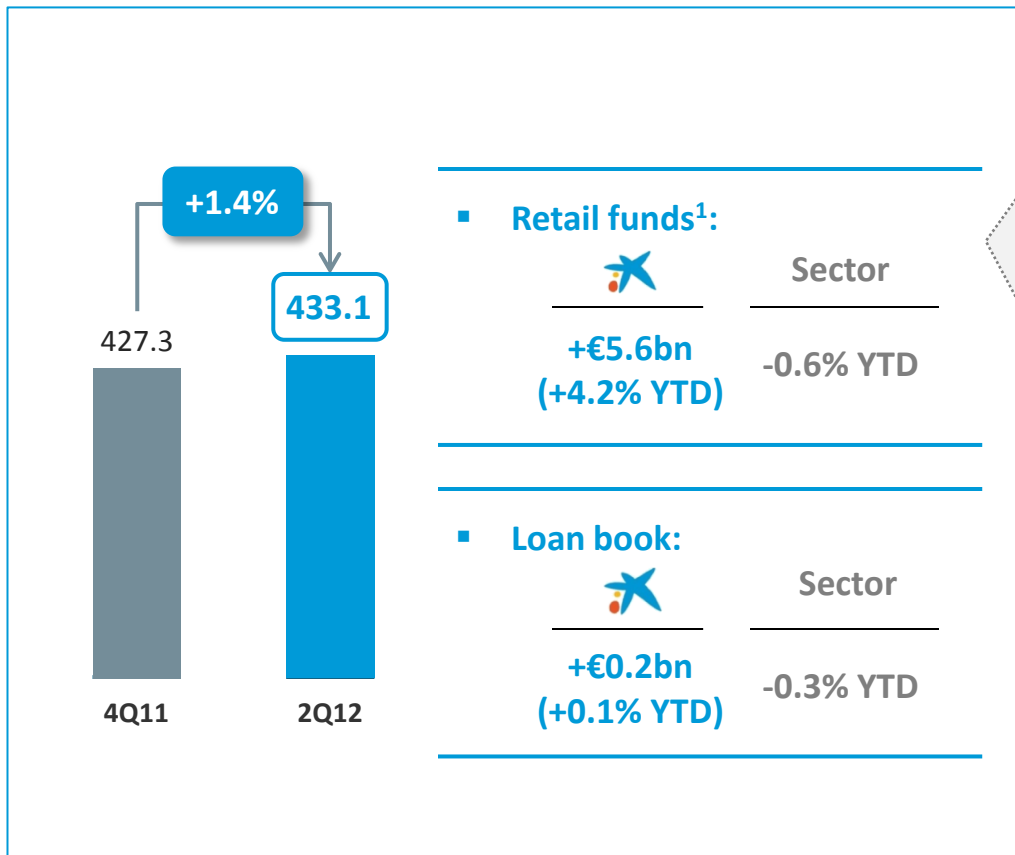
3. High income generation capacity

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Commercial initiatives lead to organic increase in retail funds

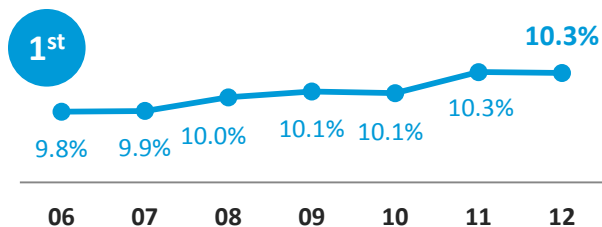
Bolstering liquidity levels to reduce commercial funding gap

Business volume: loan book and customer funds (YTD evolution) (€bn)

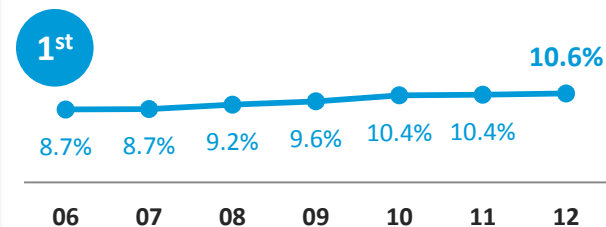


Organic market share has increased throughout the crisis

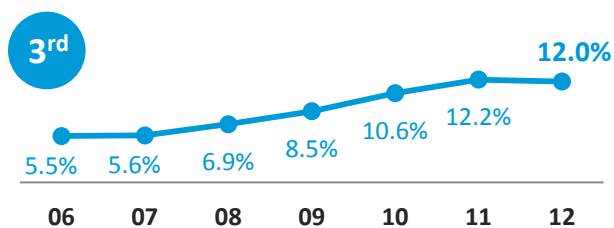
Total deposits



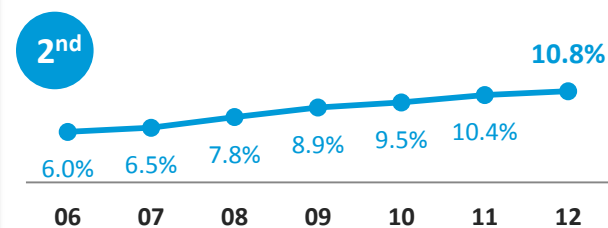
Total loans



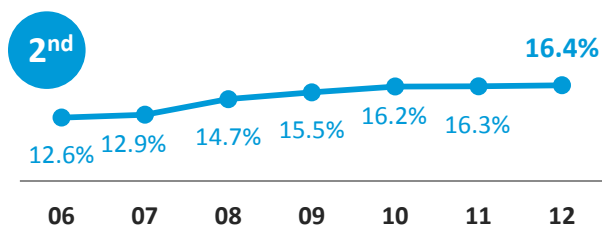
Mutual funds



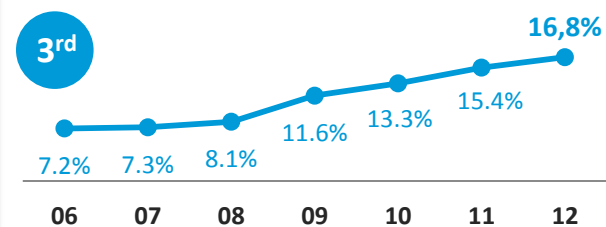
Commercial loans



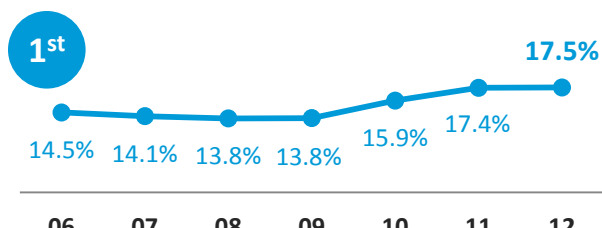
Pension plans



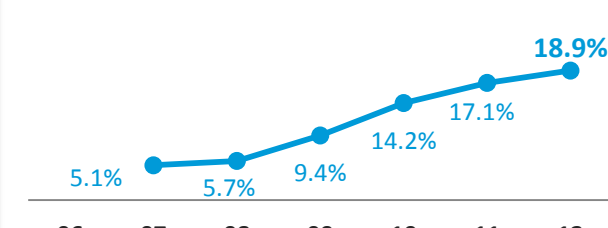
Factoring & confirming



Life insurance

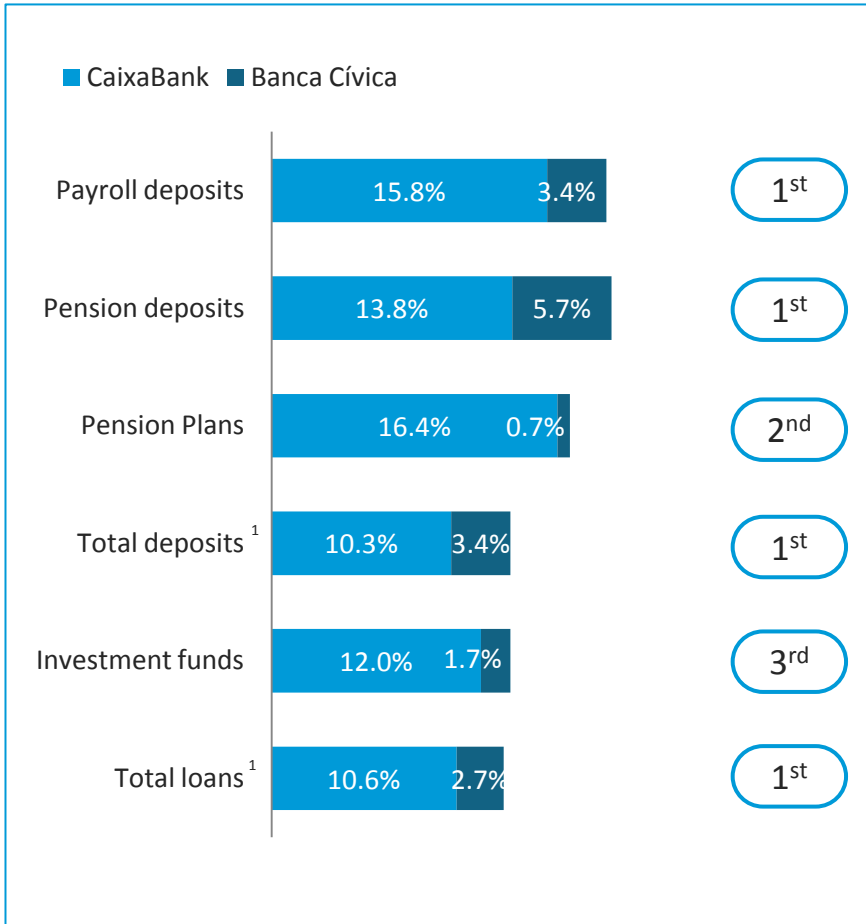


Foreign trade - exports

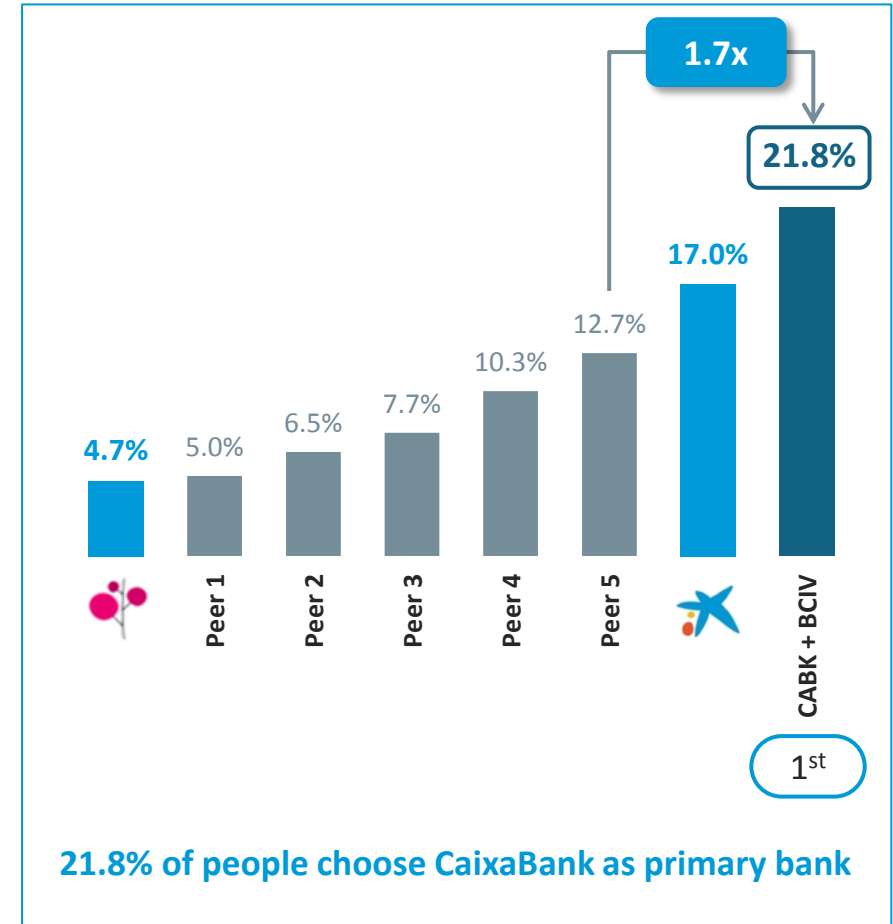


Integration with BCIV further extends retail banking leadership

Leads to c.15% market share in key retail products



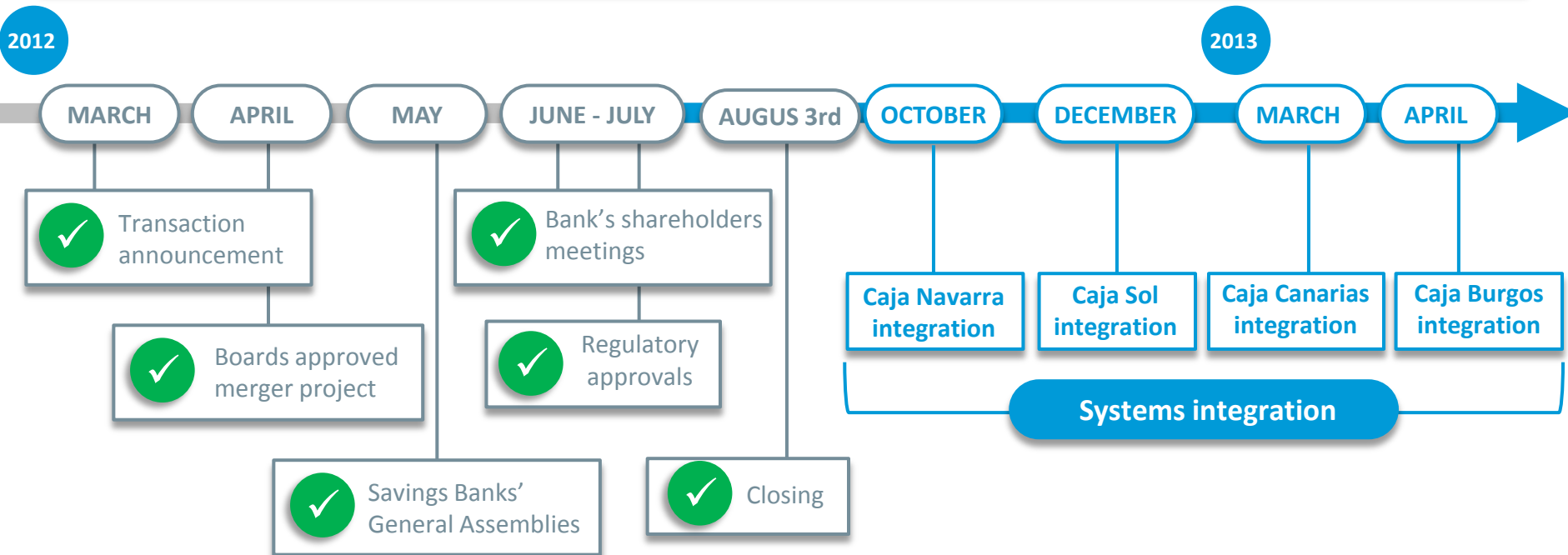
Main banking relationship share is well above competitors



21.8% of people choose CaixaBank as primary bank

1. Resident private sector
 Information as of March 2012. Peer group includes: BBVA, BKIA, Popular + Pastor, Sabadell + CAM and Santander
 Source FRS, Bank of Spain, AEB, INVERCO and Social Security

Execution of the transaction is being carried out seamlessly



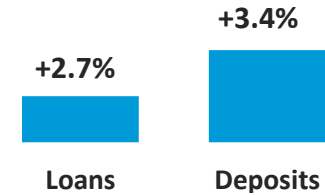
- **Integration by means of a merger with fixed exchange ratio:**
5 CABK shares for 8 BCIV shares - 233 million new shares issued
- **Accounting integration from July 1st**
- **Integration office and teams fully operational**
- **New commercial structure and branding strategy in place**
- **Cross- staff exchanges to train BCIV staff in CABK platform- now running in parallel at BCIV branches**

Expected increase in profitability metrics after BCIV transaction

Competitive position improvements

- BCIV consolidates CaixaBank's leading position in Spanish banking
- Gains in deposits market share > gains in loans market share
- 64% of branches in core regions

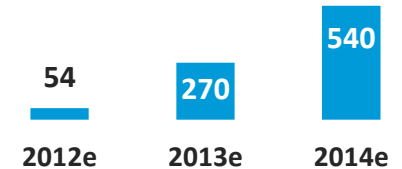
BCIV market share contribution



Material cost synergies will increase profitability in the coming years

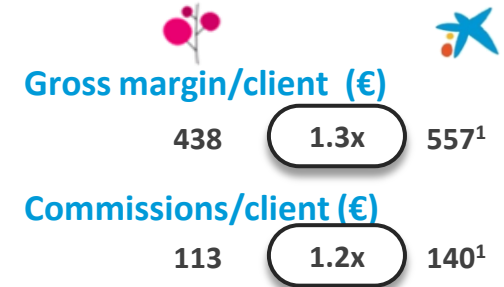
- €540M of expected annual cost synergies by 2014
- 12.5% of total combined costs

Expected evolution of cost synergies. In million Euros



Material income synergies to be expected

- High potential to improve profitability per client (to CABK levels)
- Cross-selling potential based on CABK leadership in key retail products



Competitive and efficiency improvements in the coming years at a short term cost of restructuring

1. Based on Dec'11 figures

1. Reinforcing leadership in retail banking

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2. Bolstering balance sheet strength

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→ Asset quality

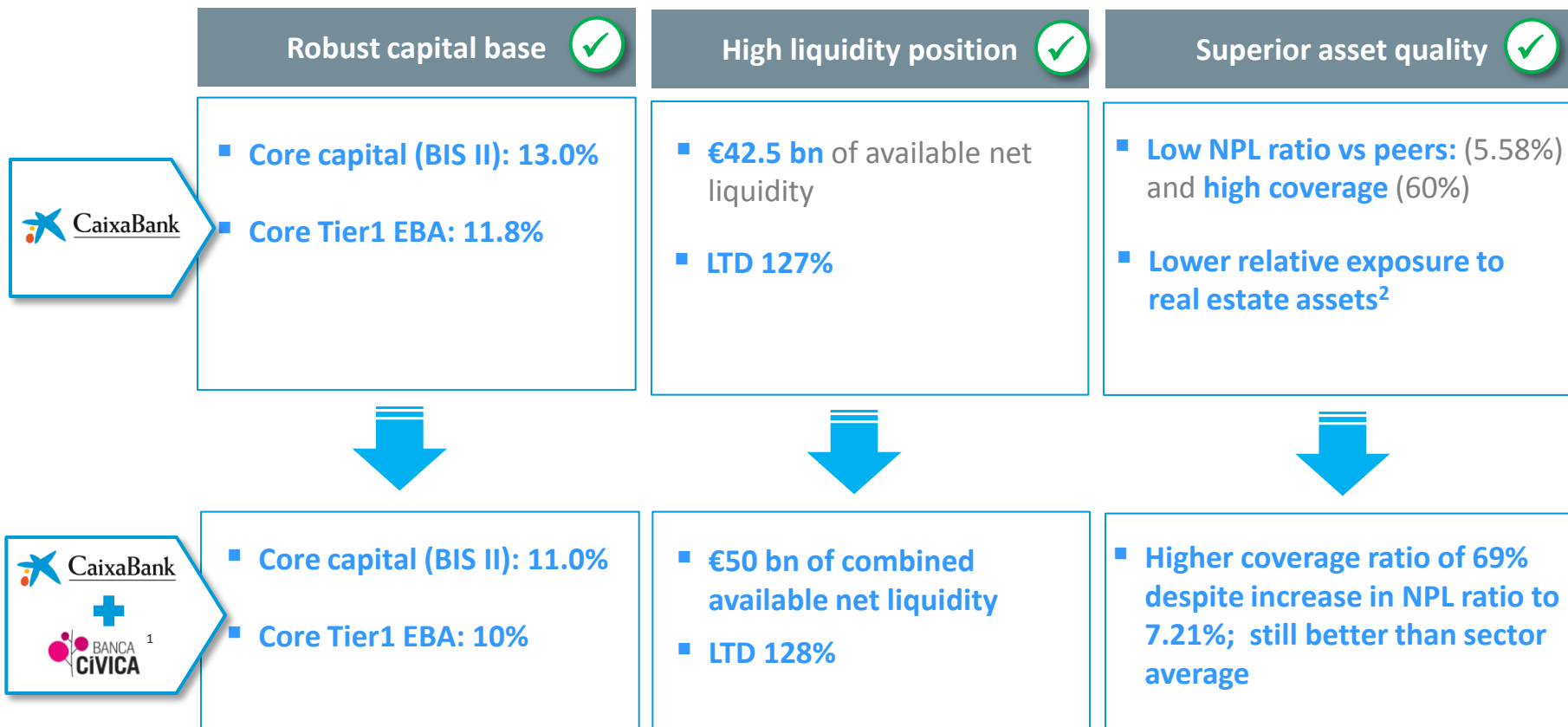
→ Liquidity

→ Solvency

3. High income generation capacity

p.20

Manageable impact of BCIV transaction due to pre-existing fortress balance sheet

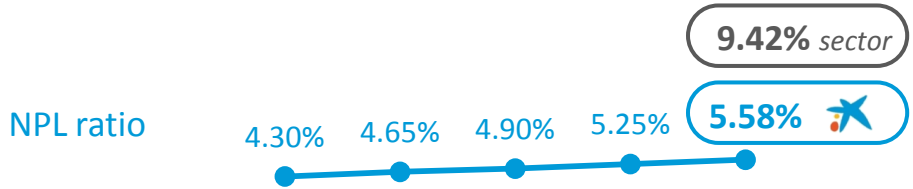


Data at June 30th 2012

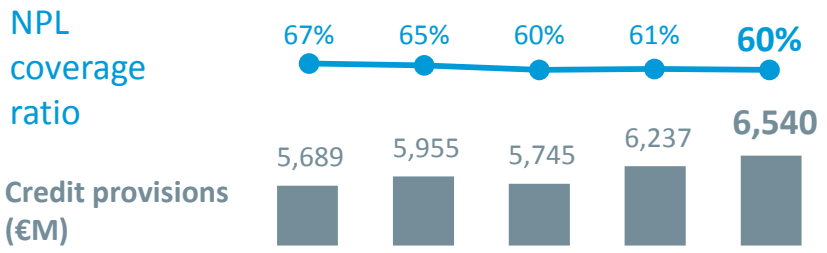
1. Preliminary proforma figures as of 30th June 2012, pending final adjustments
2. All the foreclosed assets prior to February 28th 2011 were not transferred in the reorganisation process

Better asset quality metrics than sector while provisioning coverage exceeds expected loss

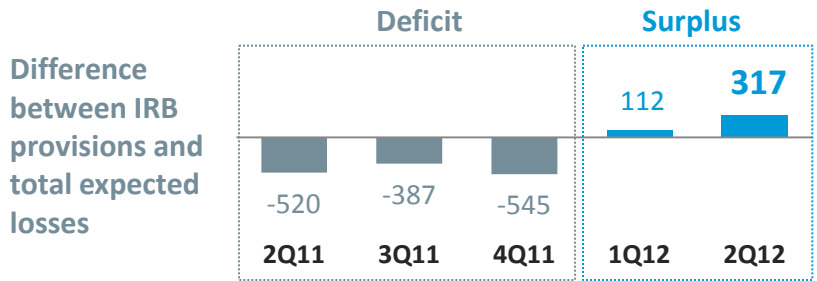
■ **NPLs and NPL ratio – outperforming the sector**



■ **Maintaining a high NPL coverage**



■ **Progressive build-up of provisions exceeds expected losses**



BCIV deteriorates NPL ratio but improves coverage levels

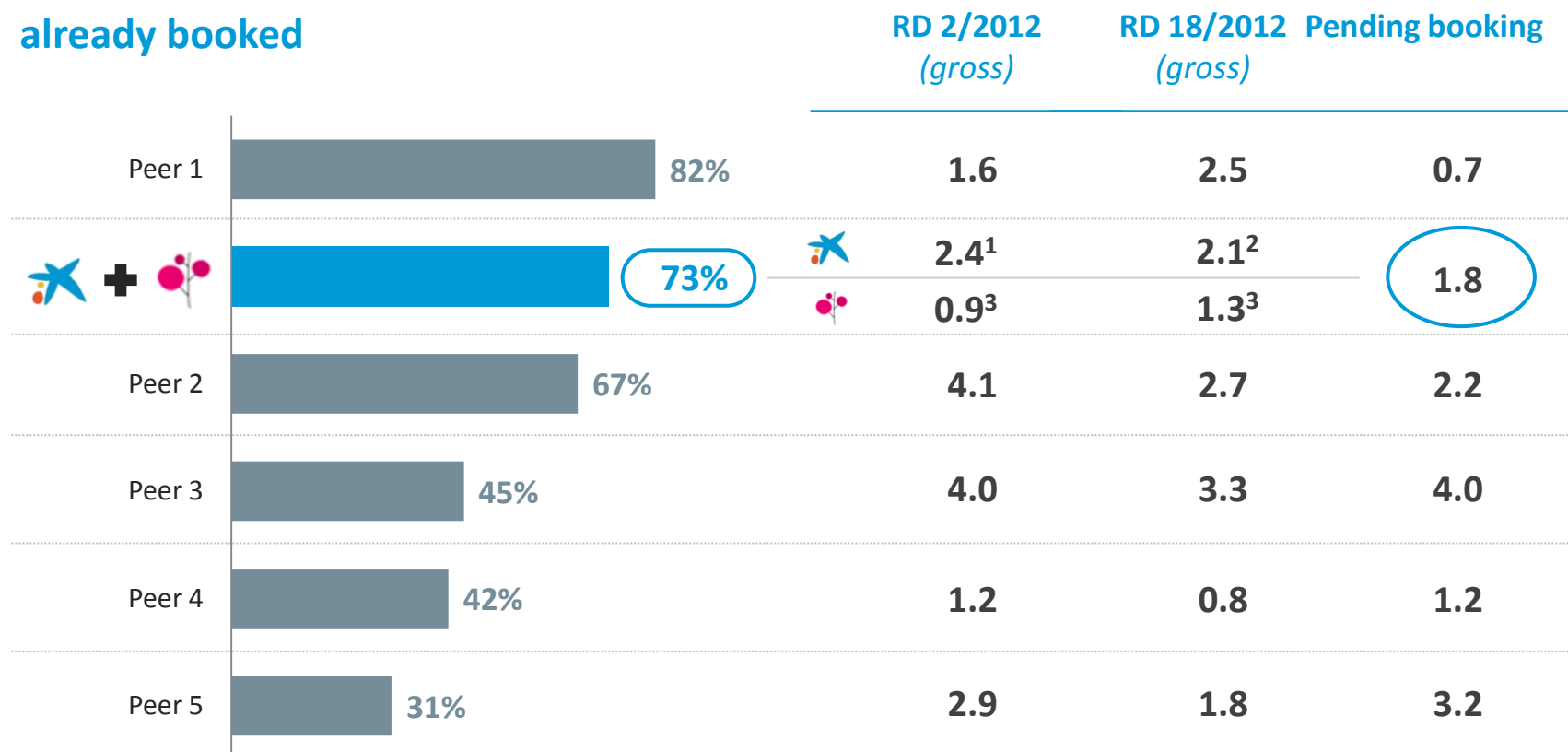
BCIV loan book cleaned-up prior to integration¹

- NPL Ratio **7.2%**
- Credit provisions **€12.3bn**
- Coverage ratio **69%**

Provisions continue to exceed expected losses

Clean-up of real estate developer exposure accelerates

73% of RD 2/12 & 18/12 requirements
already booked



1. Fully booked in 1Q12

2. €0.3bn registered in 2Q12. €1.8bn to be booked by June'13

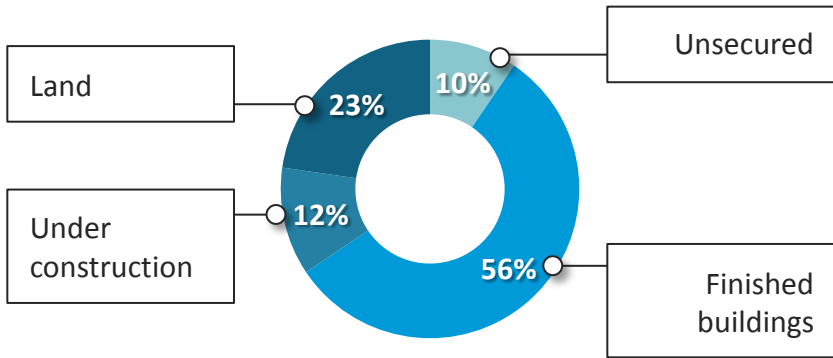
3. BCIV's required provisions have been fully absorbed by the fair value adjustment accounted for the transaction

As of June 30th. Peers include: Santander, BBVA, Banesto, Popular and Sabadell. Requirements for Banc Sabadell include RD for CAM

RE developer exposure: a prudent mix with improved coverage of problematic assets

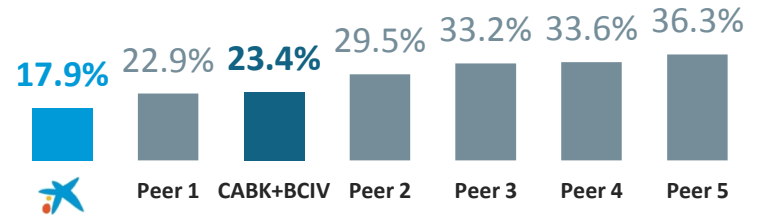
Real Estate Exposure

- Prudent RE exposure^{1,2} and low exposure to land:

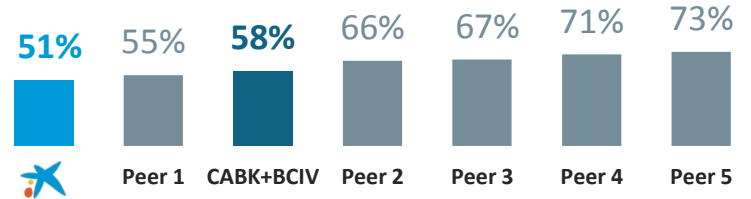


- Exposure to RE loans being rapidly reduced: -31% since Dec'08

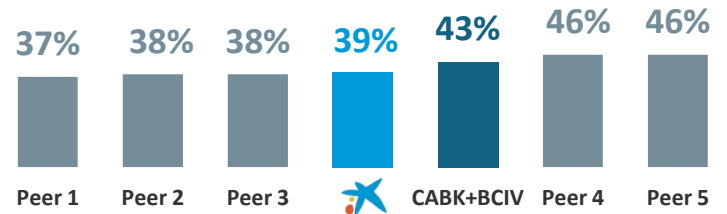
- % Land/ (RE developer loans + foreclosed assets)²



- Problematic^{2,3} assets as a % of RE portfolio



- Coverage of real estate problematic assets (%)²

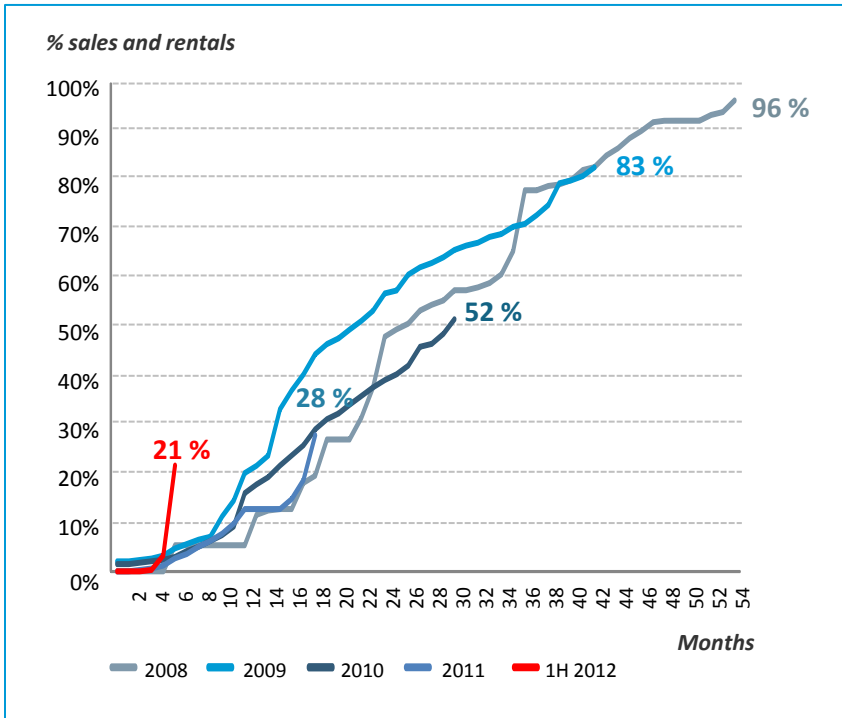


1. Exposure to RE includes loans to developers and foreclosed assets.
 2. Proforma preliminary figures including BCIV. CaixaBank figures as of June 30th, BCIV figures as of March 31st
 3. Problematic assets include doubtful developer loans + substandard developer loans + foreclosed RE assets

Sales activity has intensified as Building Center takes a more prominent role

“la Caixa” Group (includes Building Center)

Sales and rentals of finished housing by vintage year of acquisition/foreclosure

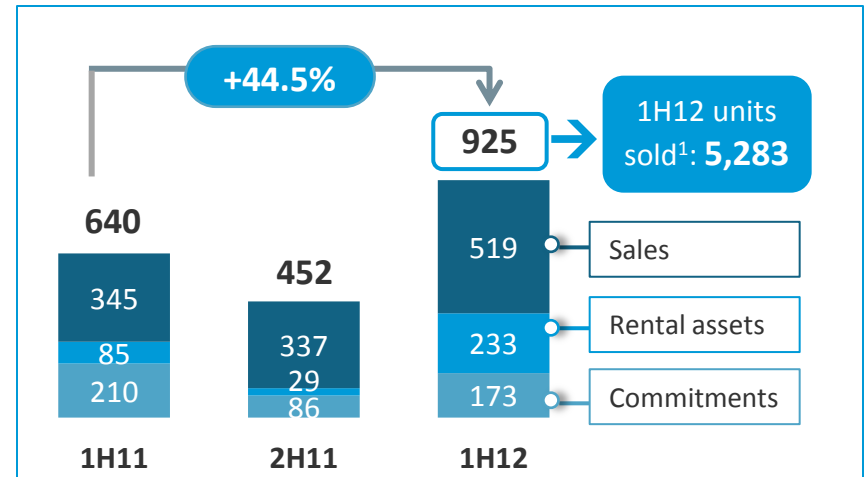


➔ **Vintages of finished housing are fully cleared in an average of four years**

(1) Sales and rental assets

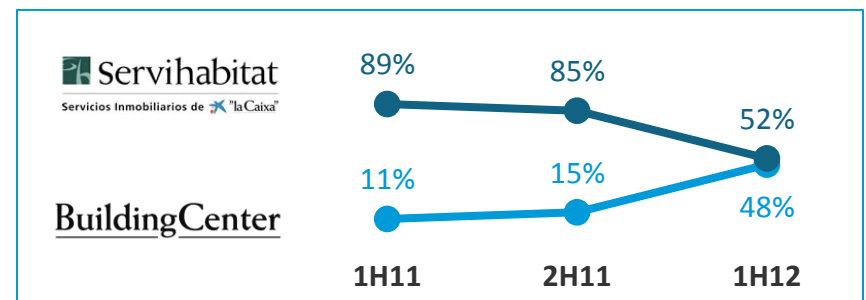
Sales activity is intensifying in 2012

“la Caixa” Group commercial activity (in million Euros)



Progressive increase in the weight of Building Center sales

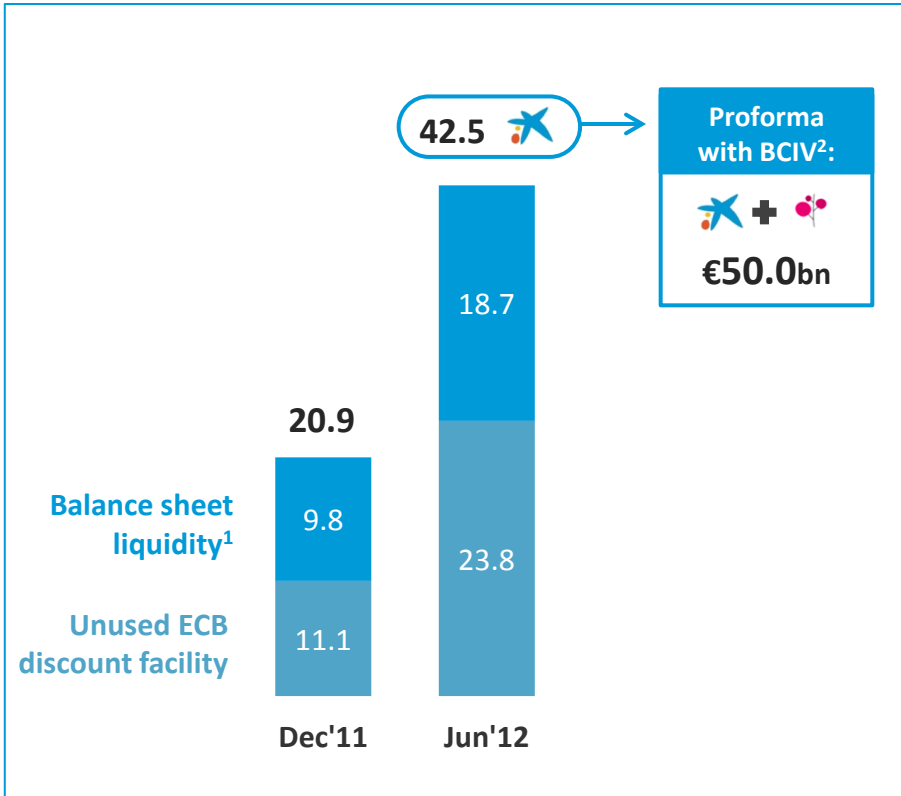
Sales distribution



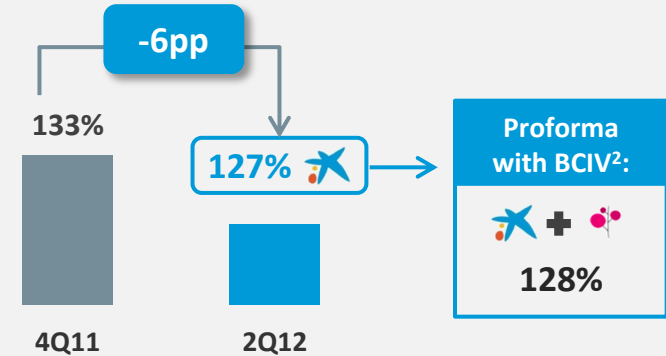
Increased focus on liquidity against a turbulent funding backdrop

Prudent reinforcement of liquidity levels

In billion Euros



- Decline in commercial funding GAP (€5.3 bn during 1H12) leads to a significant decrease in LTD ratio



- Generation of additional collateral for the ECB credit facility given market deterioration
- BCIV integration reinforces liquidity levels

Data as of June 30th

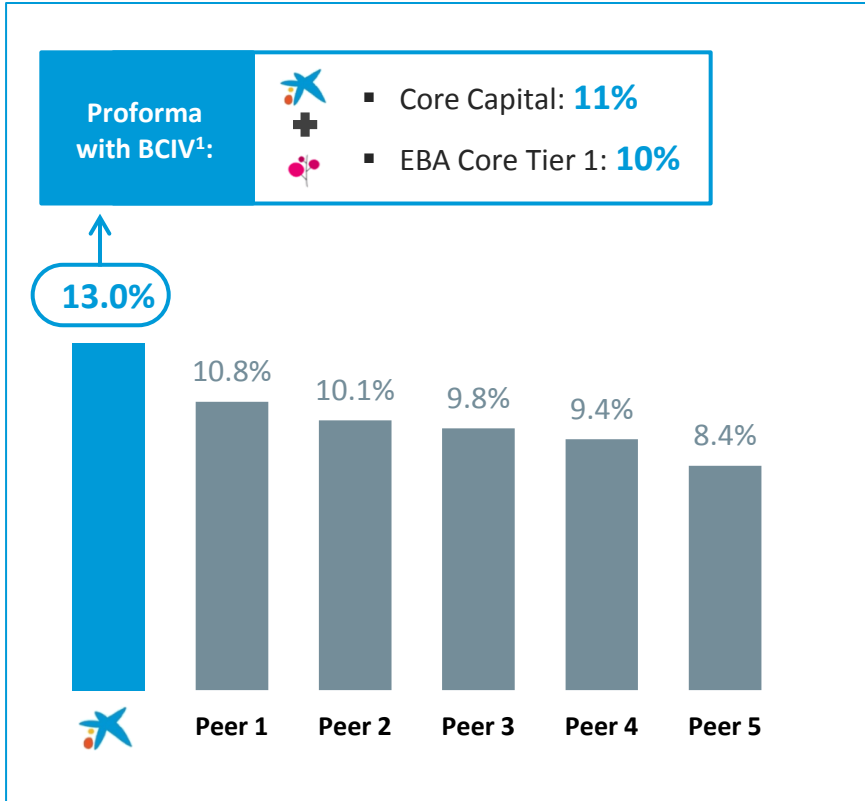
(1) Includes cash, interbank deposits, accounts at central banks and unencumbered sovereign debt.

(2) Preliminary proforma figures as of 30th June 2012, pending final adjustments

Positive capital trends – no capital needs are forecast

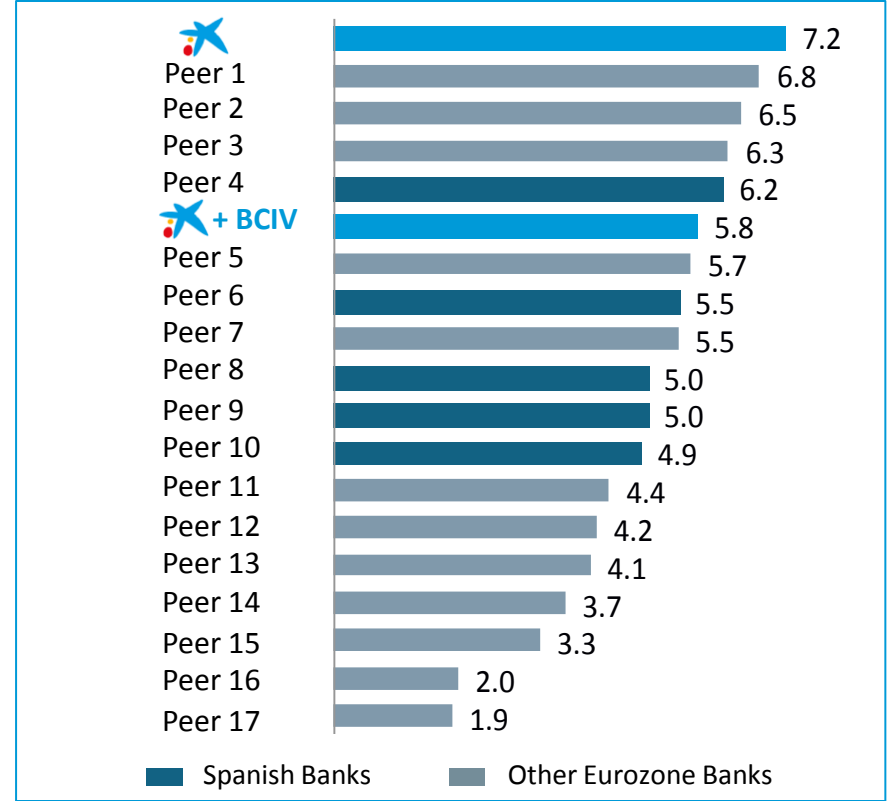
The highest core Capital among peers²

In %



TCE / TA^{3,4} remains strong post BCIV integration

In %



Bottom-up stress tests expected to confirm that CABK is among the most resilient institutions with no additional capital requirements under an adverse scenario

Data as of June 30th

(1) Preliminary proforma figures as of 30th June 2012, pending final adjustments

(2) Peers include Banesto, BBVA, POP, SAB and SAN

(3) Tangible common equity / Tangible Assets. Source: KBW 2012 Estimates (Sept'12) except for CaixaBank (internal calculations). Peers include Santander, BBVA, Banco Popular, Banesto, Sabadell, Société Générale, BNP Paribas, CASA, Natixis, UniCredit, ISP, Deutsche Bank, Commerzbank, ING, KBC, Erste and Raiffeisen.

(4) Proforma preliminary figures as of June 30th. Proforma common equity includes €880 M corresponding to the mandatory convertible bond issued by BCIV in July 3rd 2012.

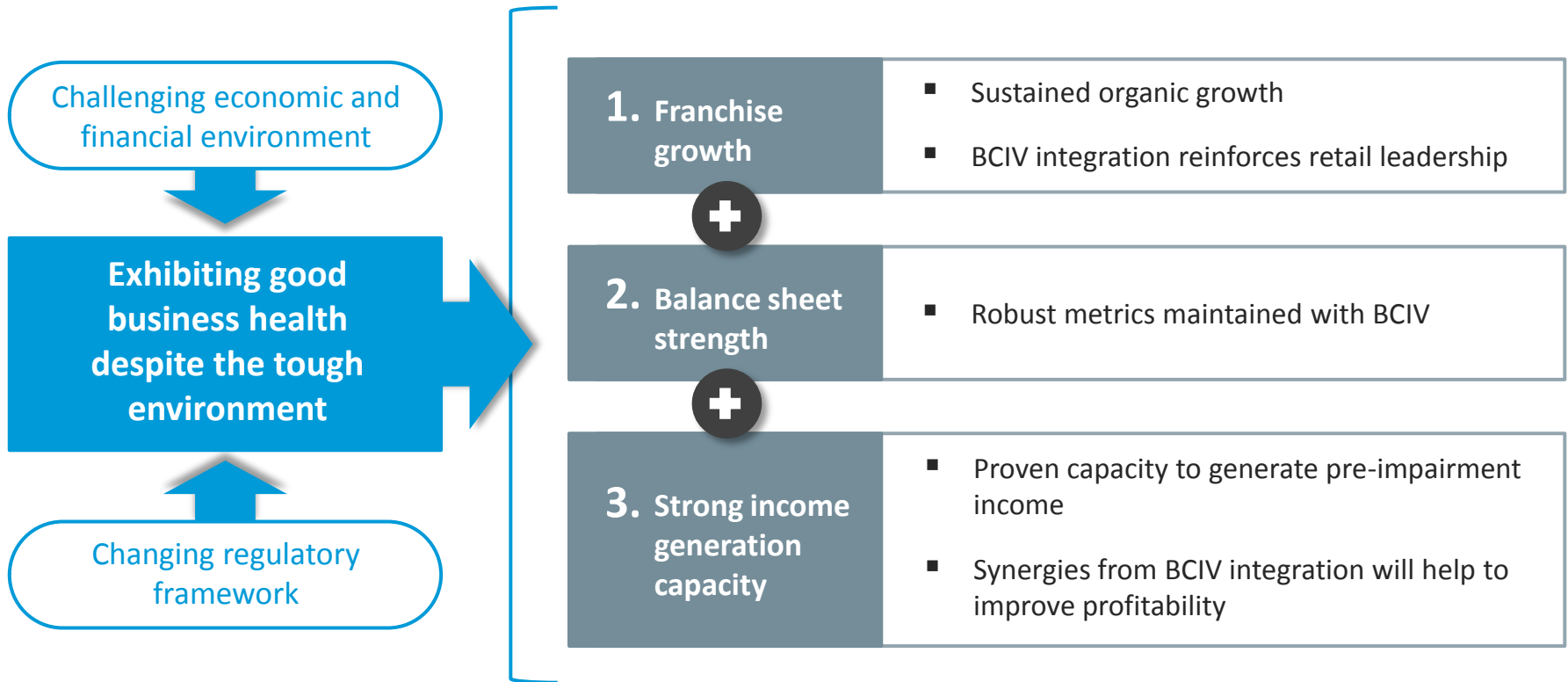
1. Reinforcing leadership in retail banking p.6
2. Bolstering balance sheet strength p.12
- 3. High income generation capacity p.20**

Proven capacity to generate pre-impairment income



- ➔ Resilient operating metrics and cost cutting policies contribute to pre-impairment income growth and allow for a high provisioning schedule
- ➔ Additional cost cutting and material synergies from BCIV integration will play a significant role in improving profitability
- ➔ Some leverage from potential non-recurrent income generation

Key take-aways



No additional capital requirements under an adverse scenario are foreseen

Thank you

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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