



Bank of America Merrill Lynch - Annual Banking & Insurance CEO Conference
Building franchise value in an uncertain world

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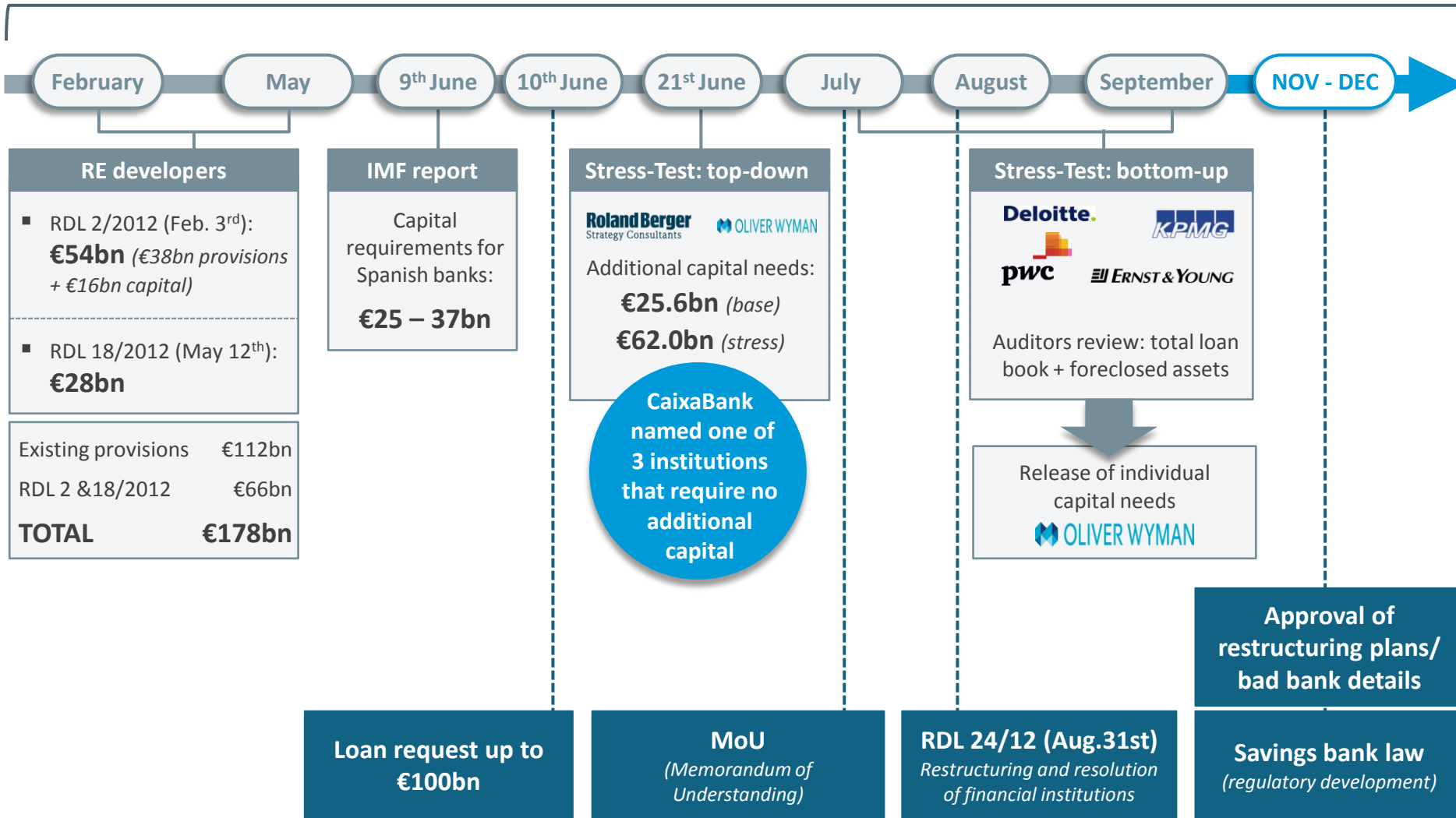
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In so far as it relates to results from investments, this financial information from the CaixaBank Group for 1H12 has been prepared mainly on the basis of estimates.

Operating environment influenced by a changing regulatory framework

2012



Sowing the seeds of a recovery

1. BROAD REFORM agenda: a renewed economic program

- Multi-year plan to reduce fiscal deficit
- Structural reforms to increase growth potential (*labor market, pensions, health, education, etc.*)
- It will take some time until reforms show their full effects

2. EURO area institutional reforms

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

3. Financial SECTOR RESTRUCTURING

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

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

Exhibiting good business health in a difficult environment

1. Franchise growth (organic and inorganic 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:

	 CaixaBank	 +  ¹
▪ Liquidity	€42.5bn	€50.0bn
▪ Solvency (<i>Core Capital</i>)	13.0%	11.0%
▪ Asset quality (<i>Coverage</i>)	60%	69%

3. High income generation capacity

Operating metrics continue to demonstrate core business strength:

- Growing pre-impairment income → +12.3% _{yoy}

- 1. Reinforcing leadership in retail banking**

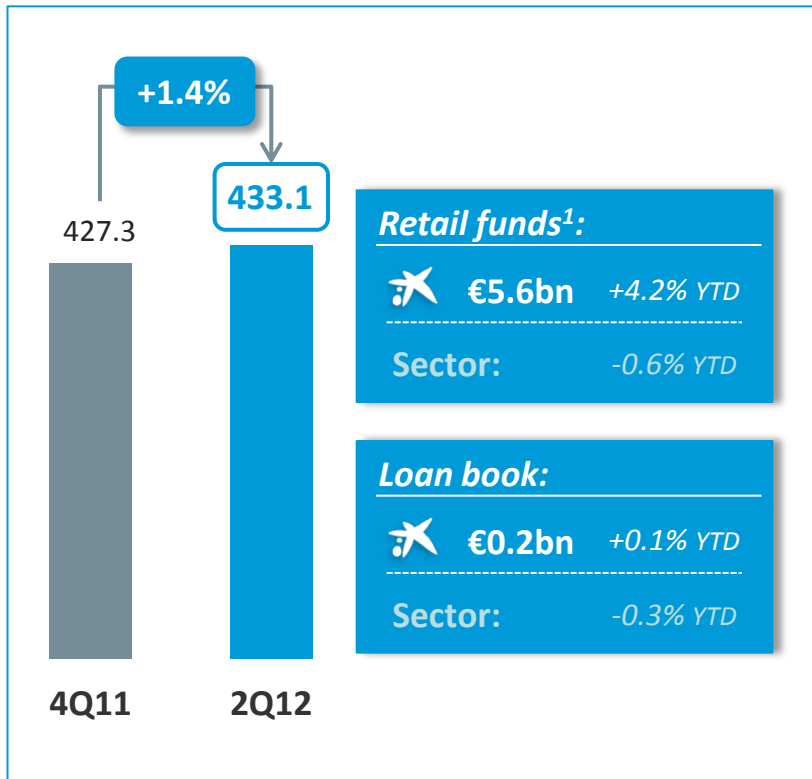
2. Bolstering balance sheet strength

3. High income generation capacity

Commercial initiatives lead to organic increase in retail funds

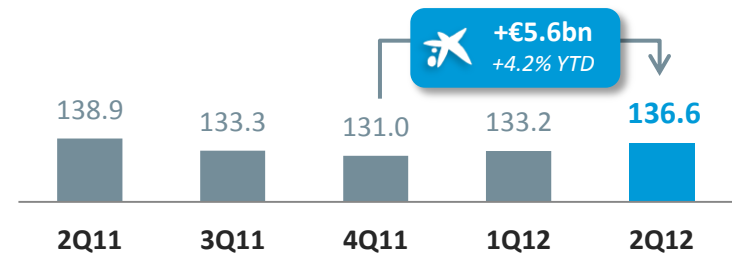
Bolstering liquidity levels to reduce commercial funding gap

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

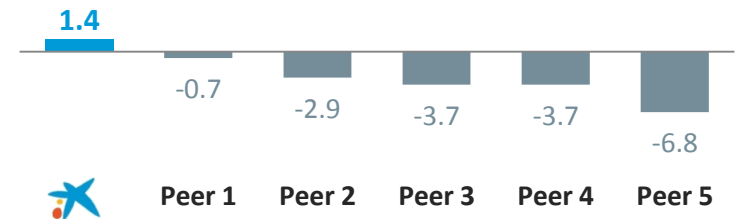


- Taking advantage of our competitive position to grow retail funds

Retail funding¹ evolution (€bn)



- Financial strength key in capturing business volume. Business volume (YTD evolution)



- Pricing still impacted by difficult funding and competitive environment

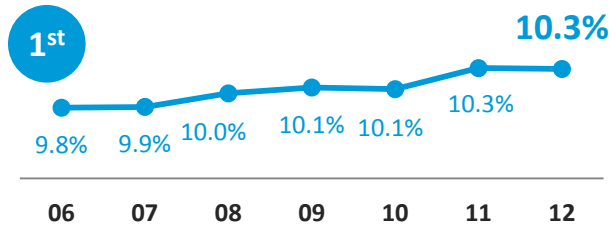
As of June 30th 2012

Peer group includes: Santander (Spain), BBVA (Spain), Banesto, Popular + Pastor and Bankia

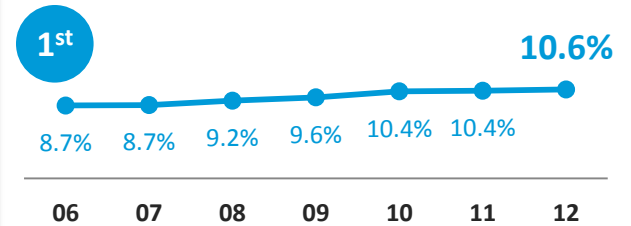
1. Includes: retail deposits, retail commercial paper, investments funds, pension funds and life insurance products

Organic market share has increased throughout the crisis

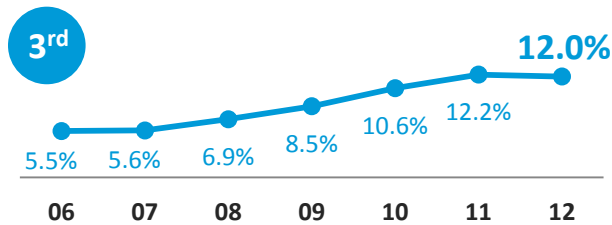
Total deposits



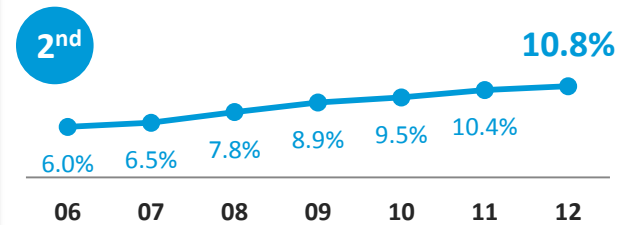
Total loans



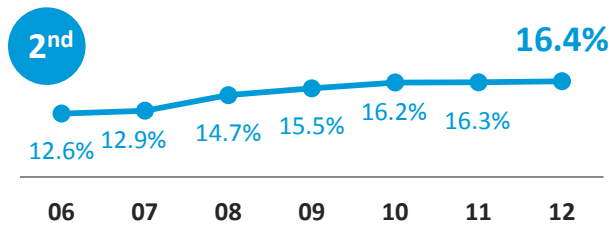
Mutual funds



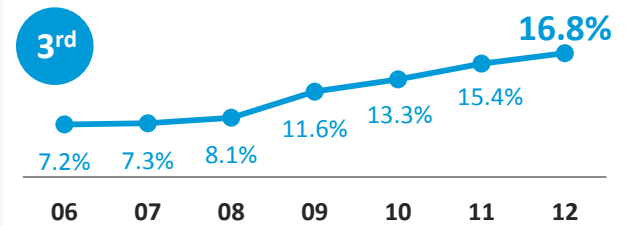
Commercial loans



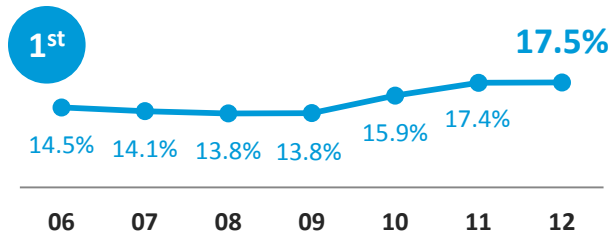
Pension plans



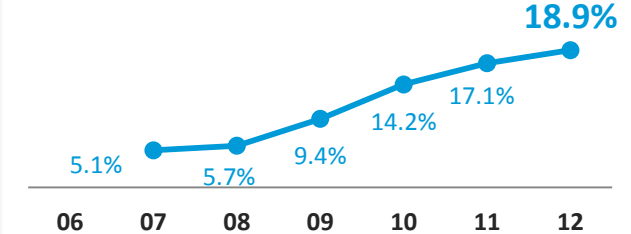
Factoring & confirming



Life insurance

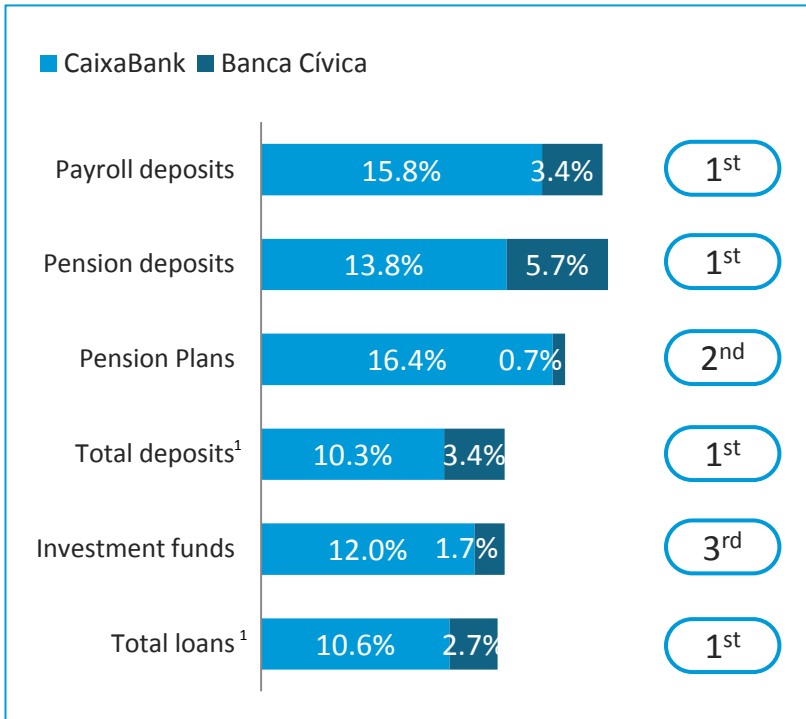


Foreign trade - exports

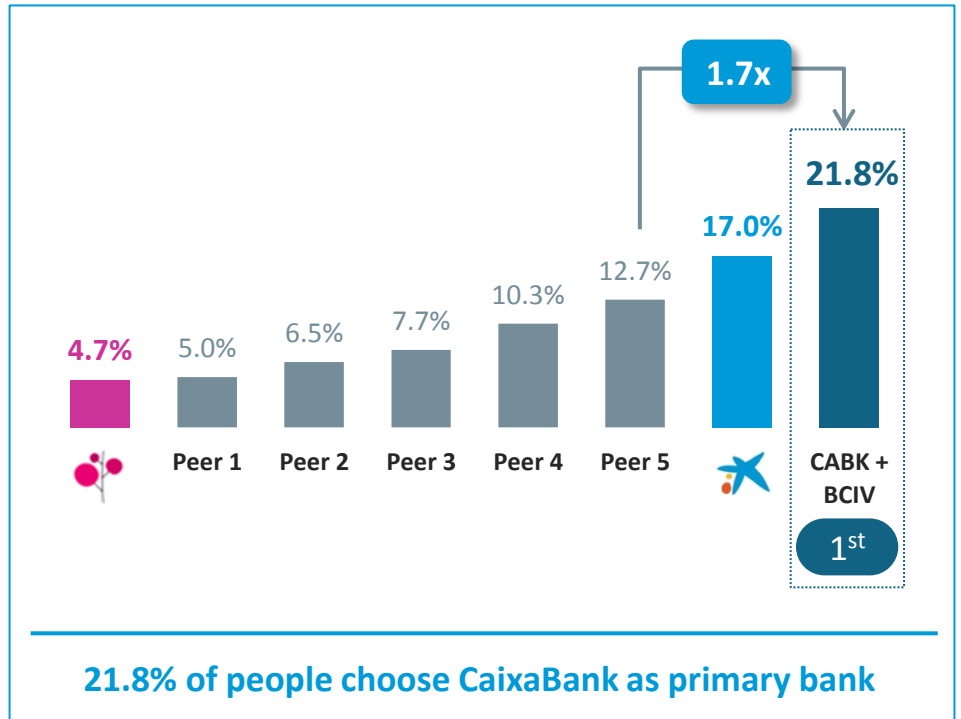


Integration with BCIV further extends retail banking leadership

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



Main banking relationship share is well above competitors²

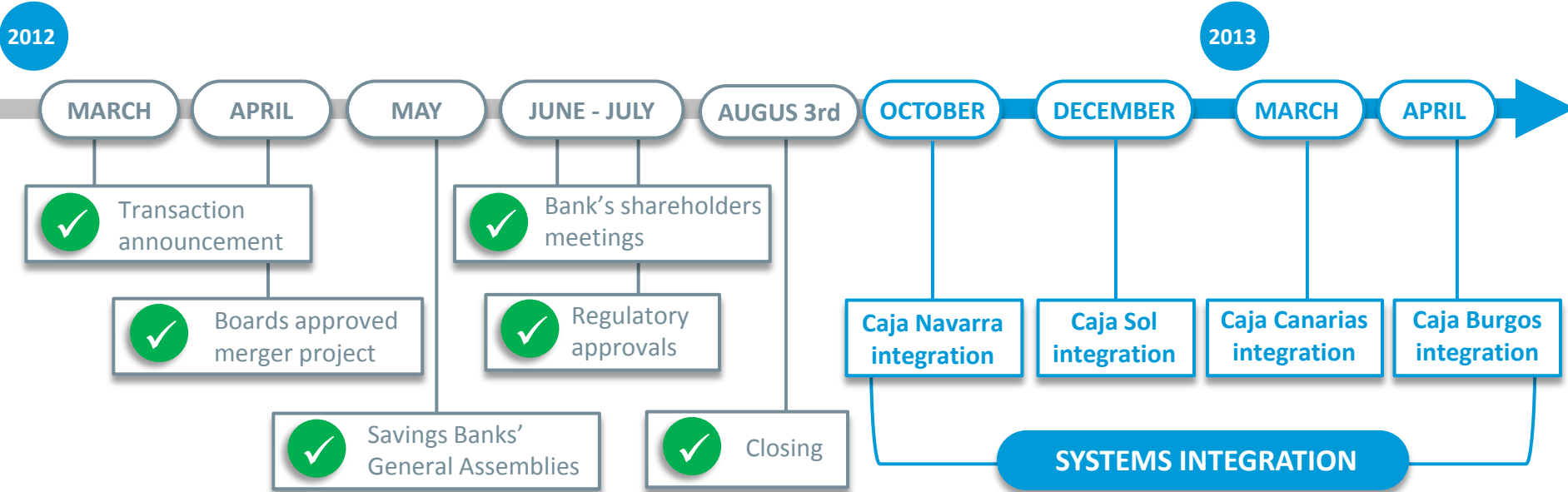


BCIV Business Volume → **109 Bn Euros**

BCIV Customers → **3.0 million**

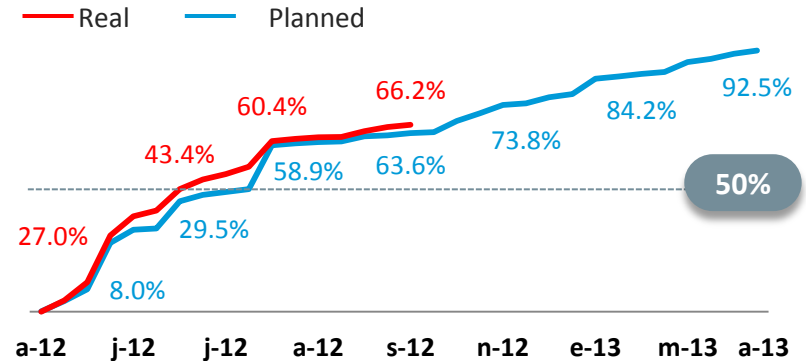
1. Resident private sector
 2. Information as of March 2012. Peer group includes: BBVA, BKIA, Popular + Pastor, Sabadell + CAM and Santander
 Source FRS, Bank of Spain, AEB, INVERCO and Social Security

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**

■ **4,400 activities planned:**

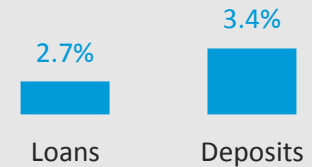


Expected increase in profitability metrics after BCIV transaction

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

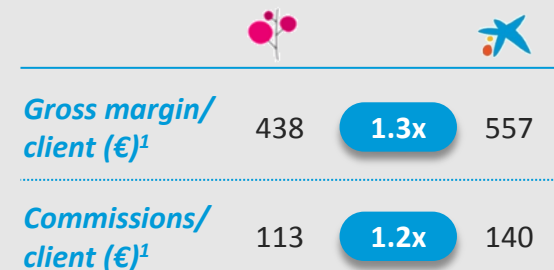
- **€540M** of expected annual cost synergies by 2014
- **12.5%** of total combined costs

Expected evolution of cost synergies In million Euros



Significant 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



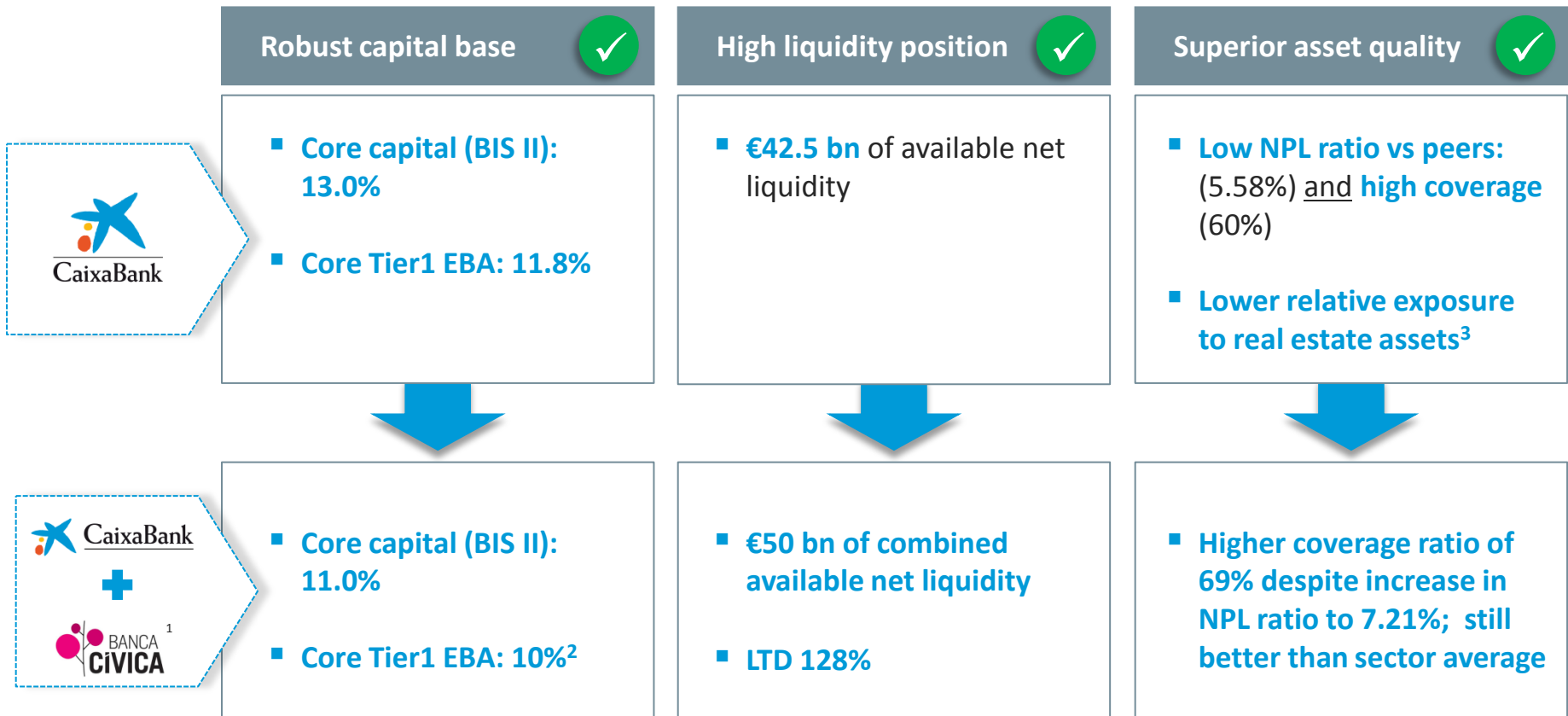
**Competitive and efficiency improvements in the coming years
at a short term cost of restructuring**

1. Reinforcing leadership in retail banking

2. Bolstering balance sheet strength

3. High income generation capacity

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

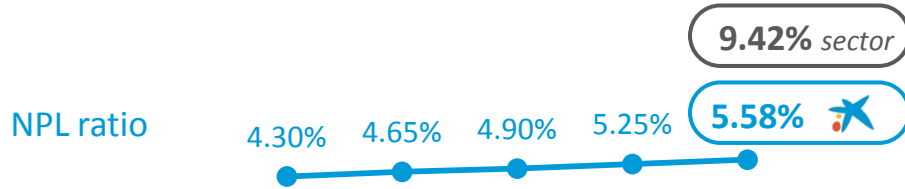


Data at June 30th 2012

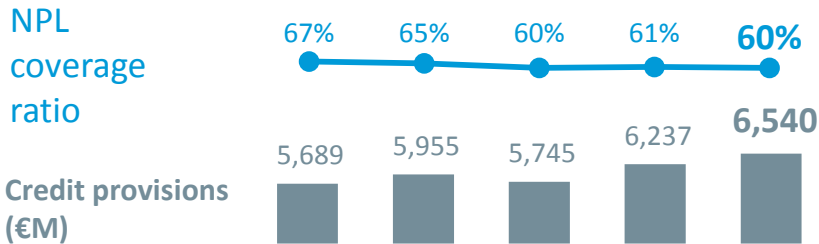
1. Preliminary proforma figures as of 30th June 2012, pending final adjustments
2. Difference between EBA and BIS II is due to temporary recognition deferral of €1.5bn MCB due 50% in Dec.12 and 50% in Dec.13
3. All the foreclosed assets prior to February 28th 2011 were not transferred in the reorganization process

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

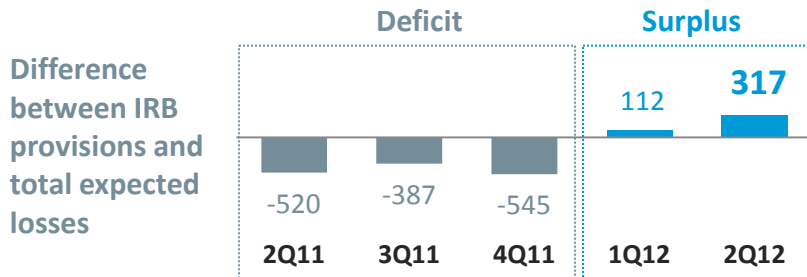
■ **NPLs and NPL ratio – outperforming the sector**



■ **Maintaining a high NPL coverage**



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



BCIV deteriorates NPL ratio but improves coverage levels

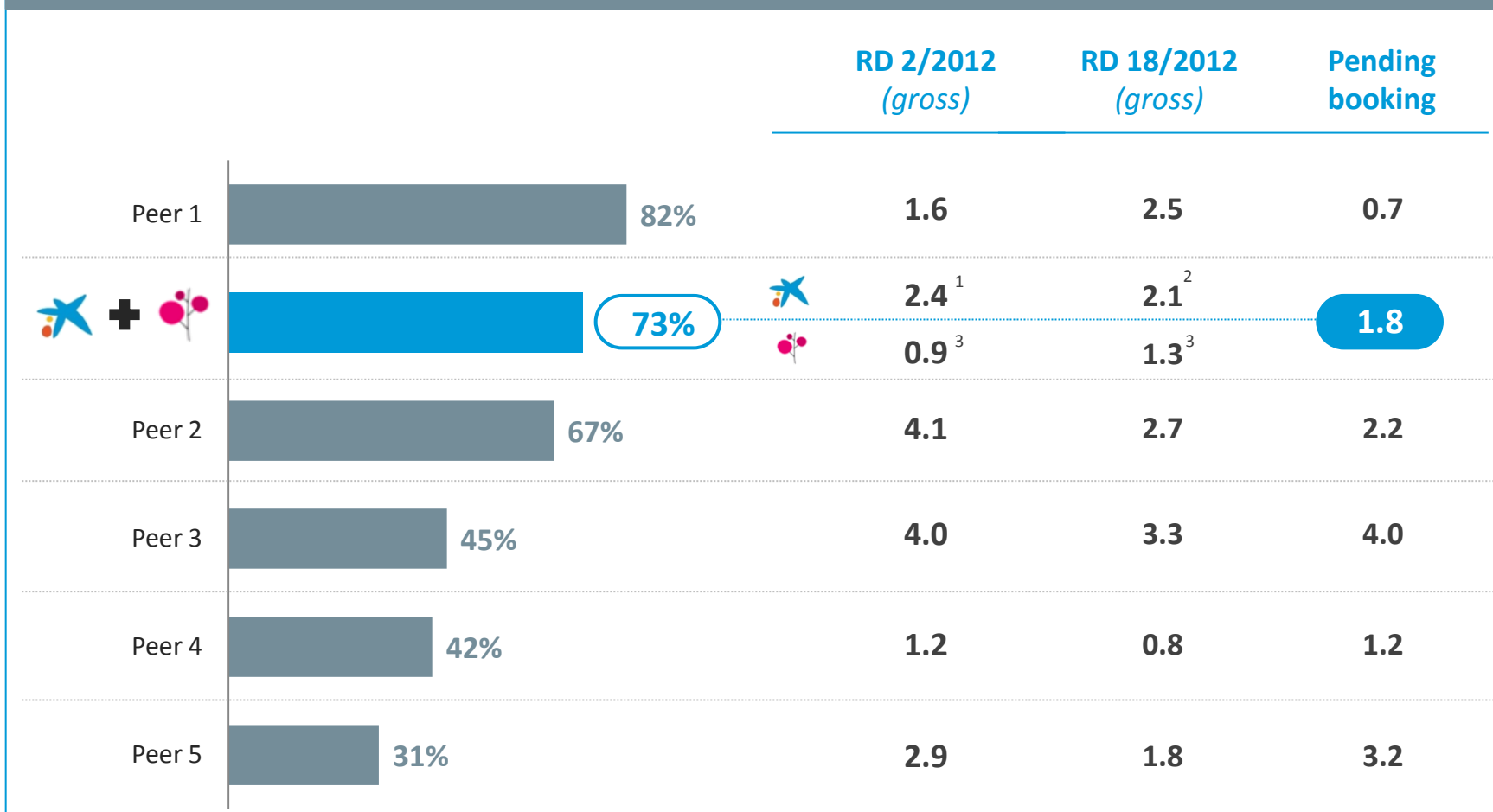
BCIV loan book cleaned-up¹ prior to integration

- 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

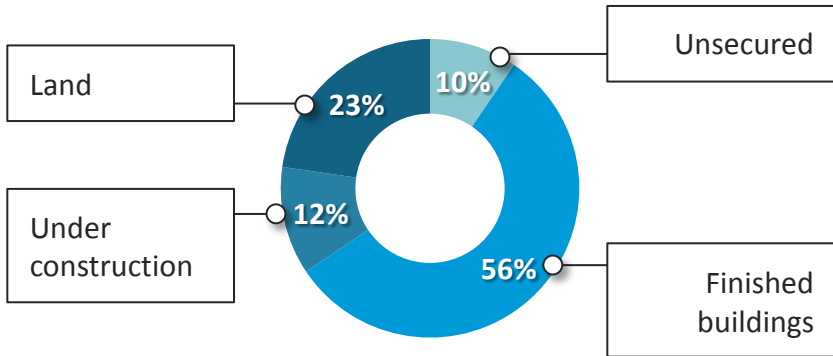
As of June 30th. Peers include: Santander, BBVA, Banesto, Popular and Sabadell. Requirements for Banc Sabadell include RD for CAM

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

Real Estate Exposure

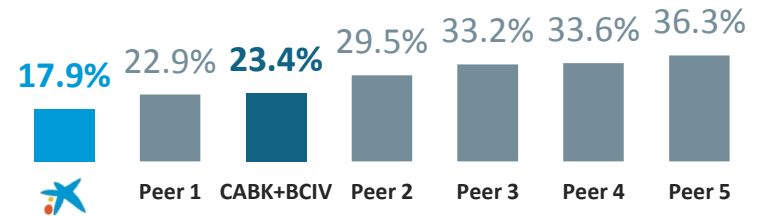


- Prudent RE exposure^{1,2} and low exposure to land:

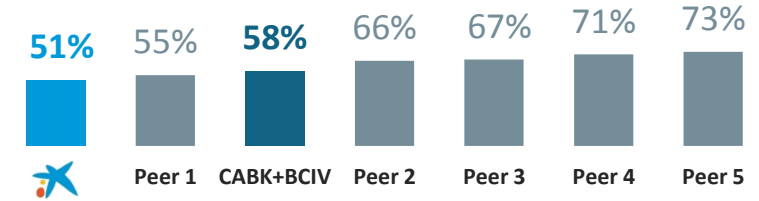


- Exposure to RE loans being rapidly reduced: **-31% since Dec'08**

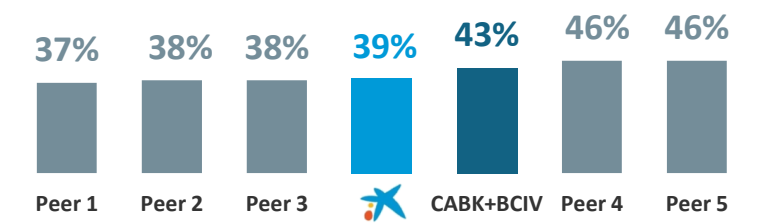
- % Land/ (RE developer loans + foreclosed assets)²



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



- Coverage of real estate problematic assets (%)²

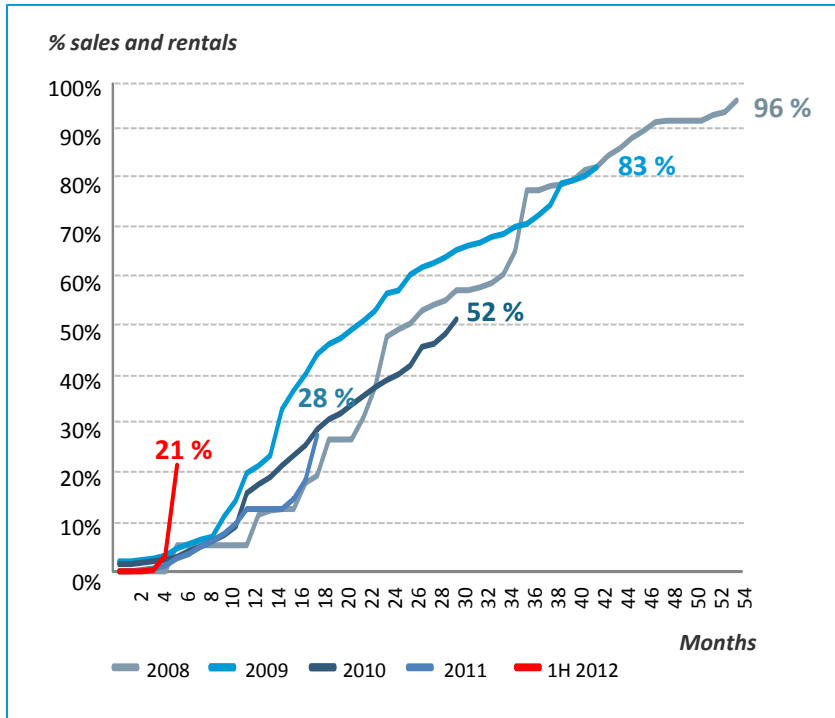


1. Exposure to RE includes loans to developers and foreclosed assets.
 2. Proforma preliminary figures including BCIV. CaixaBank figures as of June 30th, BCIV figures as of March 31st
 3. Problematic assets include doubtful developer loans + substandard developer loans + foreclosed RE assets

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

“la Caixa” Group (includes Building Center)

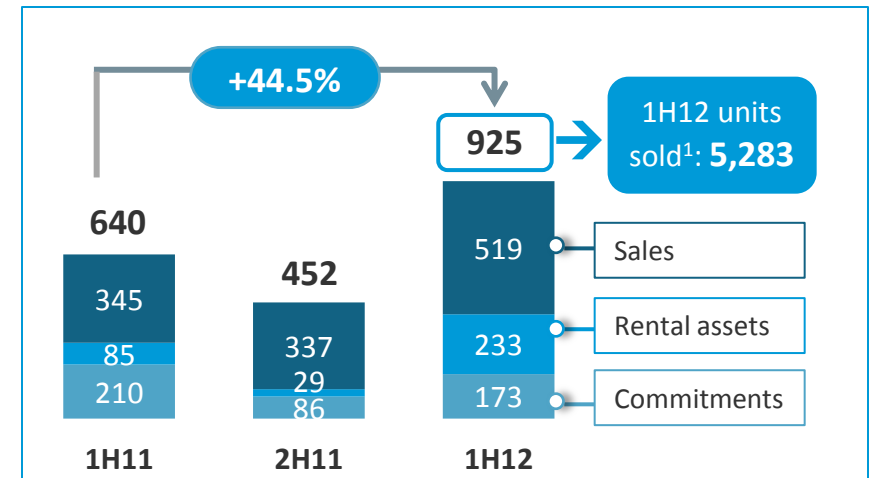
Sales and rentals of finished housing by vintage year of acquisition/foreclosure



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

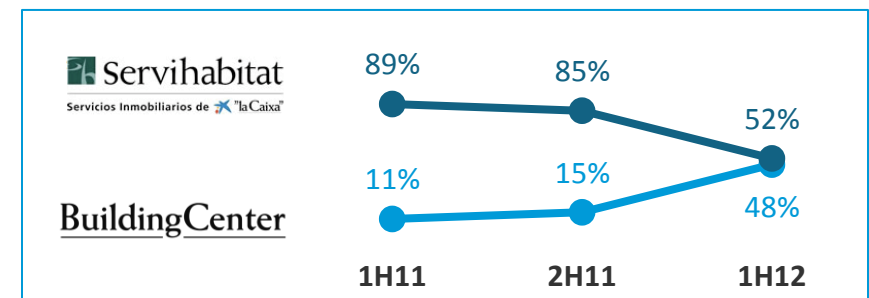
Sales activity is intensifying in 2012

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



Progressive increase in the weight of Building Center sales

Sales distribution

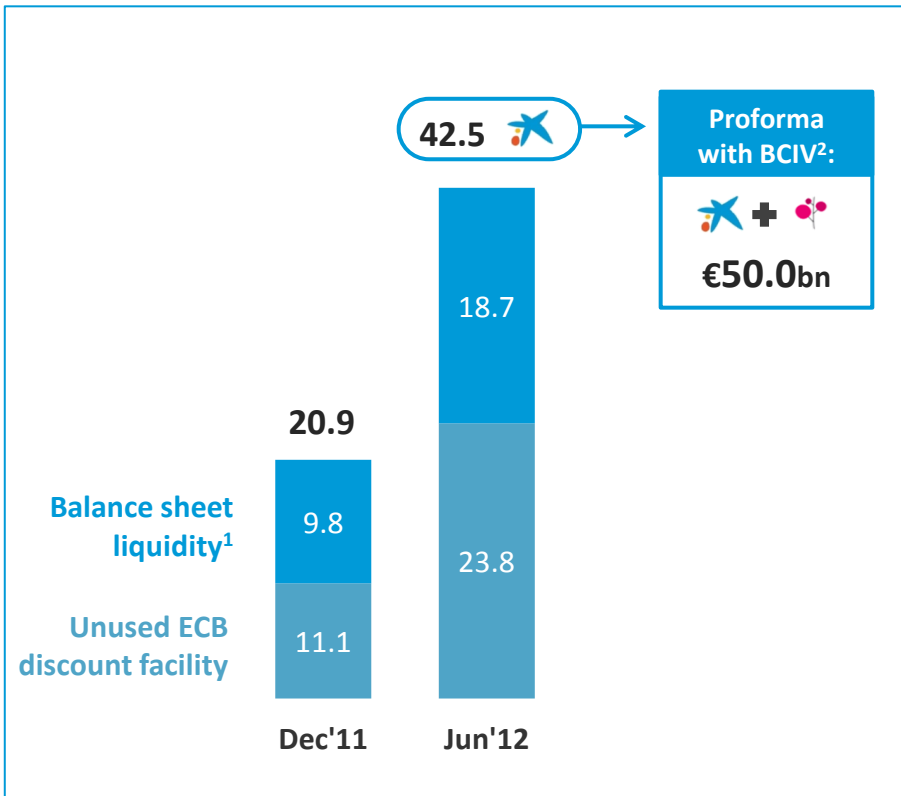


(1) Sales and rental assets

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**

133% (4Q11) → -6pp → 127% (2Q12) → Proforma with BCIV²: 128%
- Generation of additional collateral for the ECB credit facility given market deterioration**
- BCIV integration reinforces liquidity levels**

Data as of June 30th

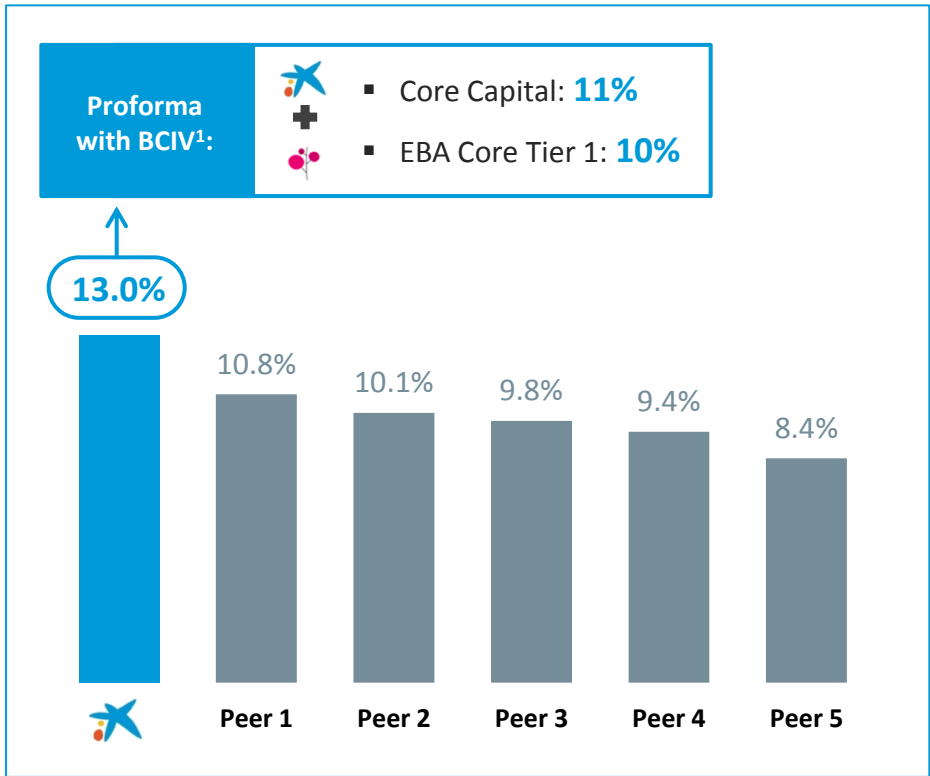
(1) Includes cash, interbank deposits, accounts at central banks and unencumbered sovereign debt.

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

Positive capital trends – no capital needs are forecast

The highest Core Capital (BIS II) - among peers²

In %



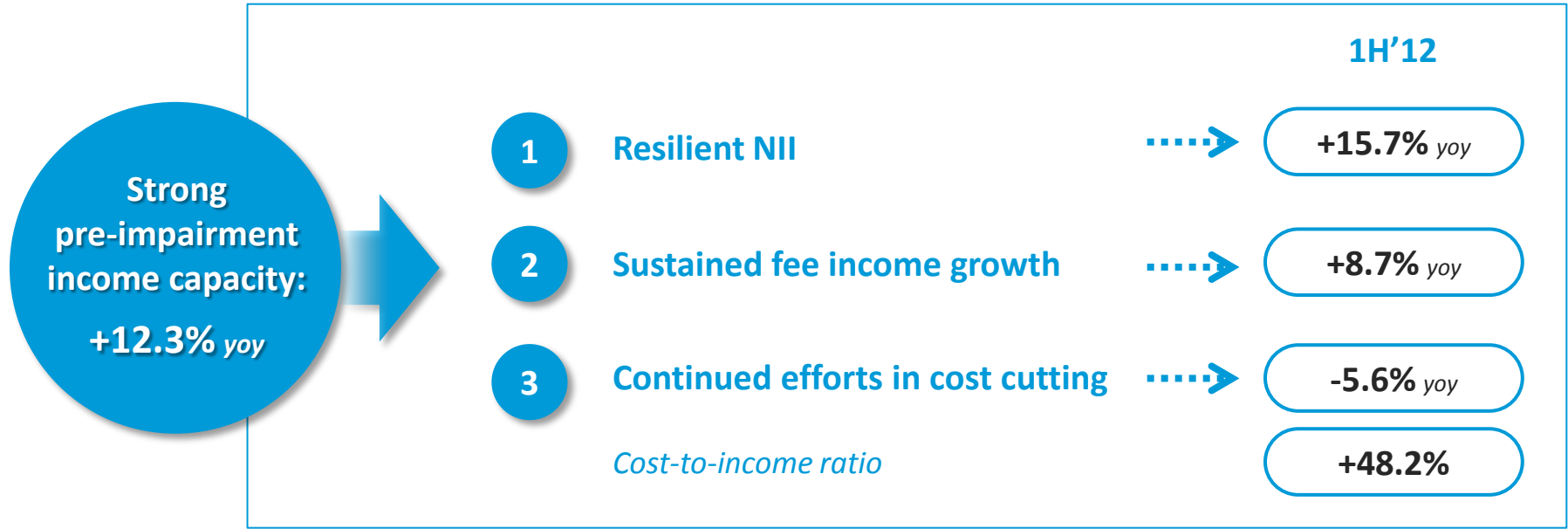
Bottom-up stress tests expected to confirm that CABK is among the most resilient institutions with no additional capital requirements under an adverse scenario

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.

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

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

Challenging economic and financial environment



Changing regulatory framework



Exhibiting good business health despite the tough environment

1. Franchise growth

- Sustained organic growth
- BCIV integration reinforces retail leadership



2. Balance sheet strength

- Robust metrics maintained with Banca Cívica



3. Strong income generation capacity

- Proven capacity to generate pre-impairment income
- Synergies from BCIV integration will help to improve profitability

No additional capital requirements under an adverse scenario are foreseen

Thank you



Best Bank in Spain

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:

investors@caixabank.com

+34 93 411 75 03

