



CaixaBank, SA
and companies composing the CaixaBank Group

Condensed interim consolidated financial statements for the six months ended 30
June 2015.

Translation of financial statements originally issued and prepared in Spanish. This English version is a translation of the original in Spanish for information purposes only. In the event of a discrepancy, the original Spanish-language version prevails.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of CaixaBank, S.A.,
at the request of the Board of Directors:

Report on the half-yearly condensed consolidated financial statements

Introduction

We have performed a limited review of the accompanying half-yearly condensed consolidated financial statements (“the half-yearly financial statements”) of CaixaBank, S.A. (“CaixaBank” or “the Company”) and Subsidiaries (“the Group”), which comprise the condensed consolidated balance sheet at 30 June 2015 and the related condensed consolidated income statement, condensed consolidated statement of recognised income and expense, condensed consolidated statement of changes in total equity, condensed consolidated statement of cash flows and explanatory notes thereto for the six-month period then ended. The directors of CaixaBank are responsible for the preparation of these half-yearly financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these half-yearly financial statements based on our limited review.

Scope of the review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the audit regulations in force in Spain and, consequently, it does not enable us to obtain assurance that we would have become aware of all significant matters that might have been identified in an audit. Accordingly, we do not express an audit opinion on the accompanying half-yearly financial statements.

Conclusion

As a result of our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing came to our attention that might cause us to believe that the accompanying half-yearly financial statements for the six-month period ended 30 June 2015 were not prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, pursuant to Article 12 of Royal Decree 1362/2007, for the preparation of interim condensed financial statements.

Emphasis of matter paragraph

We draw attention to Note 1 to the accompanying half-yearly condensed consolidated financial statements, which indicates that the aforementioned accompanying half-yearly financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying half-yearly financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2014. This matter does not qualify our conclusion.

Report on other legal and regulatory requirements

The accompanying interim consolidated directors' report for the six-month period ended 30 June 2015 contains the explanations which the directors of CaixaBank consider appropriate about the significant events which took place in that period and their effect on the half-yearly financial statements presented, of which it does not form part, and about the information required under Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the half-yearly financial statements for the six-month period ended 30 June 2015. Our work was confined to checking the interim consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of the Group.

Paragraph on other matters

This report was prepared at the request of the Board of Directors of CaixaBank in relation to the publication of the half-yearly financial report required by Article 35 of Spanish Securities Market Law 24/1988, of 28 July, implemented by Royal Decree 1362/2007, of 19 October.

DELOITTE, S.L.



Francisco Ignacio Ambrós

30 July 2015

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE CAIXABANK GROUP
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

- Condensed interim consolidated balance sheet at 30 June 2015 and 31 December 2014

- Condensed interim consolidated income statement for the six months ended 30 June 2015 and 2014

- Condensed interim consolidated statement of other comprehensive income for the six months ended 30 June 2015 and 2014

- Condensed interim consolidated statement of total changes in equity for the six months ended 30 June 2015 and 2014

- Condensed interim consolidated statement of cash flows for the six months ended 30 June 2015 and 2014

- Notes to the condensed interim consolidated financial statement of the CaixaBank Group for the six months ended 30 June 2015



Condensed interim consolidated financial statements of the CaixaBank Group

CONDENSED CONSOLIDATED BALANCE SHEET

at 30 June 2015 and 31 December 2014 (Notes 1 to 22), in thousands of euros

CAIXABANK, SA AND COMPANIES COMPOSING THE CAIXABANK GROUP

Assets

	30.06.2015	31.12.2014 (*)
Cash and deposits at central banks	4,616,049	4,156,781
Financial assets held for trading (Note 7)	13,828,758	12,256,760
Other financial assets at fair value through profit or loss (Note 7)	1,126,918	937,043
Available-for-sale financial assets (Note 7)	60,492,233	71,100,537
Loans and receivables (Note 7)	213,770,928	195,731,456
Held-to-maturity investments (Note 7)	5,171,437	9,608,489
Adjustments to financial assets - macro-hedges	(90,590)	138,812
Hedging derivatives	3,682,556	5,155,973
Non-current assets held for sale (Note 8)	7,898,507	7,247,941
Investments (Note 10)	9,795,446	9,266,397
Associates	8,623,307	8,110,608
Jointly controlled entities	1,172,139	1,155,789
Reinsurance assets	424,022	451,652
Tangible assets (Note 11)	6,308,210	6,404,416
Property and equipment	2,975,248	3,144,819
Investment property	3,332,962	3,259,597
Intangible assets (Note 12)	3,671,139	3,634,566
Goodwill	3,050,845	3,050,845
Other intangible assets	620,294	583,721
Tax assets (Note 17)	10,822,497	10,097,557
Current	579,469	707,311
Deferred	10,243,028	9,390,246
Other assets (Note 13)	2,449,092	2,435,069
Total assets	343,967,202	338,623,449
Memorandum items		
Contingent liabilities (Note 21)	10,716,454	10,241,836
Contingent commitments (Note 21)	57,526,445	50,706,226

(*) Presented for comparison purposes only

The accompanying Notes 1 to 22 are an integral part of the condensed consolidated balance sheet at 30 June 2015.



CONDENSED CONSOLIDATED BALANCE SHEET

at 30 June 2015 and 31 December 2014 (Notes 1 to 22), in thousands of euros

CAIXABANK, SA AND COMPANIES COMPOSING THE CAIXABANK GROUP

Liabilities and equity

	30.06.2015	31.12.2014 (*)
Liabilities		
Financial liabilities held for trading (Note 14)	11,863,548	11,974,880
Other financial liabilities at fair value through profit or loss (Note 14)	1,880,160	1,442,391
Financial liabilities at amortised cost (Note 14)	256,307,671	247,538,656
Adjustments to financial liabilities - macro-hedges	2,274,417	3,242,925
Hedging derivatives	709,459	876,116
Liabilities under insurance contracts	37,221,499	40,434,093
Provisions (Note 15)	4,653,642	4,370,507
Tax liabilities (Note 17)	1,415,802	1,671,832
Current	7,835	265
Deferred	1,407,967	1,671,567
Other liabilities	1,886,817	1,839,481
Capital having the nature of a financial liability		
Total liabilities	318,213,015	313,390,881
Equity (Note 16)		
SHAREHOLDERS' EQUITY	23,977,198	23,372,983
Capital	5,768,288	5,714,956
Share premium	12,032,802	12,032,802
Reserves	5,476,008	5,069,833
Other equity instruments	4,144	
Less: Treasury shares	(12,256)	(11,013)
Profit/(loss) attributable to the Parent	708,212	620,020
Less: Dividends and remuneration (Note 3)		(53,615)
VALUATION ADJUSTMENTS	1,735,254	1,821,656
Available-for-sale financial assets	1,146,225	1,601,142
Cash flow hedges	(40,874)	(20,872)
Exchange differences	374,354	174,915
Entities accounted for using the equity method	255,549	66,471
EQUITY ATTRIBUTABLE TO THE PARENT	25,712,452	25,194,639
NON-CONTROLLING INTERESTS	41,735	37,929
Valuation adjustments	488	560
Other	41,247	37,369
Total equity	25,754,187	25,232,568
Total liabilities and equity	343,967,202	338,623,449

(*) Presented for comparison purposes only

The accompanying Notes 1 to 22 are an integral part of the condensed consolidated balance sheet at 30 June 2015.



CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2015 and 2014 (Notes 1 to 22), in thousands of euros

CAIXABANK, SA AND COMPANIES COMPOSING THE CAIXABANK GROUP

	2015	2014 (*)
Interest and similar income	4,572,865	4,350,307
Interest expense and similar charges	(2,302,831)	(2,335,012)
NET INTEREST INCOME	2,270,034	2,015,295
Return on equity instruments	110,402	102,042
Share of profit/(loss) of entities accounted for using the equity method	381,797	122,273
Fees and commissions income	1,111,532	1,005,509
Fees and commissions expense	(84,639)	(75,292)
Gains/(losses) on financial assets and liabilities (net)	626,060	439,156
Exchange differences (net)	70,351	73,023
Other operating income	666,262	613,618
Other operating expenses	(587,642)	(545,515)
GROSS INCOME	4,564,157	3,750,109
Administrative expenses	(2,403,551)	(1,703,543)
Staff expenses	(1,837,505)	(1,290,882)
Other general administrative expenses	(566,046)	(412,661)
Depreciation and amortisation (Notes 11 and 12)	(190,551)	(184,353)
Provisions (net) (Note 15)	(116,285)	(60,766)
Impairment losses on financial assets (net)	(1,322,270)	(1,253,144)
NET OPERATING INCOME/(LOSS)	531,500	548,303
Impairment losses on other assets (net)	(306,192)	(27,699)
Gains/(losses) on disposal of assets not classified as non-current assets held for sale	33,879	(6,733)
Negative goodwill in business combinations (Note 9)	601,642	
Gains/(losses) on non-current assets held for sale not classified as discontinued operations	(303,546)	(67,780)
PROFIT/(LOSS) BEFORE TAX	557,283	446,091
Income tax	151,934	(41,259)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	709,217	404,832
Profit/(loss) from discontinued operations (net)	(556)	0
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD	708,661	404,832
Profit/(loss) attributable to the Parent	708,212	404,955
Profit/(loss) attributable to non-controlling interests	449	(123)
Earnings per share from continuing and discontinued operations		
Basic earnings per share (euros) (Note 3)	0.12	0.07
Diluted earnings per share (euros) (Note 3)	0.12	0.07

(*) Presented for comparison purposes only (see Note 1 "Comparison of information")

The accompanying Notes 1 to 22 are an integral part of the condensed interim consolidated income statement for the six months ended 30 June 2015.



CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2015 and 2014 (Notes 1 to 22), in thousands of euros

CAIXABANK, SA AND COMPANIES COMPOSING THE CAIXABANK GROUP

	2015	2014 (*)
Consolidated profit/(loss) for the period	708,661	404,832
Other comprehensive income/(expense)	(86,474)	576,581
Items to be reclassified to profit or loss in subsequent periods	(86,474)	576,581
Available-for-sale financial assets	(542,354)	759,661
<i>Revaluation gains/(losses)</i>	(157,927)	995,571
<i>Amounts transferred to income statement</i>	(384,427)	(235,910)
<i>Other reclassifications</i>		
Cash flow hedges	(6,922)	(62,040)
<i>Revaluation gains/(losses)</i>	5,777	(60,539)
<i>Amounts transferred to income statement</i>	(12,699)	(1,501)
<i>Amounts transferred to the initial carrying amount of hedged items</i>		
<i>Other reclassifications</i>		
Hedges of net investments in foreign operations	0	0
<i>Revaluation gains/(losses)</i>		
<i>Amounts transferred to income statement</i>		
<i>Other reclassifications</i>		
Exchange differences	198,944	36,431
<i>Revaluation gains/(losses)</i>	198,944	36,431
<i>Amounts transferred to income statement</i>		
<i>Other reclassifications</i>		
Non-current assets held for sale	0	0
<i>Revaluation gains/(losses)</i>		
<i>Amounts transferred to income statement</i>		
<i>Other reclassifications</i>		
Entities accounted for using the equity method	189,078	94,785
<i>Revaluation gains/(losses)</i>	189,078	94,785
<i>Amounts transferred to income statement</i>		
<i>Other reclassifications</i>		
Other comprehensive income		
Income tax	74,780	(252,256)
Items not to be reclassified to profit or loss in subsequent periods	0	0
Actuarial gains/(losses) on pension plans	0	0
<i>Revaluation gains/(losses)</i>	120,546	(132,681)
<i>Amounts transferred to reserves</i>	(120,546)	132,681
Total comprehensive income/(expense)	622,187	981,413
Attributable to the Parent	621,810	981,756
Attributable to non-controlling interests	377	(343)

(*) Presented for comparison purposes only (see Note 1 "Comparison of information")

The accompanying Notes 1 to 22 are an integral part of the condensed interim consolidated statement of other comprehensive income for the six months ended 30 June 2015.



CONDENSED CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY

for the six months ended 30 June 2015 and 2014 (Notes 1 to 22), in thousands of euros

CAIXABANK, SA AND COMPANIES COMPOSING THE CAIXABANK GROUP

	Equity attributable to the Parent											
	Shareholders' equity						Profit/(loss) for the period attributable to the Parent	Less: Dividends and remuneration	Total shareholders' equity	Valuation adjustments	Non- controlling interests	Total equity
	Capital	Share premium	Accumulate d reserves/ (losses)	Other equity instruments	Less: Treasury shares							
CURRENT PERIOD												
Opening balance at 31.12.2014	5,714,956	12,032,802	5,069,833	0	(11,013)	620,020	(53,615)	23,372,983	1,821,656	37,929	25,232,568	
Adjustments due to changes in accounting policy								0			0	
Adjustments due to errors								0			0	
Adjusted opening balance	5,714,956	12,032,802	5,069,833	0	(11,013)	620,020	(53,615)	23,372,983	1,821,656	37,929	25,232,568	
Total comprehensive income/(expense)						708,212		708,212	(86,402)	377	622,187	
Other changes in equity	53,332	0	406,175	4,144	(1,243)	(620,020)	53,615	(103,997)	0	3,429	(100,568)	
Reclassification of financial liabilities to other equity instruments								0			0	
Reclassification of other equity instruments to financial liabilities								0			0	
Capital increases	53,332		(53,332)					0			0	
Payment of dividends			(246,003)					(246,003)			(246,003)	
Transactions with own equity instruments (net)			724		(1,243)			(519)			(519)	
Transfers between equity items			566,405			(620,020)	53,615	0			0	
Other increases/(decreases) in equity			138,381	4,144				142,525		3,429	145,954	
Final balance at 30.06.2015	5,768,288	12,032,802	5,476,008	4,144	(12,256)	708,212	0	23,977,198	1,735,254	41,735	25,754,187	

The accompanying Notes 1 to 22 are an integral part of the condensed interim consolidated statement of total changes in equity for the six months ended 30 June 2015.



CONDENSED CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY

for the six months ended 30 June 2015 and 2014 (Notes 1 to 22), in thousands of euros

CAIXABANK, SA AND COMPANIES COMPOSING THE CAIXABANK GROUP

	Equity attributable to the Parent											
	Shareholders' equity						Profit/(loss) for the period attributable to the Parent	Less: Dividends and remuneratio n	Total shareholders' equity	Valuation adjustmen ts	Non- controlling interests	Total equity
	Capital	Share premium	Accumulate d reserves/ (losses)	Other equity instruments	Less: Treasury shares							
PREVIOUS PERIOD (*)												
Opening balance at 31.12.2013	5,027,610	10,583,008	5,649,317	1,938,222	(22,193)	502,703	(32,982)	23,645,685	704,013	(15,926)	24,333,772	
Adjustments due to changes in accounting policy			(200,369)			(186,831)		(387,200)			(387,200)	
Adjustments due to errors								0			0	
Adjusted opening balance	5,027,610	10,583,008	5,448,948	1,938,222	(22,193)	315,872	(32,982)	23,258,485	704,013	(15,926)	23,946,572	
Total comprehensive income/(expense)						404,955		404,955	576,801	(343)	981,413	
Other changes in equity	569,891	1,449,794	(81,941)	(1,923,222)	(13,479)	(315,872)	32,982	(281,847)	0	15,970	(265,877)	
Reclassification of financial liabilities to other equity instruments								0			0	
Reclassification of other equity instruments to financial liabilities								0			0	
Capital increases	97,260		(97,260)					0			0	
Payment of dividends			(85,694)					(85,694)			(85,694)	
Transactions with own equity instruments (net)			1,498		(13,479)			(11,981)			(11,981)	
Costs of other equity instruments			(32,743)					(32,743)			(32,743)	
Transfers between equity items	472,631	1,449,794	282,890	(1,922,425)		(315,872)	32,982	0			0	
Other increases/(decreases) in equity			(150,632)	(797)				(151,429)		15,970	(135,459)	
Final balance at 30.06.2014	5,597,501	12,032,802	5,367,007	15,000	(35,672)	404,955	0	23,381,593	1,280,814	(299)	24,662,108	

(*) Presented for comparison purposes only (see Note 1 "Comparison of information")

The accompanying Notes 1 to 22 are an integral part of the condensed interim consolidated statement of total changes in equity for the six months ended 30 June 2015.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)

for the six months ended 30 June 2015 and 2014 (Notes 1 to 22), in thousands of euros

CAIXABANK, SA AND COMPANIES COMPOSING THE CAIXABANK GROUP

	2015	2014 (*)
A) CASH FLOWS FROM OPERATING ACTIVITIES	(716,331)	(1,089,579)
Consolidated profit/(loss) for the period	708,661	404,832
Adjustments to obtain cash flows from operating activities	1,305,798	2,476,832
Depreciation and amortisation	190,551	184,353
Other adjustments	1,115,247	2,292,479
Net increase/(decrease) in operating assets and liabilities	(2,876,580)	(3,968,952)
Other operating assets	5,287,018	(3,794,385)
Other operating liabilities	(8,163,598)	(174,567)
Income tax (paid)/received	145,790	(2,291)
B) CASH FLOWS FROM INVESTING ACTIVITIES	4,447,894	2,386,888
Payments	(1,310,622)	(744,226)
Tangible assets	(209,456)	(432,095)
Intangible assets	(61,475)	(56,983)
Investments	(1,017,159)	(114,294)
Subsidiaries and other business units		
Non-current assets and associated liabilities held for sale	(22,532)	(140,854)
Held-to-maturity investments		
Other payments related to investing activities		
Proceeds	5,758,516	3,131,114
Tangible assets	215,297	188,721
Intangible assets		
Investments	290,027	154,264
Subsidiaries and other business units		
Non-current assets and associated liabilities held for sale	859,618	766,205
Held-to-maturity investments	4,266,052	2,021,924
Other proceeds related to investing activities	127,522	
C) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	(3,274,680)	(5,682,644)
Payments	(4,300,326)	(6,697,850)
Dividends	(246,004)	(85,694)
Subordinated liabilities		
Buyback and cancellation of own equity instruments		(797)
Acquisition of own equity instruments	(22,735)	(30,216)
Other payments related to financing activities	(4,031,587)	(6,581,143)
Proceeds	1,025,646	1,015,206
Subordinated liabilities		
Issue of own equity instruments		
Disposal of own equity instruments	22,216	18,236
Other proceeds related to financing activities	1,003,430	996,970
D) EFFECT OF EXCHANGE RATE CHANGES	2,385	584
E) INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	459,268	(4,384,751)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,156,781	6,967,808
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	4,616,049	2,583,057
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash	1,384,547	1,248,446
Cash equivalents at central banks	3,231,502	1,334,611
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,616,049	2,583,057

(*) Presented for comparison purposes only (see Note 1 "Comparison of information")

The accompanying Notes 1 to 22 are an integral part of the condensed interim consolidated statement of cash flows for the six months ended 30 June 2015.



Notes to the condensed interim consolidated financial statements
of the CaixaBank Group for the six months ended 30 June 2015

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Explanatory notes to the condensed interim consolidated financial statements for the six months ended 30 June 2015

CAIXABANK, SA AND COMPANIES COMPOSING THE CAIXABANK GROUP

As required by current legislation governing the content of condensed interim consolidated financial statements, these explanatory notes include the condensed interim consolidated balance sheet, income statement, statement of other comprehensive income, statement of total changes in equity and statement of cash flows and comparative information with the annual consolidated financial statements, along with explanations of events and disclosures for an adequate understanding of the most significant changes in the first half of the year.

1. Corporate information, basis of presentation and other information

CaixaBank, SA and its subsidiaries compose the CaixaBank Group (hereinafter "the CaixaBank Group" or "the Group"). CaixaBank, SA ("CaixaBank"), with tax identification (NIF) number A08663619 and registered address at Avenida Diagonal 621, Barcelona, was created through the transformation of Criteria CaixaCorp, SA which culminated on 30 June 2011 with the entry of CaixaBank in the Bank of Spain's Registry of Banks and Bankers ("Registro Especial de Bancos y Banqueros") and its listing on the Spanish stock markets—as a credit institution—on 1 July 2011.

At 30 June 2015, Criteria CaixaHolding, SAU ("Criteria") was CaixaBank's majority shareholder, with a stake conferring profit-sharing rights of 56.71% (58.96% at 31 December 2014). Criteria is 100% owned by "la Caixa" Banking Foundation.

CaixaBank is primarily engaged in:

- a) all manner of activities, operations, acts, contracts and services related to the banking sector in general, including the provision of investment services and ancillary services and performance of the activities of an insurance agency;
- b) receiving public funds in the form of irregular deposits or in other similar formats, for the purposes of application on its own account to active credit and microcredit operations, and other investments, providing customers with services including dispatch, transfer, custody, mediation and others; and
- c) acquisition, holding, enjoyment and disposal of all manner of securities and drawing up takeover bids and sales of securities, and of all manner of ownership interests in any entity or company.

As a bank, it is subject to the oversight of the European Central Bank and the Bank of Spain.



Basis of presentation

On 26 February 2015, the Board of Directors authorised for issue the CaixaBank Group's 2014 consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union through EU Regulations, in accordance with Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and subsequent amendments thereto.

In the preparation of the 2014 consolidated financial statements, the consolidation principles, accounting policies and measurement bases described in Note 2 therein were applied to give a true and fair view of the equity and financial position of the CaixaBank Group at 31 December 2014 and of the results of its operations, the changes in consolidated equity and the cash flows in the year then ended.

The accompanying condensed interim consolidated financial statements of the CaixaBank Group for the first half of 2015 were prepared in accordance with IFRSs, particularly IAS 34 *Interim Financial Reporting*. They were also drawn up taking into consideration Bank of Spain Circular 4/2004 and subsequent amendments, and the Spanish Securities Market Regulator (CNMV) Circular 1/2008. These condensed interim consolidated financial statements were authorised for issue by the Board of Directors of CaixaBank at its meeting of 30 July 2015.

According to IAS 34, the interim financial report is intended to provide an update on the latest complete set of annual financial statements. Accordingly, it focuses on new activities, events, and circumstances during the period and does not duplicate information previously reported. Therefore, for an appropriate understanding of the information contained in the accompanying condensed interim consolidated financial statements, they should be read in conjunction with the CaixaBank Group's 2014 consolidated financial statements.

The accompanying condensed balance sheet, income statement, statement of other comprehensive income, statement of total changes in equity and statement of cash flows are presented according to the formats provided for credit institutions in CNMV Circular 1/2008.

Figures are presented in thousands of euros unless the use of another monetary unit is stated explicitly. Certain financial information in these explanatory notes was rounded off and, consequently, the figures shown herein as totals may differ slightly from the arithmetic sum of the individual figures given before them.

Standards and interpretations issued by the International Accounting Standard Board (IASB) that became effective in the first half of 2015

At the date of authorisation for issue of these condensed interim consolidated financial statements, the Improvements to IFRSs 2011-2013 Cycle and 2010-2012 Cycle had become effective, the adoption of which by the CaixaBank Group did not have a significant impact on its consolidated financial statements.

Standards and interpretations issued by the IASB but not yet effective

At the date of authorisation for issue of these condensed interim consolidated financial statements, the main standards and interpretations issued by the IASB but not yet effective, either because their effective date is subsequent to the date of the condensed consolidated financial statements or because they had not yet been endorsed by the European Union are discussed below.



The Group has assessed the impacts arising from these standards and interpretations and has elected not to early adopt them, where possible, because it would have no significant impact.

Standards and interpretations	Title	Mandatory application for annual periods beginning on or after:
<i>Approved for use in the EU</i>		
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	1 January 2016
<i>Not approved for use in the EU</i>		
Amendments to IAS 1	Minor corrections: Presentation of Financial Statements	1 January 2016
Amendments to IAS 16 and IAS 38	Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IFRS 11	Acquisition of an Interest in a Joint Operation	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendment to IAS 27	Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to IFRSs 2012-2014 Cycle	Minor corrections	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2018
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016

IAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

The amendment is issued to enable employees, under certain circumstances, to deduct contributions to defined benefit pension plans from the related service cost in the period in which they are paid without having to make estimations to attribute them to each year of service. Contributions from employees or third parties set out formally in a benefit plan are recognised as follows:

- If the contribution is independent of the number of years of service, it can be recognised as a deduction from the service cost in the period in which the benefit is paid (this is an accounting option that must be applied consistently over time).
- If the contribution depends on a specific number of years of service, it must be attributed to these periods of service.

IAS 1 Presentation of Financial Statements (Amendment)

This amendment has been published to encourage the use of judgement when preparing financial reporting. With regard to materiality, it applies to all parts of the financial statements with no distinction, while no immaterial information has to be disclosed.

Statement of financial position and income statement line items may be aggregated or disaggregated depending on their relevance.

Last, the notes do not need to be presented in the order suggested in paragraph 114 of IAS 1.



IAS 16 and IAS 38: *Acceptable Methods of Depreciation and Amortisation (Amendment)*

The amendment, to be applied prospectively, clarifies that the use of revenue-based methods to calculate depreciation and amortisation are not appropriate, because this does not reflect the expected pattern of consumption of the future economic benefits of an asset.

IFRS 11 *Acquisition of an Interest in a Joint Operation (Amendment)*

The amendment, to be applied prospectively, requires the application of IFRS 3 *Business Combinations* when the joint operation constitutes a business. Until now, this was not treated specifically.

IFRS 10 and 12 and IAS 28: *Investment Entities: Applying the Consolidation Exception (Amendment)*

The amendment clarifies that financial statements do not have to be consolidated when a subsidiary or the parent is an investment entity.

IAS 27 *Equity Method in Separate Financial Statements (Amendment)*

The amendment reinstates the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 replaces IAS 11: *Construction Contracts* and IAS 18: *Revenue*, and the related interpretations on revenue recognition (IFRIC 13 *Customer Loyalty Programmes*), IFRIC 15: *Agreements for the Construction of Real Estate*, IFRIC 18: *Transfers of Assets from Customers* and SIC-31: *Revenue – Barter Transactions Involving Advertising Services*). The model in IFRS 15 is more restrictive and principles based. Therefore, its application could result in changes to the profile of revenue.

The Group is currently analysing all the future impacts of the adoption of this amendment and is unable to provide a reasonable estimate of its impact until this analysis has been carried out.

IFRS 9 *Financial Instruments: Classification and Measurement*

IFRS 9 will replace the part of IAS 39 that deals with classification and measurement of financial instruments. There are some major differences with respect to the current standard regarding financial assets. These include the approval of a new classification model based on only two categories: amortised cost and fair value, entailing the elimination of the current classifications of the held-to-maturity investments and available-for-sale financial assets categories; a single impairment method only for assets carried at amortised cost and the non-separation of embedded derivatives in financial asset contracts.

Regarding financial liabilities, the categories proposed in IFRS 9 are the same as those currently included in IAS 39. Therefore, there should not be any major differences except for the requirement to recognise changes in fair value related to credit risk as a component of equity for financial liabilities under the fair value option.

Management estimates that the future application of IFRS 9 will have a significant impact on the financial assets and liabilities currently reported. The Group is currently analysing all the future impacts of the adoption of this amendment and is unable to provide a reasonable estimate of its impact until this analysis has been carried out.

The date of application of IFRS 9 has not been established until the standard is complete. In this respect, mandatory application is not expected to be before annual periods beginning on or after 1 January 2018.

IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)*

The amendment establishes that when an entity sells or contributes assets comprising a business (including its consolidated subsidiaries) to an associate or a joint venture, the entity must fully recognise any gain or loss on the transaction. However, when the assets sold or contributed do not constitute a business, the



entity must recognise the gain or loss only to the extent of the share of other non-related investors in the associate or joint venture.

This amendment is applicable to periods beginning on or after 1 January 2016, and may be applied early.

Responsibility for the information and for the estimates made

The preparation of the condensed interim consolidated financial statements required Directors and senior executives to make certain judgements, estimates and assumptions in order to quantify certain of the assets, liabilities, revenues, expenses and obligations shown in them. These estimates relate primarily to:

- Impairment losses on certain financial assets and the fair value of the related guarantees (Note 7)
- The measurement of goodwill and intangible assets (Note 12)
- Impairment losses on non-current assets held for sale (Note 8)
- The useful life of and impairment losses on other intangible assets and tangible assets (Notes 12 and 11)
- The measurement of investments in jointly controlled entities and associates (Note 10)
- The fair value of certain financial assets and liabilities (Notes 7 and 14)
- The measurement of the provisions required (Note 15)
- The fair value of assets, liabilities and contingent liabilities in the context of the purchase price allocation in business combinations (Note 9)
- The income tax expense based on the income tax rate expected for the full year and the capitalisation and recoverability of tax assets (Note 17)
- Determination of the share of profit/(loss) of associates (Note 10)

These estimates were made on the basis of the best information available at the date of preparation of these condensed interim consolidated financial statements. However, events may occur that make it necessary for them to be changed in future periods.

Comparison of information and changes in the consolidation perimeter

The figures at 31 December 2014 and for the six months ended 30 June 2014 contained in these condensed financial statements are presented solely for purposes of comparison.

The financial statements at 30 June 2015 reflect the recognition of the business combination with Barclays Bank, SAU. Note 9 explains the balance sheet items integrated into the business combination with Barclays Bank, SAU as well as the negative goodwill resulting from the transaction.

As explained in Note 1 to the 2014 financial statements, during the second half of 2014, the Group opted for the early application of IFRIC 21 regarding when to recognise liabilities for levies.

On application of this interpretation, the expense associated with the Deposit Guarantee Fund is accrued and therefore, must be recognised in the financial statements at 31 December. Consequently, the income statement for the six months ended 30 June 2014, presented for comparison purposes, does not include any amount for this expense.

On application of this interpretation, the income statement for the six months ended 30 June 2014, presented for purposes of comparison, includes the total property tax expense for 2014.



Seasonality and materiality of operations

The cyclical or seasonal nature of the operations of the companies composing the CaixaBank Group is not significant. Therefore, these explanatory notes to the condensed interim consolidated financial statements for the first six months of 2015 do not include specific disclosures in that regard.

Nevertheless and due to applying IFRIC 21, as explained above, certain taxes and levies are expensed when the payment obligation arises, as per prevailing regulations. The most significant of these comprise the contributions to the Deposit Guarantee Fund, which are recognised at 31 December each year; and property tax, expensed on 1 January each year.

The amount accrued at December 2014 for contributions to the Deposit Guarantee Fund totalled EUR 293 million. The amount accrued at December 2015 is not expected to be significantly different.

Lastly, in deciding what information to disclose in these condensed interim consolidated financial statements, materiality was assessed in relation to the interim period financial data.

Take-over bid launched for ordinary shares of Portuguese bank, BPI

On 17 February 2015 CaixaBank submitted a notice to the Portuguese stock market regulator, the Comissão do Mercado de Valores (CMVM), announcing its intention of launching a take-over bid for ordinary shares in the Portuguese bank, BPI.

The offer was voluntary and subject to a cash price of EUR 1.329 per share. The price was the weighted average of the last six months' prices and considered to be fair in accordance with Portuguese regulations. The offer was directed at all BPI's share capital not owned by CaixaBank and was conditional on: (i) obtaining acceptance from more than 5.9% of the shares issued -so that CaixaBank, considering its current stake of 44.1%, would go on to hold more than 50% of BPI's share capital after the operation- and (ii) the removal of the 20% restriction on the voting rights held by a single shareholder established in Article 12.4 of BPI's Bylaws at the appropriate Shareholders' Meeting. For this restriction to be removed, 75% of the share capital attending the Shareholders' Meeting or represented therein needed to vote in favour of the motion and CaixaBank could only exercise 20% of the voting rights.

On 18 June 2015, CaixaBank reported that its Board of Directors had approved a filing to the Portuguese Securities Regulatory (CMVM) requesting the withdrawal of the tender offer for BPI shares announced on 17 February, given that the condition concerning the elimination of the voting cap set forth by BPI's Bylaws was not fulfilled at the vote held during BPI's Annual General Meeting held the day before.

Henceforth, CaixaBank will initiate a period of analysis of the strategic alternatives available with respect to its stake in BPI, with particular consideration of the objectives set out in the 2015-2018 Strategic Plan.

Subsequent events after the reporting period

Between 30 June 2015 and the date these condensed interim consolidated financial statements were authorised for issue, no events occurred that are not described in the remaining explanatory notes that had a significant effect thereon.



2. Accounting policies and measurement bases

The accompanying condensed interim consolidated financial statements of the CaixaBank Group were prepared using the same accounting principles, policies and criteria as those used in the 2014 consolidated financial statements (see Note 2 to the 2014 consolidated financial statements), taking into consideration new IFRSs, amendments and interpretations that became effective in the first half of 2015 (see Note 1).

All accounting principles and measurement bases that could have a significant effect were applied in the preparation of the condensed interim consolidated financial statements.



3. Shareholder remuneration and earnings per share

Shareholder remuneration

CaixaBank's shareholder remuneration policy continues to entail quarterly dividend payments, in March, June, September and December. A scrip dividend programme was approved at the Ordinary Annual General Meeting of 12 May 2011. Under this programme, in certain quarters shareholders can choose between the following three options:

- a) Receive shares via a scrip issue;
- b) Receive cash from the market sale of the rights allocated in the issue; or
- c) Receive cash from the sale to CaixaBank, at a price fixed by the Entity, of the rights allocated during the capital increase.

Shareholders may also combine these three options, at their discretion.

On 16 February 2015, the Board of Directors resolved to propose to the shareholders at the Annual General Meeting that the final payout for 2014 to be paid in June 2015 be distributed as a cash dividend. This resolution was ratified at the Annual General Meeting held on 23 April 2015, which green-lighted the distribution of a final 2014 dividend of EUR 0.04 per share. The dividend was paid on 12 June 2015.

At a meeting held on 26 February 2015, CaixaBank's Board of Directors initiated the process of distributing a dividend charged to profit for 2014 under the Optional Scrip Dividend program, thus resulting in the cash payment to those shareholders who opted to sell their rights to CaixaBank at a fixed price of EUR 0.04 per right for a total pay-out of EUR 15,272 thousand. The remaining shareholders opted to receive shares under a scrip issue, which was effected on 24 March 2015 through the issuance of 53,331,614 shares, each of a par value of EUR 1, with a charge to the restricted reserves posted to such end at the Annual General Meeting held on 24 April 2014.

On 12 March 2015, the Board of Directors proposed that remuneration charged to 2015 would total EUR 0.16 per share, in the form of two cash payments and two payments under the Scrip Dividend programme (with the corresponding capital increases approved at the Annual General Meeting held on 23 April 2015). The quarterly remuneration policy will remain unchanged.

Dividends distributed in the first half of 2015 are as follows:

Dividends paid in the first half of 2015

(Thousands of euros)

	Euro per share	Maximum amount (*)	Amount paid in cash	Date of announcement	Date of payment
Scrip dividend programme					
Equivalent to the third interim dividend against 2014 results	0.04	228,598	15,272	26.02.2015	20.03.2015
Cash dividend					
Final dividend - 2014	0.04	N/A	230,732	23.04.2015	12.06.2015
Total distributed	0.08	228,598	246,004		

(*) Includes cash paid to shareholders and the fair value of the shares delivered.

CaixaBank paid its majority shareholder, Criteria CaixaHolding, a total of EUR 270,888 thousand in dividends in the first half of 2015. This amount equals the total sum received in cash plus the market value of the shares received.



Earnings per share

Basic earnings per share are calculated by dividing consolidated net profit or loss for the period attributable to equity holders of the Group by the weighted average number of shares outstanding during the period, excluding treasury shares.

Diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding less treasury shares after adjusting for dilutive potential ordinary shares (share options, warrants and convertible bonds). At 30 June 2015, there were no transactions involving potential ordinary shares. Therefore, there is no difference between basic and diluted earnings per share.

Calculation of basic and diluted earnings per share:

Calculation of basic and diluted earnings per share

	30.06.2015	30.06.2014
<i>Numerator</i>		
Profit attributable to the Parent (thousands of euros)	708,212	404,955
<i>Denominator (thousands of shares)</i>		
Average number of shares outstanding (*)	5,765,453	5,337,060
Adjustment for mandatory convertible instruments	0	311,212
Adjusted number of shares (basic earnings per share)	5,765,453	5,648,272
Basic and diluted earnings per share (in euros)	0.12	0.07

(*) Average number of shares outstanding, excluding average number of treasury shares held during the period. Includes the retrospective adjustments set out in IAS 33.



4. Risk management

The first half of 2015 featured the following extraordinary events:

- Launch of the ***Risk Data Aggregation (RDA) project***

In January 2013, the Basel Committee issued a new regulation (BCBS-239 - “Principles for Effective Risk Data Aggregation and Risk Reporting”), setting out 14 principles for bolstering financial institutions' capabilities to aggregate data and generate risk reports. It is initially applicable to entities designated as global systemically important financial institutions (G-SIFIs), and will be obligatory as from January 2016. It also suggests that local supervisors apply the principles to banks identified as domestic systemically important banks (D-SIBs) three years after their designation as such.

CaixaBank has taken a proactive stance, given that it is not a G-SIFI, and launched a programme to apply the RDA principles ahead of the required deadline. The goal of CaixaBank's RDA project is to understand the RDA principles and their impact on the organisation and propose and roll out any necessary changes to achieve compliance with the principles.

- The CaixaBank Group is analysing and evaluating banking regulation developments concerning the regulatory capital charge:

- Adaptation to the **new capital requirements regulations**: The Capital Requirements Directive (CRD IV) and the Capital Requirements Regulation (CRR), as well as regulatory monitoring and implementation of the Regulatory Technical Standards (RTS) and the Implementing Technical Standards (ITS) of both, which are being developed continuously. For this development, both the Basel Committee on Banking Supervision (BCBS) and the European Banking Authority (EBA) have requested preliminary analyses of the changes (Quantitative Impact Study, QIS) and Surveys. The following analyses were carried out and/or were being carried out in the first half of 2015:

- QIS Global Systemically Important Banks (G-SIB), including an analysis of assets and liabilities in the banking and trading books
- QIS Revisions to the Standardised Approach for credit risk, quantifying the impacts presented in the consultative document in this respect of the BCBS
- QIS Public Sector Entities, quantifying the weight of this type of borrower on the Bank's various portfolios
- Survey of Leveraged Lending, including a definition of this type of borrower and weight on the Bank's different portfolios
- QIS Shadow Banking, assessing the weight of this type of borrower on the Bank's exposures

- Commencement of banking oversight through the Single Supervision Mechanism (SSM), which became officially functional in November 2014, in line with the EBA guidelines. The SSM took over the role previously carried out by the Bank of Spain (with respect to CaixaBank), setting up Joint Supervisory Teams comprising personnel of the ECB and the Bank of Spain to carry out the ongoing monitoring of CaixaBank.
- Application of Directive 2002/87/EC with the supplementary information requirements regarding financial conglomerates according to the definition provided therein.



- Monitoring of developments through the delegated acts and technical standards of the Bank Recovery and Resolution Directive (BRRD), especially with respect to the minimum indicators that should be included in recovery plans, the circumstances under which the failure of an entity may occur, the contributions to national resolution funds and the single resolution fund, as well as the minimum requirement for own funds and eligible liabilities (MREL) and the relationship with the Financial Stability Board (FSB) consultation to improve total loss-absorbing capacity (TLAC).
- Analysis of the implications for the new Directive on Markets in Financial Instruments (MIFID 2) and the Regulation on markets in financial instruments (MIFIR), and their amendments to the Regulation on OTC derivatives, central counterparties and trade repositories (EMIR), in particular with respect to ESMA consultations on technical advisory to the European Commission on development of the rules.

This structural transformation of Europe's banking framework has had a major impact on day-to-day risk management, requiring internal changes to adapt to and cope adequately with these challenges.

- Work continues to develop the Risk Appetite Framework, raise awareness of it internally and integrate it into management processes. Specifically:
 - More detailed Tier 1 metrics – monitored by the Global Risk Committee – are being developed, which also include more complex and specialised risk measurement tools that enable Tier 1 metrics to be incorporated into risk management units' decision-making.
 - Identification and prioritisation of the risk policies and limits that must be aligned with the Risk Appetite Framework



Credit risk

Non-performing loans amounted to EUR 20,115 million (including EUR 2,232 million corresponding to Barclays Bank) and EUR 20,110 million at 30 June 2015 and 31 December 2014, respectively, including contingent liabilities. The non-performing loan (NPL) ratio (non-performing loans and contingent liabilities as a percentage of total risk) stood at 9.0% at 30 June 2015 (9.7% at 31 December 2014).

Provisions for loans and contingent liabilities at 30 June 2015 amounted to EUR 10,897 million (EUR 11,121 million at 31 December 2014), with a coverage ratio of 54.17% (55.30% at 31 December 2014).

During the first half of the year, work continued to update the risk parameters and further develop the economic capital model to bring it more closely in line with the criteria of the Supervisory Review and Evaluation Process (SREP).

Improvements to the loan approval process have also continued. Work performed in this respect included:

- The centralised Retail Risk Approval Centre has been fully rolled out across the entire branch network.
- Policies for approving loans to corporate bodies have been reviewed and simplified, which will allow further decentralisation of approval powers and an optimisation of the tier-based approval hierarchy, without losing any control over risks.
- Enhancements to the control and monitoring tools in the risk policy application, which will speed up and boost the effectiveness of decision-making.

Relevant disclosures on credit risk are as follows:

Information regarding financing for property development, home purchasing, and foreclosed assets

In line with the Group's reporting transparency policy and Bank of Spain guidelines, the main data at 30 June 2015 and 31 December 2014 regarding financing for property development, home purchasing and foreclosed assets are discussed below.

The Group's policy regarding problem assets in the real estate sector and the assets acquired in lieu of payment of debts are described in Note 3.1 "Credit risk" to the 2014 consolidated financial statements.

Memorandum items: Data on the CaixaBank Group

(Thousands of euros)

	Carrying amount	
	30.06.2015	31.12.2014
Total loans and advances to customers excluding public sector (businesses in Spain)	190,131,132	174,778,628
Total assets	343,967,202	338,623,449



Financing for real estate development

The tables below show financing for real estate developers and developments, including development carried out by non-developers, at 30 June 2015 and 31 December 2014. 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 after applying the weightings set out in Appendix IX of Bank of Spain Circular 4/2004.

30.06.2015

(Thousands of euros)

	Gross amount	Excess over value	
		of collateral	Specific allowance
Credit recognised by CaixaBank Group credit institutions	11,616,052	2,621,186	3,324,933
Of which: Non-performing	5,916,081	2,304,972	3,126,696
<i>Mortgage</i>	5,307,479	2,304,972	2,566,239
<i>Personal</i>	608,602		560,457
Of which: Substandard	654,876	72,015	198,237
<i>Mortgage</i>	612,593	72,015	185,858
<i>Personal</i>	42,283		12,379
Memorandum items			
Asset write-offs	3,972,856		

31.12.2014

(Thousands of euros)

	Gross amount	Excess over value	
		of collateral	Specific allowance
Credit recognised by CaixaBank Group credit institutions	14,068,609	3,358,143	4,386,601
Of which: Non-performing	7,679,126	2,971,372	4,173,832
<i>Mortgage</i>	6,568,300	2,971,372	3,172,595
<i>Personal</i>	1,110,826		1,001,237
Of which: Substandard	606,373	76,342	212,770
<i>Mortgage</i>	570,526	76,342	195,875
<i>Personal</i>	35,847		16,895
Memorandum items			
Asset write-offs	2,822,012		

The amounts shown in the preceding tables do not include the loans extended by the CaixaBank Group to the “la Caixa” Group’s real estate activity, which amounted to EUR 657 million (EUR 1,662 million at 31 December 2014). The change in financing in the first half of 2015 was due mainly to the early redemption of the bond issued in 2012 by Criteria CaixaHolding, SAU with a nominal amount at 31 December 2014 of EUR 999 million.

At the takeover date, the business combination with Barclays Bank, SAU involved assuming a developer loan book of EUR 875 million (gross). A specific allowance of EUR 448 million has been set aside for these loans.

The level of coverage for loans to real estate developers and developments considered problematic assets at 30 June 2015 stood at 50.6% (31 December 2014: 52.9%).



The tables below show the breakdown of financing for real estate developers and developments, including developments carried out by non-developers, by collateral:

By type of collateral

(Thousands of euros)	Carrying amount	
	30.06.2015	31.12.2014
Without mortgage collateral	1,170,512	1,698,855
With mortgage collateral	10,445,540	12,369,754
Completed buildings	7,845,572	9,040,157
<i>Homes</i>	5,318,658	6,315,031
<i>Other</i>	2,526,914	2,725,126
Buildings under construction	758,337	1,068,288
<i>Homes</i>	632,176	923,201
<i>Other</i>	126,161	145,087
Land	1,841,631	2,261,309
<i>Built land</i>	560,250	725,352
<i>Other</i>	1,281,381	1,535,957
Total	11,616,052	14,068,609

Financing for home purchases

The breakdown of home purchase loans at 30 June 2015 and 31 December 2014 is as follows:

(Thousands of euros)	Gross amount	
	30.06.2015	31.12.2014
Without mortgage collateral	811,365	790,215
<i>Of which: Non-performing</i>	17,916	6,838
With mortgage collateral	90,959,978	80,356,912
<i>Of which: Non-performing</i>	3,753,158	3,263,520
Total home loans	91,771,343	81,147,127

Note: Includes financing for home purchases granted by investee Unión de Créditos para la Financiación Inmobiliaria, EFC, SAU (Credifimo).

At the takeover date, the business combination with Barclays Bank SAU involved assuming a home loan book of EUR 13,321 million (gross).

The amount of real estate loans granted in 2015 and 2014 to buyers of foreclosed homes sold by CaixaBank was EUR 139.6 million and EUR 479.4 million, respectively, while the average percentage financed was 55% and 82%, respectively.



Home purchase loans with a mortgage guarantee at these dates by the loan-to-value (LTV) ratio, based on the latest available appraisal, are as follows:

(Thousands of euros)	30.06.2015		31.12.2014	
	Gross amount	Of which: non-performing	Gross amount	Of which: non-performing
LTV ranges				
LTV ≤ 40%	19,972,493	281,270	15,345,802	197,651
40% < LTV ≤ 60%	32,756,771	843,401	27,488,184	653,929
60% < LTV ≤ 80%	31,392,600	1,746,337	30,411,023	1,601,104
80% < LTV ≤ 100%	5,881,245	619,491	6,311,877	615,012
LTV > 100%	956,869	262,659	800,026	195,824
Total home loans	90,959,978	3,753,158	80,356,912	3,263,520

Note: LTV calculated based on appraisals available at the grant date. The ranges are updated for non-performing transactions in accordance with prevailing regulations.

Foreclosed assets

The table below shows foreclosed assets by source and type of property at 30 June 2015 and 31 December 2014.

Foreclosed real estate assets (*)

(Thousands of euros)	30.06.2015		31.12.2014	
	Net carrying amount	Of which: Allowances (**)	Net carrying amount	Of which: Allowances (**)
Property acquired from loans to real estate developers	5,345,094	(4,267,924)	5,365,730	(3,715,430)
Completed buildings	2,890,198	(1,528,966)	2,908,280	(1,233,378)
<i>Homes</i>	2,113,784	(1,151,461)	2,163,757	(953,429)
<i>Other</i>	776,414	(377,505)	744,523	(279,949)
Buildings under construction	376,289	(425,192)	359,396	(387,933)
<i>Homes</i>	332,293	(387,266)	312,648	(339,971)
<i>Other</i>	43,996	(37,926)	46,748	(47,962)
Land	2,078,607	(2,313,766)	2,098,054	(2,094,119)
<i>Built land</i>	1,112,026	(1,020,490)	1,156,409	(982,619)
<i>Other</i>	966,581	(1,293,276)	941,645	(1,111,500)
Property acquired from mortgage loans to homebuyers	1,690,712	(853,192)	1,378,362	(504,587)
Other property foreclosures	739,388	(559,012)	719,034	(389,955)
Equity instruments, investments and financing granted to unconsolidated companies holding these assets				
Total	7,775,194	(5,680,128)	7,463,126	(4,609,972)

(*) Does not include foreclosed assets classified as "Tangible assets - Investment property" amounting to EUR 3,062 million, net (EUR 2,771 million, net at 31 December 2014), and includes foreclosure rights deriving from auctions in the amount of EUR 766 million, net (EUR 745 million, net at 31 December 2014).

(**) The amount of the allowance corresponding to the difference between the value of the cancelled gross debt and the net carrying amount of the property amounts to EUR 10,087 million (EUR 9,007 million at 31 December 2014).

Further details of assets acquired as payment of debts are provided in Notes 8, 11 and 13.



Refinancing

The table below shows the outstanding balance of refinanced operations at 30 June 2015 and 31 December 2014, by classification of customer insolvency risk:

30.06.2015

(Thousands of euros)

	Performing					
	Real estate mortgage secured		Rest of secured loans		Unsecured loans	
	No. of transactions	Gross amount	No. of transactions	Gross amount	No. of transactions	Gross amount
Public sector	102	91,620	2	10,137	102	1,223,507
Other legal entities and individual entrepreneurs	20,049	3,121,171	354	66,345	9,119	829,057
<i>Of which: financing the construction and property development</i>	<i>2,007</i>	<i>834,105</i>	<i>22</i>	<i>5,280</i>	<i>111</i>	<i>7,086</i>
Other individuals	77,723	4,735,283	777	49,810	28,736	154,498
Total	97,874	7,948,074	1,133	126,292	37,957	2,207,062

31.12.2014

(Thousands of euros)

	Performing					
	Real estate mortgage secured		Rest of secured loans		Unsecured loans	
	No. of transactions	Gross amount	No. of transactions	Gross amount	No. of transactions	Gross amount
Public sector	106	95,281	2	10,169	91	814,443
Other legal entities and individual entrepreneurs	24,917	3,706,197	409	145,646	9,404	1,181,964
<i>Of which: financing the construction and property development</i>	<i>2,186</i>	<i>1,071,386</i>	<i>22</i>	<i>73,479</i>	<i>114</i>	<i>11,060</i>
Other individuals	70,675	4,143,224	726	40,321	25,648	133,933
Total	95,698	7,944,702	1,137	196,136	35,143	2,130,340



30.06.2015

(Thousands of euros)

Substandard

	Real estate mortgage secured		Rest of secured loans		Unsecured loans		
	No. of transactions	Gross amount	No. of transactions	Gross amount	No. of transactions	Gross amount	Provision
Public sector	8	64,974	0	0	17	91,804	0
Other legal entities and individual entrepreneurs	2,556	727,280	160	50,196	843	583,689	305,459
<i>Of which: financing the construction and property development</i>	860	361,587	23	21,757	9	107	128,997
Other individuals	10,019	699,626	387	46,235	1,924	10,977	133,529
Total	12,583	1,491,880	547	96,431	2,784	686,470	438,988

31.12.2014

(Thousands of euros)

Substandard

	Real estate mortgage secured		Rest of secured loans		Unsecured loans		
	No. of transactions	Gross amount	No. of transactions	Gross amount	No. of transactions	Gross amount	Provision
Public sector	38	67,648			16	87,950	
Other legal entities and individual entrepreneurs	3,033	828,889	120	42,965	567	427,656	296,880
<i>Of which: financing the construction and property development</i>	731	340,309	11	15,789	4	9,752	131,000
Other individuals	9,655	605,157	311	34,767	1,416	6,168	122,974
Total	12,726	1,501,694	431	77,732	1,999	521,774	419,854



30.06.2015

(Thousands of euros)

	Non-performing						
	Real estate mortgage secured		Rest of secured loans		Unsecured loans		
	No. of transactions	Gross amount	No. of transactions	Gross amount	No. of transactions	Gross amount	Provision
Public sector	5	3,860	1	3,035	23	13,098	1,346
Other legal entities and individual entrepreneurs	13,027	4,366,060	915	761,369	3,686	972,659	2,817,628
<i>Of which: financing the construction and property development</i>	4,389	1,927,989	243	451,187	151	109,517	1,258,379
Other individuals	28,000	2,464,596	1,092	142,420	11,828	73,202	639,681
Total	41,032	6,834,516	2,008	906,824	15,537	1,058,959	3,458,655

31.12.2014

(Thousands of euros)

	Non-performing						
	Real estate mortgage secured		Rest of secured loans		Unsecured loans		
	No. of transactions	Gross amount	No. of transactions	Gross amount	No. of transactions	Gross amount	Provision
Public sector	2	3,825	1	3,035	26	26,614	80
Other legal entities and individual entrepreneurs	14,398	4,067,059	1,005	746,441	3,743	1,043,375	2,784,730
<i>Of which: financing the construction and property development</i>	4,800	1,884,551	291	477,372	173	660,301	1,723,674
Other individuals	26,631	2,224,508	941	97,043	11,690	68,247	554,010
Total	41,031	6,295,392	1,947	846,519	15,459	1,138,236	3,338,820

30.06.2015

(Thousands of euros)

	Total		
	No. of transactions	Gross amount	Provision
Public sector	260	1,502,035	1,346
Other legal entities and individual entrepreneurs	50,709	11,477,826	3,123,087
<i>Of which: financing the construction and property development</i>	7,815	3,718,615	1,387,376
Other individuals	160,486	8,376,647	773,210
Total	211,455	21,356,508	3,897,643



31.12.2014

(Thousands of euros)

	Total		
	No. of transactions	Gross amount	Provision
Public sector	282	1,108,965	80
Other legal entities and individual entrepreneurs	57,596	12,190,192	3,081,610
<i>Of which: financing the construction and property development</i>	8,332	4,543,999	1,854,674
Other individuals	147,693	7,353,368	676,984
Total	205,571	20,652,525	3,758,674

The movement as of 30 June 2015 in the gross amount and impairment allowances for refinanced operations is as follows:

30.06.2015

(Thousands of euros)

	<u>Performing</u>	<u>Non-performing</u>		<u>Substandard</u>		<u>Total</u>	
	Gross amount	Gross amount	Provision	Gross amount	Provision	Gross amount	Provision
Balance at 31.12.2014	10,271,178	8,280,147	(3,338,820)	2,101,200	(419,854)	20,652,525	(3,758,674)
Additions due to integration of Barclays Bank, SAU	562,905	971,374	(594,854)	200,059	(19,165)	1,734,338	(614,019)
Additions	853,448	725,724	(284,756)	554,024	(107,330)	2,133,196	(392,086)
Derecognitions (1)	(330,387)	(1,702,456)	1,090,350	(111,151)	15,171	(2,143,994)	1,105,521
Reclassifications	(271,997)	652,589	(235,398)	(380,592)	94,298	0	(141,100)
Changes in balance (2)	(803,719)	(127,079)	(95,177)	(88,759)	(2,108)	(1,019,557)	(97,285)
Balance at 30.06.2015	10,281,428	8,800,299	(3,458,655)	2,274,781	(438,988)	21,356,508	(3,897,643)

(1) "Derecognitions" includes the balances of those transactions that were completely cancelled during the year, either due to collection, an award, or a new refinancing.

(2) "Changes in balance" includes other changes taken place during the year in refinanced transactions, mainly amounts collected.



Information on sovereign risk exposure

In line with the CaixaBank Group's reporting transparency policy, the carrying amounts in the main data regarding exposure to sovereign risk at 30 June 2015 and 31 December 2014 are shown below. The information is presented to distinguish between the positions held by CaixaBank directly and those held by the insurance group.

30.06.2015 (CaixaBank)

(Thousands of euros)

Country	Residual maturity	Financial assets held for trading - debt securities	Held for trading – short positions	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments
Spain	Less than 3 months	789,932	(321,158)	2,601,368	2,951,962	
	Between 3 months and 1 year	1,513,360	(444,083)	2,023,934	866,134	1,130,056
	Between 1 and 2 years	275,306	(8,408)	875,527	1,905,972	1,028,693
	Between 2 and 3 years	263,823	(219,521)	404,770	602,325	
	Between 3 and 5 years	161,414	(662,149)	5,187,786	1,810,950	49,492
	Between 5 and 10 years	247,988	(395,469)	2,495,069	4,605,068	337,823
	Over 10 years	200,989	(439,233)	1,078,494	2,306,916	
	Total	3,452,812	(2,490,021)	14,666,948	15,049,327	2,546,064
Belgium	Total	0	0	0	0	0
Ireland	Total	0	0	0	0	0
Italy	Less than 3 months	9,917				
	Between 3 months and 1 year	21,575				
	Between 1 and 2 years	7,839	(28,136)			
	Between 2 and 3 years	7,469				
	Between 3 and 5 years	13,138	(26,396)			
	Between 5 and 10 years	33,220		798,114		
	Over 10 years	594				
	Total	93,752	(54,532)	798,114	0	0
Other (1)	Less than 3 months	150,020		829	58,443	
	Between 3 months and 1 year	352,634				
	Between 1 and 2 years	1,172		409,450		
	Between 3 and 5 years	94				
	Between 5 and 10 years	896				
	Total	504,816	0	410,279	58,443	0
Total countries		4,051,380	(2,544,553)	15,875,341	15,107,770	2,546,064

(1) The CaixaBank Group holds no positions in Greek sovereign debt.



30.06.2015 (Insurance Group)

(Thousands of euros)

Country	Residual maturity	Financial assets held for trading - debt securities	Held for trading - short positions	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments
Spain	Less than 3 months			23,509		
	Between 3 months and 1 year			309,049		
	Between 1 and 2 years			1,708,548		
	Between 2 and 3 years			549,551		
	Between 3 and 5 years			1,438,545		
	Between 5 and 10 years			4,245,563		
	Over 10 years			23,452,774		
	Total	0	0	31,727,539	0	0
Belgium	Less than 3 months			2,084		
	Between 1 and 2 years			568		
	Between 2 and 3 years			3,297		
	Between 3 and 5 years			694		
	Between 5 and 10 years			10,950		
	Over 10 years			118		
	Total	0	0	17,711	0	0
Ireland	Between 5 and 10 years			1,787		
	Total	0	0	1,787	0	0
Italy	Between 3 months and 1 year			6,106		
	Between 1 and 2 years			28,336		
	Between 2 and 3 years			8,385		
	Between 3 and 5 years			18,775		
	Between 5 and 10 years			158,595		
	Over 10 years			1,248,011		
	Total	0	0	1,468,208	0	0
Other (1)	Less than 3 months			11		
	Between 3 months and 1 year			435		
	Between 1 and 2 years			1,082		
	Between 2 and 3 years			2,554		
	Between 3 and 5 years			5,637		
	Between 5 and 10 years			4,977		
	Over 10 years			44,987		
	Total	0	0	59,683	0	0
Total countries		0	0	33,274,928	0	0
Total Group (CaixaBank + Insurance Group)		4,051,380	(2,544,553)	49,150,269	15,107,770	2,546,064

(1) The Insurance Group holds no Greek sovereign debt positions.


31.12.2014 (CaixaBank)

(Thousands of euros)

Country	Residual maturity	Financial assets held for trading - debt securities	Held for trading - short positions	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments
Spain	Less than 3 months	75,957	(74,000)	849,758	1,158,875	1,808,771
	Between 3 months and 1 year	56,724	(837,841)	7,075,100	3,699,651	2,458,528
	Between 1 and 2 years	359,499	(59,697)	1,438,950	635,680	1,131,940
	Between 2 and 3 years	117,733	(135,012)	1,295,807	905,539	514,461
	Between 3 and 5 years	160,206	(86,613)	5,140,335	2,100,705	
	Between 5 and 10 years	473,627	(279,617)	6,645,401	3,534,157	395,535
	Over 10 years	239,362	(322,303)	8,109	1,926,766	
	Total	1,483,108	(1,795,083)	22,453,460	13,961,373	6,309,235
Belgium	Total	0	0	0	0	0
Ireland	Total	0	0	0	0	0
Italy	Less than 3 months	1,436				
	Between 3 months and 1 year	10,678				
	Between 1 and 2 years	25,994	(9,691)			
	Between 2 and 3 years	4,791	(24,286)			
	Between 3 and 5 years	22,227	(3,319)			
	Between 5 and 10 years	16,490	(18,763)			
	Over 10 years	1,313	(18,324)			
	Total	82,929	(74,383)	0	0	0
Other	Less than 3 months	150,005		852	21,863	
	Between 3 months and 1 year	100,020				
	Between 1 and 2 years			408,878		
	Between 2 and 3 years	1,170				
	Between 3 and 5 years	2,299				
	Between 5 and 10 years	1,130				
	Total	254,624	0	409,730	21,863	0
Total countries		1,820,661	(1,869,466)	22,863,190	13,983,236	6,309,235



31.12.2014 (Insurance Group)

(Thousands of euros)

Country	Residual maturity	Financial assets held for trading - debt securities	Held for trading - short positions	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments
Spain	Less than 3 months			271,073		
	Between 3 months and 1 year			361,220		
	Between 1 and 2 years			1,138,128		
	Between 2 and 3 years			1,168,526		
	Between 3 and 5 years			1,542,944		
	Between 5 and 10 years			5,058,263		
	Over 10 years			25,170,099		
	Total	0	0	34,710,253	0	0
Belgium	Between 3 months and 1 year			2,083		
	Between 1 and 2 years			567		
	Between 2 and 3 years			154		
	Between 3 and 5 years			3,965		
	Between 5 and 10 years			11,021		
	Over 10 years			123		
	Total	0	0	17,913	0	0
Ireland	Between 5 and 10 years			1,856		
	Total	0	0	1,856	0	0
Italy	Less than 3 months			9,499		
	Between 3 months and 1 year			14,791		
	Between 1 and 2 years			17,636		
	Between 2 and 3 years			21,250		
	Between 3 and 5 years			18,720		
	Between 5 and 10 years			100,067		
	Over 10 years			1,327,703		
	Total	0	0	1,509,666	0	0
Other	Less than 3 months			878		
	Between 3 months and 1 year			495		
	Between 1 and 2 years			1,528		
	Between 2 and 3 years			2,436		
	Between 3 and 5 years			3,365		
	Between 5 and 10 years			11,519		
	Over 10 years			64,252		
	Total	0	0	84,473	0	0
Total countries		0	0	36,324,161	0	0
Total Group (CaixaBank + Insurance group)		1,820,661	(1,869,466)	59,187,351	13,983,236	6,309,235



Risk associated with debt securities

The balance of debt securities at 30 June 2015 and 31 December 2014, is as follows, broken down by the Standard & Poor's ratings:

30.06.2015

(Thousands of euros)

	Loans and receivables	Financial assets held for trading	Available-for- sale financial assets	Held-to- maturity investments	TOTAL
AAA		3,270	218,052		221,322
AA+		2,487	116,630	750,000	869,117
AA		508,744	523,528		1,032,272
AA-		13,363	51,672		65,035
A+	1,019,911	10,039	392,997		1,422,947
A		13,470	513,605		527,075
A-		32,443	482,627		515,070
BBB+	7,707	2,033,929	1,069,734	2,311,309	5,422,679
BBB		1,738,705	43,586,435	1,882,213	47,207,353
BBB-		25,069	7,490,886		7,515,955
Investment grade	1,027,618	4,381,519	54,446,166	4,943,522	64,798,825
	61.2%	99.8%	96.7%	95.6%	95.9%
BB+	591,246		466,429		1,057,675
BB		55	221,949		222,004
BB-		7,918	10,008		17,926
B+			59,686		59,686
B					0
B-					0
CCC+			68,155		68,155
CCC					0
CCC-					0
CC					0
C					0
D					0
No rating	61,567		1,029,196	227,915	1,318,678
Non-investment grade	652,813	7,973	1,855,423	227,915	2,744,124
	38.8%	0.2%	3.3%	4.4%	4.1%
Balance at 30.06.2015	1,680,431	4,389,492	56,301,589	5,171,437	67,542,949



31.12.2014

(Thousands of euros)

	Loans and receivables	Financial assets held for trading	Available-for- sale financial assets	Held-to- maturity investments	TOTAL
AAA		578	194,552		195,130
AA+			114,921	750,129	865,050
AA		254,045	416,608		670,653
AA-			57,591		57,591
A+	983,539	10,046	419,423		1,413,008
A			260,577		260,577
A-		26,679	988,733		1,015,412
BBB+	7,409	240,445	1,854,986	3,087,078	5,189,918
BBB		1,505,867	51,857,284	4,466,820	57,829,971
BBB-		10,229	9,088,555		9,098,784
Investment grade	990,948	2,047,889	65,253,230	8,304,027	76,596,094
	38.2%	99.9%	97.1%	86.4%	94.0%
BB+	571,730		419,807		991,537
BB		1,885	330,249	915,752	1,247,886
BB-			25,134		25,134
B+			60,285		60,285
B			3,909		3,909
B-					0
CCC+			70,582		70,582
CCC					0
CC					0
C					0
D					0
No rating	1,029,717		1,041,891	388,710	2,460,318
Non-investment grade	1,601,447	1,885	1,951,857	1,304,462	4,859,651
	61.8%	0.1%	2.9%	13.6%	6.0%
Balance at 31.12.2014	2,592,395	2,049,774	67,205,087	9,608,489	81,455,745

Short positions in debt securities mainly include hedges to manage long positions in Spanish public debt classified in the held-for-trading portfolio and available-for-sale financial assets.

Standard&Poor's long-term sovereign credit rating on the Kingdom of Spain at 30 June 2015 was BBB.

Counterparty risk

In the first half of 2015, following the entry into force of European Market Infrastructure Regulation (EMIR) and the Regulation of the European Parliament on prudential requirements for credit institutions, the risks of trading in OTC derivatives contracts is being mitigated through clearance of positions using Central Counterparties.



Market risk

Average VaR (value at risk or the potential maximum daily loss with a 99% confidence level) in the first half of 2015 in trading activities was EUR 3.3 million.

The highest market risk levels, up to EUR 6.1 million, were reached in June, mainly due to VaR anticipating a potentially negative movement in the daily market value of sovereign debt positions (mainly bonds and bond derivatives).

The VaR estimate is the highest amount obtained from applying parametric approaches to historical data of two different time horizons (75 days and one year of market data) and historical simulation of data for a calendar year. Monitoring of market risk is rounded off with in-depth analysis of the impact under extreme conditions (stress test) and verification of the model (back test).

The table below presents average estimated VaR attributable to the different risk factors. As shown, the amounts used are moderate and concentrated mainly in risk from fluctuations in interest rate curves, credit risk premiums and share prices, while the weight of the rest of the market positioning factors is much smaller.

VaR by risk factors

(Thousands of euros)

	Average VaR	Interest rate	Exchange rate	Share price	Inflation	Commodity price	Credit spread	Interest rate volatility	Exchange rate volatility	Share price volatility
2014	4,624	2,474	810	1,420	94		1,190	211	58	271
First half 2015	3,345	2,148	193	287	183		1,522	205	56	198

Exchange rate risk

Exchange rate risk arising from the balance sheet positions drawn up in foreign currency is minimised through market hedging of the risks assumed.

Interest rate risk in the banking book

The sensitivity to interest rates and the expected terms to maturity have been analysed for items without a contractual maturity date (such as demand accounts) on the basis of past experience of customer behaviour, including the possibility that the customer may withdraw the funds invested in this type of products.

For other products, in order to define the assumptions for early termination, internal models that capture behavioural variables of customers, own products and seasonal variables are used, and that also consider macro-economic variables to ascertain the future operations of customers.



The table below shows, using a static gap, the breakdown of maturities and interest rate resets at 31 May 2015 of sensitive items on the CaixaBank balance sheet.

Matrix of maturities and revaluations of the sensitive balance sheet at 31 May 2015

(Thousands of euros)

	1 year	2 years	3 years	4 years	5 years	> 5 years	TOTAL
ASSETS							
Mortgage collateral	110,831,486	12,236,572	1,308,663	1,164,782	1,041,262	7,806,768	134,389,533
Other guarantees	43,515,686	1,991,950	1,093,896	753,928	696,731	4,015,327	52,067,518
Debt securities	14,752,031	1,662,057	303,458	2,432,805	2,247,469	3,011,066	24,408,886
Total assets	169,099,203	15,890,579	2,706,017	4,351,515	3,985,462	14,833,161	210,865,937
LIABILITIES							
Customer funds	125,371,451	22,854,612	4,556,707	4,545,022	4,264,327	20,928,010	182,520,129
Issues	17,746,586	4,813,547	1,809,132	2,412,446	2,298,163	12,337,212	41,417,086
Money market, net	-234,928	729,745	180,056	14,434,666	444,155	311,049	15,864,743
Total liabilities	142,883,109	28,397,904	6,545,895	21,392,134	7,006,645	33,576,271	239,801,958
Assets less liabilities	26,216,094	(12,507,325)	(3,839,878)	(17,040,619)	(3,021,183)	(18,743,110)	(28,936,021)
Hedges	(20,045,832)	4,341,374	6,705,050	2,545,859	2,424,390	4,029,159	0
Total difference	6,170,262	(8,165,951)	2,865,172	(14,494,760)	(596,793)	(14,713,951)	(28,936,021)

Interest rate risk in the banking book is subject to specific control and includes various risk measures, such as analysis of the sensitivity of net interest income and the present value of future cash flows (impact of 1 basis point), VaR (Value at risk) measures and stochastic measures, such as EaR (Earnings at risk), to changes in interest rates.

The sensitivity of net interest income shows the impact on the review of balance sheet transactions caused by changes in the interest rate curve. This sensitivity is determined by comparing a net interest income simulation, at one or two years, on the basis of various interest rate scenarios (immediate parallel and progressive movements of different intensities, as well as changes in slope). The most likely scenario, which is obtained using the implicit market rates, is compared with other scenarios of rising or falling interest rates and parallel and non-parallel movements in the slope of the curve. The one-year sensitivity of net interest income to sensitive balance sheet assets and liabilities, taking account of scenarios of rising and falling interest rates of 100 basis points each way, is approximately +2.72% on the rising scenario and -0.51% on the falling scenario (using benchmark data at May 2015). Given the current level of interest rates, it should be pointed out that the scenario of a 100bp fall does not imply the application of negative interest rates.

The sensitivity of equity to interest rates measures the effect of interest rate fluctuations on economic value.

Impact of a 1bp increase in the curve

(Thousands of euros)

	30.06.2015	31.12.2014
Value of future cash flows	10,742	(1,501)

Data at 31.05.2015.



The sensitivities of net interest income and equity are measurements that complement each other and provide an overview of structural risk, which focuses more on the short and medium term, in the case of net interest income, and on the medium and long term in the case of equity.

As a supplement to these measurements of sensitivity, VaR measures are applied in accordance with treasury-specific methodology.

1-day VaR with a 99% confidence level (Thousands of euros)	End of period	Average	High	Low
31.05.2015	86,795	90,392	99,617	83,460
31.12.2014	89,916	80,662	115,285	67,920

Finally, Earnings at Risk (EaR) measurements are also taken in order to establish with a certain confidence level (99%) the maximum loss of net interest income over the next two years, assuming a certain amount of balance sheet growth. This analysis also identifies the potential worst and best scenarios of all the simulated scenarios, thereby showing maximum levels of risk.

In accordance with current regulations, the CaixaBank Group does not avail itself of its own funds for the interest rate risk in the banking book undertaken, in view of the low risk profile of its balance sheet. The interest rate risk in the banking book assumed by the CaixaBank Group is substantially below levels considered significant (outliers) under current regulations.

CaixaBank continues to carry out a series of actions designed to strengthen the monitoring and management of interest rate risk in the banking book.

Liquidity risk

The CaixaBank Group's bank liquidity, as shown by its cash, the net balance of interbank deposits, public debt net of reverse repos and not included in the facility, and the balance that can be drawn on the credit facility with the European Central Bank (ECB), amounted to EUR 54,015 million and EUR 56,665 million at 30 June 2015 and 31 December 2014, respectively.

Although a Liquidity Coverage Ratio (LCR) higher than 60% is not required until October 2015, CaixaBank surpassed a level of 130% in the first half of 2015, a target defined in the 2015-2018 Strategic Plan.

This liquidity position is sufficient to fund the Group's growth and future investment, and to refinance maturities of institutional issues in the years to come. As part of this approach to managing liquidity risk and to allow it to anticipate potential needs for lendable funds, the CaixaBank Group's wide variety of financing programmes cover a number of maturity periods. This allows the Group to maintain adequate levels of liquidity at all times.



The CaixaBank Group ensures its long-term access to resources through renewal of the fixed income securities and promissory notes issue programmes, with the following amounts:

Debt issuance capacity

(Thousands of euros)

	Total issuance capacity	Nominal used at 30.06.2015
Promissory notes programme (1)	5,000,000	160,025
Fixed-income programme (2)	15,000,000	4,620,150
EMTN (Euro Medium Term Note) programme (3)	10,000,000	

(1) Promissory notes programme registered with the CNMV on 15.07.2014.

(2) Base prospectus for non-participating securities registered with the CNMV on 22.07.2014.

(3) Registered with the Irish Stock Exchange on 9.06.2015

Covered bond issuance capacity

(Thousands of euros)

	30.06.2015	31.12.2014
Mortgage covered bond issuance capacity	3,849,062	4,211,018
Public sector covered bond issuance capacity	2,830,753	2,147,365

At 30 June 2015, customer deposits accounted for 73% of financing sources (75% at 31 December 2014).

The CaixaBank Group has EUR 71,610 million in liquid assets as defined by the Bank of Spain in its liquidity statements. This amount can be readily converted, as it includes the haircuts required by the ECB.

Liquid assets (1)

(Thousands of euros)

	30.06.2015	31.12.2014
Cash and central banks (*)	4,616,049	4,156,781
Balance drawable on the facility (**)	26,479,800	29,156,024
Eligible assets not included in the facility	30,427,301	35,255,179
Other marketable assets not eligible by the central bank (***)	10,087,236	9,070,733
Total liquid assets	71,610,386	77,638,717

(*) Includes amounts deposited in the marginal deposit facility (1-day deposit with the ECB)

(**) Does not include outstanding assets to be contributed to the European Central Bank facility (EUR 1,584 million in 2014). These assets were contributed to the facility in January 2015.

(***) Fixed-income with an A or higher rating, equities and investments in mutual funds.

(1) Bank of Spain liquidity criteria.

In the first half of 2015, the Group increased the amount of funding obtained from the ECB's special auctions (TLTRO) by EUR 9,451 million, leaving a balance of EUR 16,319 million at 30 June 2015. Of this amount, EUR 381 million comprised funding obtained by Barclays Bank SAU from the special auctions (TLTRO). A further EUR 5,069 million comprised funding obtained by CaixaBank to cancel the funding obtained by Barclays Bank, SAU, while EUR 4,001 million was the result of an increase in drawdowns from the ECB.



The Group's financing policies take into account a balanced distribution of issue maturities, preventing concentrations and diversifying financing instruments. During the first half, wholesale issues of EUR 3,860 million matured, along with an issue of mortgage covered bonds of EUR 1,000 million. Its reliance on wholesale funding is limited, while the maturities (nominal amounts) of institutional debt scheduled for the coming years are as follows: The nominal amounts shown in the table below are not net of own securities held by subsidiaries, for the purposes of managing bank liquidity.

Wholesale financing maturities (net of own securities acquired)

(Thousands of euros)

	Up to 1 month	1-3 months	3-12 months	1-5 years	> 5 years	Total
Mortgage covered bonds		421,704	7,713,939	10,917,689	9,833,980	28,887,312
Public sector covered bonds				87,800		87,800
Senior debt			846,059	1,757,333	125,563	2,728,955
Subordinated debt and preference shares			106,600	101,300	907,756	1,115,656
Convertible bonds				544,300		544,300
Total wholesale issue maturities	0	421,704	8,666,598	13,408,422	10,867,299	33,364,023

Financial instruments that include accelerated repayment terms

At 30 June 2015, CaixaBank had instruments containing terms that could trigger accelerated repayment if one or more of the events set out in the agreements occurred. The balance of registered mortgage covered bond transactions including accelerated repayment terms upon losing three rating notches stood at EUR 80 million, all of which related to transactions in which the term had already expired and was not enforced by the counterparty; and EUR 385 million to other transactions in which credit rating downgrades of up to three notches could trigger accelerated repayment. Details of these operations, by nature of the agreement, are as follows:

Instruments with accelerated repayment terms

(Thousands of euros)

	30.06.2015	31.12.2014
Registered mortgage covered bonds (1)	80,000	480,000
Loans received (2)	384,846	317,500

(1) The bonds are recognised under "Customer deposits – Time deposits".

(2) The loans are included in "Deposits from credit institutions".



Instruments that could require the posting of collateral

At 30 June 2015 and 2014, CaixaBank has instruments that require the posting of collateral or receipt of margins in addition to initial margins in its derivatives and debt repo transactions, as is customary practice in the market.

In derivatives, it received EUR 2,852 million of cash margins and EUR 46 million in public debt, and posted collateral in cash of EUR 2,362 million and EUR 21 million in public debt.

In the case of public repos, EUR 2 million of additional cash margins was received for trading in OTC markets, while cash collateral of EUR 21 million was posted for trading in active markets and EUR 285 million in OTC markets.

Instruments subject to master netting agreements.

At 30 June 2015, the Group had master netting agreements for its derivatives operations.

Operational risk

In 2015, work continued on the project to migrate from the current standardised approach to operational risk management to more advanced measurement approaches with a dual objective of implementing best practices in operational risk management, while at the same time being able to calculate regulatory capital requirements with risk-sensitive approaches.

Actuarial risk

Policies

The Group continues to work on keeping its risk management policies and systems up to date at all times.

During the first quarter of 2015, the underwriting and reserves policy and the reinsurance policy were updated and approved as per the provisions of the Solvency II Directive.

Work also continued on strengthening the systems for reporting to the various bodies and management committees, in particular the Global Risk Committee, whose main responsibilities are the overall management of risk associated with the insurance business and the implications for solvency and capital, and the monitoring and control of the risk profile and risk management policies.

Management tools

A case in point in 2015 are the ongoing and planned developments related to adaptation to Solvency II before it enters into force on 1 January 2016.

As explained in the notes to the 2014 consolidated financial statements, the Group has included the Solvency II 'phasing-in' timetable in its strategic objectives through planning and monitoring of an array of strategic initiatives, such as IT projects related to the roll-out of a Risk and Solvency DataMart (DMS) that covers adaptation to all three pillars of Solvency II (Pillar I, capital requirements; Pillar 2, governance system and ORSA (Own Risk and Solvency Assessment); and Pillar 3, reporting requirements).

A progress report was sent to the Directorate-General of Insurance and Pension Funds (DGSEFP) in December 2014, with no significant delays affecting the phasing in of Solvency II criteria reported.



In 2015, the Group will continue with planned developments to adhere to the phase-in schedule. These include submitting quarterly and annual QRTs (Quantitative Reporting Templates) for the preparatory phase to the DGSFP during the year, and establishing the supervisor approval processes as specified in the Solvency II Directive for the purposes of calculating capital requirements and technical provisions.



5. Capital adequacy management

Regulatory framework

The capital adequacy of financial institutions is regulated by Regulation (EU) 575/2013 (CRR) and Directive 2013/36/EU of the European Parliament and of the Council, both dated 26 June 2013, which implement the Basel III regulatory framework (BIS III) in the European Union.

Capital adequacy of CaixaBank

At 30 June 2015, CaixaBank achieved a Common Equity Tier 1 (CET1) ratio of 12.8% (-18 basis points in the first half). Total eligible own funds stood at 15.7% of risk-weighted assets.

The trend in CET1 in the first half of the year reflects the integration of Barclays Bank, SAU as well as the Group's ability to generate capital, thanks to both its earnings and prudent risk management.

Risk-weighted assets (RWA) at 30 June 2015 stood at EUR 147,634 million, up EUR 7,905 million or 5.7% from 31 December 2014, largely on account of the inclusion of Barclays Bank, SAU's risk-weighted assets.

Applying the criteria expected for the end of the transitional period (*fully loaded*), CaixaBank had a CET1 ratio of 11.5%.

CaixaBank is also subject to minimum capital requirements on an individual basis. CaixaBank's individual CET1 ratio stood at 12.9%.

CaixaBank's long-term ratings stand at BBB with stable outlook (Standard & Poor's), BBB with positive outlook (Fitch) and A low with stable outlook (DBRS). After application of its new bank rating methodology on 17 June 2015, Moody's revised up CaixaBank's long-term rating (unsecured senior and deposits) from Baa3, positive outlook, to Baa2, stable outlook.



The composition of the CaixaBank Group's eligible own funds is as follows:

(Thousands of euros)	30.06.2015		31.12.2014	
	Amount	%	Amount	%
Shareholders' equity	23,977,198		23,372,983	
<i>Capital</i>	5,768,288		5,714,956	
<i>Share premium and reserves</i>	17,500,698		17,091,622	
<i>Profit attributable to the Group after dividend payments</i>	708,212		566,405	
- Expected dividends	(354,106)		(256,344)	
+ Non-controlling interests and valuation adjustments	872,770		202,906	
- Non-eligible items	(62,210)		(52,046)	
Equity instruments	24,433,652		23,267,499	
- Deductions from CET1	(2,550,876)		(1,106,633)	
- Tier 1 coverage	(3,024,304)		(4,065,931)	
CET1	18,858,472	12.8%	18,094,935	13.0%
+ Additional Tier 1 instruments				
- Deductions of basic own funds	(3,024,304)		(4,065,931)	
+ Tier 1 coverage	3,024,304		4,065,931	
Basic capital (Tier 1)	18,858,472	12.8%	18,094,935	13.0%
+ Subordinated financing	4,166,614		4,196,824	
+ Eligible general provisions	290,186		320,520	
- Deductions of Tier 2 capital	(86,318)		(162,208)	
Tier 2 capital	4,370,482	3.0%	4,355,136	3.1%
Total own funds (Total capital)	23,228,954	15.7%	22,450,071	16.1%
Memorandum items: risk-weighted assets	147,634,350		139,729,074	
<i>Credit risk</i>	101,383,575		95,346,300	
<i>Shareholder risk</i>	30,064,071		29,424,130	
<i>Operational risk</i>	12,047,626		11,111,838	
<i>Market risk</i>	4,139,078		3,846,806	



6. Remuneration and other benefits paid to key management personnel and executives

Note 9 to the CaixaBank Group's 2014 consolidated financial statements provides details on remuneration and other benefits paid to members of the Board of Directors and senior executives in 2014. The table below shows remuneration and other benefits paid in the six months ended 30 June 2015 and 2014.

Remuneration of the Board of Directors

Details of remuneration and other benefits received by the members of the Board of Directors of CaixaBank for their membership in that body as of 30 June 2015 and 2014 related to the periods in which they belonged to this group are shown below:

Remuneration		
(Thousands of euros)		
	30.06.2015	30.06.2014
Remuneration for board membership	1,877	1,427
Non-variable remuneration	1,093	914
Variable remuneration (1)	488	694
Other long-term benefits	218	120
Other remuneration	4	
Other positions in Group companies	597	171
Total	4,277	3,326
Number of people at end of period (2)	18	19

(1) Variable remuneration corresponds to the proportional part of the bonus set for the period, estimating a 100% achievement, as well as the accrued portion of the long-term share-based variable remuneration plan approved at the Annual General Meeting held on 24 April 2015.

(2) On 18 June 2015, Fundación Monte San Fernando ceased serving as a member of the Board of Directors, given that the foundation had closed.

CaixaBank has a group third-party liability insurance policy to cover its Board members and executives. The premiums paid in this connection in the first half of 2015 and 2014 were EUR 386 thousand and EUR 447 thousand, respectively.

CaixaBank does not have any pension obligations with former or current members of the Board of Directors in their capacity as such. Note 18 provides the balances of contingent risks and commitments, as well as post-employment obligations accrued with Executive Directors.

There are no termination benefits agreed in the event of termination of the appointment as Director, except for those agreed with the Deputy Chairman and the Chief Executive.

Remuneration received in the first half of 2015 and 2014 by the Directors of CaixaBank in connection with their duties as representatives of CaixaBank on the Boards of listed companies and other companies in which CaixaBank has a significant presence or representation and that are CaixaBank consolidated



companies, excluding Group companies (shown in the preceding table), amounted to EUR 507 thousand and EUR 541 thousand, respectively, recognised in the companies' respective income statements.

Remuneration of Senior Management

The total remuneration paid to Senior Management of CaixaBank in the first half of 2015 and 2014 for the periods during which they belonged to this group is set out in the table below. This remuneration is recognised in "Staff expenses" in CaixaBank's income statement.

(Thousands of euros)	30.06.2015	30.06.2014
Salary remuneration (*)	4,382	6,246
Post-employment benefits	520	670
Other long-term benefits	65	371
Total	4,967	7,287
Number of people	10	12

(*) This amount includes fixed remuneration, non-cash payments and total variable remuneration assigned to the Directors. Variable remuneration corresponds to the proportional part of the bonus set for the period, estimating a 100% achievement, as well as the accrued portion of the long-term share-based variable remuneration plan approved at the Annual General Meeting held on 24 April 2015.

The remuneration paid in the first half of 2015 and 2014 to Senior Management at CaixaBank in connection with their activities as representatives of the Entity on the Boards of listed companies and other companies in which the Entity has a significant presence or representation and that are CaixaBank consolidated companies were EUR 221 thousand and EUR 180 thousand, respectively, recognised in the income statements of these companies.

There are agreements with members of the Management Committee regarding termination benefits for early termination or rescission of contracts.

Note 18 provides the balances of contingent risks and commitments, as well as post-employment obligations accrued with Senior Management.



7. Financial assets

The breakdown of financial assets at 30 June 2015 and 31 December 2014 by nature and category, excluding “Cash and deposits at central banks” and “Hedging derivatives” is shown in the following table. Where applicable, all assets are shown net of impairment allowances:

30.06.2015

(Thousands of euros)

	Financial assets held for trading	Other financial assets at FV through profit and loss	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	TOTAL
Loans and advances to banks (*)				6,727,175		6,727,175
Loans and advances to customers (*)				205,363,322		205,363,322
Debt securities	4,389,492	600,633	56,301,589	1,680,431	5,171,437	68,143,582
Equity instruments	250,882	526,285	4,190,644			4,967,811
Trading derivatives	9,188,384					9,188,384
Total	13,828,758	1,126,918	60,492,233	213,770,928	5,171,437	294,390,274

(*) The incorporation of Barclays Bank, SAU entailed a EUR 1,003 million increase in loans and advances to credit institutions and a EUR 16,315 million increase in loans and advances to customers (see Note 9).

31.12.2014

(Thousands of euros)

	Financial assets held for trading	Other financial assets at FV through profit and loss	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	TOTAL
Loans and advances to banks				4,377,197		4,377,197
Loans and advances to customers				188,761,864		188,761,864
Debt securities	2,049,774	549,070	67,205,087	2,592,395	9,608,489	82,004,815
Equity instruments	32,616	387,973	3,895,450			4,316,039
Trading derivatives	10,174,370					10,174,370
Total	12,256,760	937,043	71,100,537	195,731,456	9,608,489	289,634,285



Available-for-sale financial assets

The breakdown of the balance of this heading in the accompanying condensed interim consolidated balance sheet by nature of the related transaction is as follows:

(Thousands of euros)		
	30.06.2015	31.12.2014
Debt securities (*)	56,301,589	67,205,087
Spanish government debt securities	46,394,487	57,163,712
<i>Treasury bills</i>	347,375	798,672
<i>Government bonds and debentures</i>	43,842,494	52,881,744
<i>Other issues</i>	2,204,618	3,483,296
Foreign government debt securities(**)	2,755,782	2,023,639
Issued by credit institutions	4,826,154	5,365,193
Other Spanish issuers	813,707	1,161,125
Other foreign issuers	1,511,459	1,491,418
Equity instruments	4,190,644	3,895,450
Shares in quoted companies	3,273,354	2,912,160
Shares in unquoted companies	757,112	858,904
Interests in mutual funds and other	160,178	124,386
Total	60,492,233	71,100,537

(*) See ratings classification in Note 4 "Risk associated with debt securities".

(**) See Note 4 "Information relating to sovereign risk exposure".

In the first half of 2015, the Group sold assets included under this heading in the fixed income market, tapping market opportunities and realising gains amounting to EUR 579 million gross, which were recognised under "Gains/(losses) on financial assets and liabilities" in the accompanying income statement.

The changes in "Available-for-sale financial assets – Equity instruments" in the first half of 2015 are as follows:

(Thousands of euros)								
	Additions for business combination with Barclays Bank, SAU (Note 9)	Acquisitions and capital increases	Sales	Amounts transferred to income statement	Adjustments to market value	Other	Impairment losses	Total
Total balance at 31.12.2014								3,895,450
Telefónica, SA (1)		164,903			226,508	(30,217)		361,194
Other	2,946	1,343	(31,676)	(9,719)	18,774	(6,144)	(41,524)	(66,000)
Changes in 2015	2,946	166,246	(31,676)	(9,719)	245,282	(36,361)	(41,524)	295,194
Balance at 30.06.2015								4,190,644

(1) Other includes segregation of the cost of preferential subscription rights for the share capital increase.



The main changes in the first half of 2015 are described below. In addition, a number of equity instruments classified as available for sale were sold in the first half, none of which individually was for a significant amount, with no impact on profit or loss.

Telefónica

During the first six months of 2015, a total of 12,424,906 shares in Telefónica, S.A. were received as part of the share capital increase performed in April, for a market value of EUR 164,903 thousand.

At 30 June 2015, CaixaBank's stake in Telefónica, SA stood at 5.20%, with a market value of EUR 3,273 million.

Impairment of debt securities classified as available-for-sale financial assets

The CaixaBank Group has conducted impairment tests on debt securities classified as available-for-sale financial assets (as listed in Note 2.9 to the CaixaBank Group's consolidated financial statements for 2014). According to the results of this test, it was not necessary to recognise any impairment in the income statement.

Impairment of equity instruments classified as available-for-sale financial assets

The CaixaBank Group conducted impairment tests on all the equity instruments classified as available-for-sale financial assets with a view to reporting any resulting impairment, as discussed in Note 2.9 to the CaixaBank Group's consolidated financial statements for 2014.

These tests uncovered the need to charge against profit for the first half of 2015 an amount of EUR 41,524 thousand for its investments in unquoted equity instruments, recognised under "Impairment losses on financial assets (net)" in the accompanying income statement.

Loans and receivables

"Loans and receivables" includes "Debt securities" comprising bonds for EUR 1,769 million issued by multi-seller securitisation funds to which Banca Cívica contributed covered bonds it issued over the course of several years. These bonds were adjusted to their fair value at the date of the business combination. The covered bonds are recognised under "Financial liabilities at amortised cost – Customer deposits" in the balance sheet.

On 4 June 2015, the outstanding nominal amount of plain vanilla bonds issued by Criteria in 2012, recognised under "Debt securities", was redeemed in advance of the maturity date. At 31 December 2014, this item totalled EUR 999 million.



The main line item under this heading is “Loans and advances to customers”, which at 30 June 2015 and 31 December 2014 breaks down as follows:

Loans and advances to customers by loan type and status

(Thousands of euros)

	30.06.2015	31.12.2014
Public sector	14,984,434	13,806,850
Commercial loans	6,157,689	6,862,340
Secured loans	126,168,506	116,131,254
Reverse repurchase agreement	2,711,625	782,796
Other term loans	35,477,336	33,474,847
Finance leases	2,378,008	2,202,067
Receivables on demand and others	8,243,433	6,256,967
Non-performing assets	19,543,991	19,683,870
Total gross	215,665,022	199,200,991
Impairment allowances	(10,429,464)	(10,594,568)
Other valuation adjustments (1)	127,764	155,441
Total valuation adjustments	(10,301,700)	(10,439,127)
Total	205,363,322	188,761,864

(1) Includes accrued interest, fees and commissions, and other fair-value adjustments.

The following table shows the changes in non-performing loans and advances to customers in the first half of 2015:

(Thousands of euros)

	30.06.2015
Balance at beginning of period	19,683,870
Plus:	
Additions for business combination with Barclays Bank, SAU	2,127,641
Additions	5,022,687
Less:	
Assets foreclosed and acquired from developers and individuals	(1,770,269)
Standardised and other assets	(3,508,969)
Assets derecognised due to disposal	(566,330)
Other assets written-off	(1,444,639)
Balance at 30.06.2015	19,543,991

In June 2015, the Group sold portfolio assets (both non-performing assets and assets written off the balance sheet due to impairment) for the gross sum of EUR 700 million. The pre-tax capital gain on the transaction amounted to EUR 34 million and is recognised under "Impairment losses on financial assets (net)" in the income statement.



The detail of non-performing loans and advances to customers by type and counterparty is as follows:

(Thousands of euros)		
	30.06.2015	31.12.2014
Public sector	76,628	125,042
Private sector	19,467,363	19,558,828
Mortgage loans	13,883,478	14,316,093
Other loans	1,890,481	2,149,548
Credit accounts	2,898,731	2,451,991
Factoring	32,286	23,951
Commercial loans	50,140	56,468
Other advances	712,247	560,777
Total	19,543,991	19,683,870

Total non-performing loans and receivables includes assets classified as non-performing for reasons other than customer arrears, amounting to EUR 6,310 million and EUR 5,187 million at 30 June 2015 and 31 December 2014, respectively.

The following table shows the movement in the first half of 2015 and 2014 in impairment provisions relating to “Loans and receivables”.

(Thousands of euros)						
	Balance at 31.12.2014	Additions for business combination with Barclays Bank, SAU (Note 9)	Net allowances	Amounts used	Transfers and other	Balance at 30.06.2015
Credit risk allowance	10,524,267	1,548,657	909,569	(1,824,955)	(809,737)	10,347,801
Loans and advances to banks	4	88	(104)		335	323
Loans and advances to customers	10,524,263	1,548,569	909,673	(1,824,955)	(810,072)	10,347,478
<i>Public sector</i>	<i>1,012</i>		<i>385</i>	<i>(40)</i>	<i>1,431</i>	<i>2,788</i>
<i>Other sectors (*)</i>	<i>10,523,251</i>	<i>1,548,569</i>	<i>909,288</i>	<i>(1,824,915)</i>	<i>(811,503)</i>	<i>10,344,690</i>
General allowance	68,419	15,786	9,399	1,378	(15,622)	79,360
Loans and advances to customers	68,419	15,786	9,399	1,378	(15,622)	79,360
Country risk allowance	1,886	569	311	0	(140)	2,626
Loans and advances to customers	1,886	569	311		(140)	2,626
Total	10,594,572	1,565,012	919,279	(1,823,577)	(825,499)	10,429,787

(*) At 30 June 2015 and 31 December 2014, includes allowances for other financial assets of EUR 10,575 thousand and EUR 7,166 thousand, respectively.



(Thousands of euros)

	Balance at 31.12.2013	Net allowances	Amounts used	Transfers and other	Balance at 30.06.2014
Credit risk allowance	14,935,708	1,007,483	(2,198,448)	(1,004,169)	12,740,574
Loans and advances to banks	2,968	142	(107)	(2,992)	11
Loans and advances to customers	14,932,740	1,007,341	(2,198,341)	(1,001,177)	12,740,563
<i>Public sector</i>	635	270		5,963	6,868
<i>Other sectors (*)</i>	14,932,105	1,007,071	(2,198,341)	(1,007,140)	12,733,695
General allowance	48,262	5,402	0	0	53,664
Loans and advances to customers	48,262	5,402			53,664
Country risk allowance	1,283	148	0	239	1,670
Loans and advances to customers	1,283	148		239	1,670
Total	14,985,253	1,013,033	(2,198,448)	(1,003,930)	12,795,908

The changes in the first half of 2015 to items derecognised from the balance sheet because recovery was deemed to be remote are summarised below. These financial assets are recognised under “Suspended assets” in the memorandum accounts supplementing the balance sheet.

The breakdown of the provisions according to how they are identified is as shown:

(Thousands of euros)

	30.06.2015	31.12.2014
Allowance identified individually	2,596,648	1,615,007
Allowance identified collectively	5,864,774	7,247,337
Collective allowance for losses incurred but not reported (IBNR)	1,968,042	1,732,224
Total	10,429,464	10,594,568

(Thousands of euros)

	30.06.2015
Balance at beginning of period	11,602,052
Additions:	3,498,889
Additions for business combination with Barclays Bank, SAU	634,336
With charge to impairment allowances	1,823,577
With direct charge to the income statement	374,059
Other additions	666,917
Disposals:	(974,210)
Cash recovery of principal	(184,110)
Cash recovery of past-due receivables	(17,043)
Disposal of written-off assets (principal and accrued interest)	(190,674)
Due to expiry of the statute-of-limitations period, forgiveness or any other cause	(582,383)
Balance at 30.06.2015	14,126,731



The balance of items derecognised from the balance sheet because recovery was deemed to be remote includes EUR 3,738 million and EUR 3,118 million at 30 June 2015 and 31 December 2014, respectively, of interest accrued on the written-off assets.

Held-to-maturity investments

“Held-to-maturity investments” in the accompanying condensed interim consolidated balance sheet is primarily composed of Spanish government debt securities (see Note 4) and government-backed debt securities instruments. The breakdown is as follows:

Debt securities (*)

(Thousands of euros)

	30.06.2015	31.12.2014
Spanish government debt securities (**)	2,546,064	6,309,235
<i>Government bonds</i>	2,546,064	5,393,483
<i>Other issuances</i>	0	915,752
Issued by credit institutions	24,118	537,071
Other Spanish issuers	1,851,255	2,012,054
Other foreign issuers	750,000	750,129
Total	5,171,437	9,608,489

(*) See ratings classification in Note 4 - “Risk associated with debt securities”.

(**) See Note 4 “Information relating to sovereign risk exposure”.

“Held-to-maturity investments” includes, *inter alia*, ESM and SAREB senior bonds related to the Banco de Valencia integration in 2013, with outstanding balances at 30 June 2015 of EUR 750 million and EUR 1,626 million, respectively, remaining unchanged from 31 December 2014. The SAREB senior bonds are backed by an irrevocable guarantee of the Spanish government.

At 30 June 2015 and 31 December 2014, “Held-to-maturity investments” also included several bonds related to the cancellation in 2013 of the loan granted from the Fund to Finance Payments to Suppliers (Fondo para la Financiación de los Pagos a Proveedores), for a total amount of EUR 2,298 million and 2,810 million, respectively, with maturities ranging from 30 November 2015 to 31 January 2022.

At 30 June 2015, both Spanish public debt issues, mainly short- and long-term government bonds for a nominal value of EUR 2,750 million, and debt issuances of the autonomous governments for a nominal value of EUR 878 million matured. Debt issuances of credit institutions worth EUR 500 million also matured in the first six months of the year.

Impairment tests conducted during the first half of 2015 revealed the need to charge the sum of EUR 171 million against profit in relation to financial investments in debt instruments reported under this heading. The amount has been duly recognised on the income statement.



Fair value of financial assets and financial liabilities

Note 2.2 to the Group's 2014 consolidated financial statements provides the criteria for classification into levels using the hierarchy for determining fair value by valuation technique and the methods used to determine fair value of the instruments in accordance with level. During the first half of 2015, there were no significant changes in the valuation techniques, inputs, and sensitivity analysis results from those described in the notes to the prior year's consolidated financial statements.

The fair value breakdown by calculation method of the financial instruments held by the Group at 30 June 2015 and 31 December 2014 is as follows:

Assets (Thousands of euros)	30.06.2015			31.12.2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets held for trading	4,034,116	9,794,642	0	1,603,397	10,653,363	0
Debt securities	3,776,574	612,918		1,558,521	491,253	
Equity instruments	250,882			32,616		
Trading derivatives	6,660	9,181,724		12,260	10,162,110	
Other financial assets at fair value through profit or loss	1,126,918			937,043		
Available-for-sale financial assets	58,531,682	1,193,690	766,861	68,398,761	1,825,978	875,798
Debt securities	55,099,409	1,192,431	9,749	65,363,372	1,824,821	16,894
Equity instruments	3,432,273	1,259	757,112	3,035,389	1,157	858,904
Loans and receivables	1,599,928	61,275	233,942,352	1,744,887	12,882	219,694,867
Loans and advances to credit institutions			6,727,175			4,377,197
Loans and advances to customers			227,064,714			214,244,050
Debt securities	1,599,928	61,275	150,463	1,744,887	12,882	1,073,620
Held-to-maturity investments	269,235	4,814,368	179,186	3,678,326	5,740,486	391,569
Hedging derivatives		3,682,556			5,155,973	
Total	65,561,879	19,546,531	234,888,399	76,362,414	23,388,682	220,962,234

Liabilities (Thousands of euros)	30.06.2015			31.12.2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities held for trading	2,591,670	9,271,878	0	1,862,449	10,112,431	0
Trading derivatives	55,875	9,263,120		35,978	10,069,436	
Short positions	2,535,795	8,758		1,826,471	42,995	
Other financial liabilities at fair value through profit or loss	1,880,160			1,442,391		
Financial liabilities at amortised cost	0	0	257,098,708	0	0	252,777,241
Deposits from central banks			20,941,160			12,156,872
Deposits from credit institutions			10,597,832			13,762,059
Customer deposits			186,480,906			184,564,616
Marketable debt securities			29,988,923			33,613,545
Subordinated liabilities			4,424,313			4,495,303
Other financial liabilities			4,665,574			4,184,846
Hedging derivatives		709,459			876,116	
Total	4,471,830	9,981,337	257,098,708	3,304,840	10,988,547	252,777,241

There were no significant transfers or reclassifications among levels in the first half of 2015.



Movements in Level 3 balances were as follows:

Level 3 movements - 2015

(Thousands of euros)

	Financial instruments at fair value through profit or loss		Available-for-sale financial assets	
	Debt securities	Trading derivatives	Debt securities	Equity instruments
Balance at 31.12.2014	0	0	16,894	858,904
Addition, Barclays Bank, SAU takeover				2
Total gains or losses			529	(43,034)
To profit or loss				(59,433)
To equity valuation adjustments			529	16,399
Acquisitions	16			1,062
Reclassification to/from Level 3				
Settlements and others	(16)			(59,822)
Net variation in financial instruments at amortised cost			(7,674)	
Balance at 30.06.2015	0	0	9,749	757,112
Total gains/(losses) in the period for instruments held at the end of the period	0	0	529	(43,034)



8. Non-current assets held for sale

This item in the condensed consolidated balance sheet includes assets from purchases and foreclosures in payment of loans which are not included as assets for own use, investment property or inventories, and assets initially classified as investment property, once the decision to sell them has been made.

The changes in this condensed interim consolidated balance sheet heading in the first six months of 2015 are as follows:

30.06.2015

(Thousands of euros)

	Foreclosure rights	Foreclosed assets	Other Assets	Total
Cost				
Balance at beginning of period	799,095	8,996,454	931,071	10,726,620
Plus:				
Business combination with Barclays Bank, SAU		363,307	6,635	369,942
Additions in the period	760,575	985,417	22,532	1,768,524
Transfers	(532,306)	288,640	585,217	341,551
Less:				
Disposals		(853,461)	(68,132)	(921,593)
Balance at 30.06.2015	1,027,364	9,780,357	1,477,323	12,285,044
Impairment allowances				
Balance at beginning of period	(54,497)	(3,324,115)	(100,067)	(3,478,679)
Business combination with Barclays Bank, SAU		(178,360)	(228)	(178,588)
Net allowances	(844)	(240,901)	174	(241,571)
Transfers	(206,003)	(393,773)	(97,533)	(697,309)
Amounts used		208,127	1,483	209,610
Balance at 30.06.2015	(261,344)	(3,929,022)	(196,171)	(4,386,537)
Total	766,020	5,851,335	1,281,152	7,898,507

Transfers to "Other assets" in the first half of 2015 chiefly comprise transfers from "Investment property" (see Note 11) due to the reclassification of closed branches for their future sale. "Other assets" also includes prepayments related to bonds placed with courts to participate in auctions, provisions of funds and payments to notaries and administrative agencies for a variety of procedures related to properties, as well as prepayments on unallocated foreclosure rights on properties expected to be allocated in the short term. Also included are the assets from investee Aris Rosen, SAU.

At 30 June 2015, the fair value of non-current assets held for sale did not differ significantly from their carrying amounts.



9. Business combinations and ownership interests in subsidiaries

Business combinations and the main changes during the first half of 2015 in ownership interests in subsidiaries were as follows:

Business combinations - 2015

Acquisition of Barclays Bank, SAU

On 31 August 2014, CaixaBank and Barclays Bank PLC reached an agreement whereby CaixaBank would acquire Barclays Bank, SAU.

On 2 January 2015, CaixaBank successfully acquired the entire capital of Barclays Bank, SAU, after securing the necessary clearance from the regulatory authorities. The provisional price paid in cash at that date amounted to EUR 820 million. On 23 April 2015, the parties agreed a final price for the transaction of EUR 815.7 million. On 30 March 2015, the Boards of Directors of CaixaBank and Barclays Bank, SAU, approved the Joint Merger Project between CaixaBank (absorbing company) and Barclays Bank, SAU (absorbed company). The merger deed was placed on file at the Companies' Registry on 14 May 2015, and the technological and operational integration of Barclays Bank, SAU in CaixaBank took place thereafter.

CaixaBank obtained control of Barclays Bank, SAU on 2 January 2015. The purchase price allocation then began as required to report the transaction in the accounts. Until the final outcome of this process is determined, negative goodwill of EUR 602 million has been recognised. It is estimated that non-recurring restructuring costs stemming from the transactions will total approximately EUR 326 million (EUR 228 million, after tax), EUR 321, after tax, has been recognised at 30 June 2015. This includes: EUR 188 million recognised under "Personnel expenses" (see Note 15) associated with the early retirement scheme; EUR 69 million under "Other general administrative expenses" consisting of expenses associated with the transaction; and EUR 64 million under "Impairment losses on other assets (net)" in the accompanying income statement, to write down assets that are in disuse, etc.

Provisional accounting of the business combination

The business combination is provisionally recognised in the accompanying condensed consolidated financial statements. Effective control was assumed on 2 January 2015. The acquisition date for accounting purposes was 1 January 2015. The impact on equity and profit of the difference between the acquisition date and the date control was effectively obtained is not significant.



Barclays Bank Group's assets and liabilities fair values at 1 January 2015 are as follows:

(Thousands of euros)				
	Carrying amount	Adjustments	Reclassifications	Fair value
Assets:				
Cash and deposits at central banks	127,522			127,522
Financial assets held for trading	3,615			3,615
Available-for-sale financial assets (Note 7)	11,435	(749)		10,686
<i>Debt securities</i>	7,740			7,740
<i>Equity instruments</i>	3,695	(749)		2,946
Loans and receivables (Note 7)	17,750,709	(432,569)		17,318,140
<i>Loans and advances to credit institutions</i>	1,003,064			1,003,064
<i>Loans and advances to customers</i>	16,747,645	(432,569)		16,315,076
Hedging derivatives	82,858			82,858
Non-current assets held for sale (Note 8)	78,215	8,403	104,736	191,354
Insurance contracts linked to pensions	30,090			30,090
Tangible assets (Note 11)	70,390	(2,922)		67,468
Intangible assets (Note 12)	34,754	54,698		89,452
Tax assets (Note 17)	796,380	96,083		892,463
Other assets	238,671	(656)	(104,736)	133,279
Total assets	19,224,639	(277,712)	0	18,946,927
Liabilities:				
Financial liabilities held for trading	8,386			8,386
Financial liabilities at amortised cost (Note 14)	16,890,176	(93,824)	29,416	16,825,768
<i>Deposits from central banks and credit institutions</i>	5,566,150			5,566,150
<i>Customer deposits</i>	8,566,919			8,566,919
<i>Marketable debt securities</i>	2,638,293	(93,824)		2,544,469
<i>Other financial liabilities</i>	118,814		29,416	148,230
Hedging derivatives	15,884			15,884
Provisions (Note 15)	315,946	10,260		326,206
Tax liabilities (Note 17)	170,713	69,272		239,985
Other liabilities	156,769	(14,000)	(29,416)	113,353
Total liabilities	17,557,874	(28,292)	0	17,529,582
Equity	1,666,765	(249,420)	0	1,417,345
Consideration paid				815,703
Negative goodwill in business combinations				(601,642)



The following contingent assets and liabilities of the acquiree have been measured during the ongoing purchase price allocation (PPA) process:

- The fair value of loans and receivables was primarily obtained by applying the estimated percentages of expected loss to loans and advances to customers, determined basically in accordance with the characteristics of the financing granted and the collateral of the debt. CaixaBank is currently performing a detailed review of Barclays Bank, SAU's loan portfolio. This increased knowledge and access to detailed information will allow for the definitive fair-value adjustment to loans and receivables to be made in the coming months in order to recognise, within the time allowed by regulations, the definitive accounting of the business combination. In accordance with paragraph B64 of IFRS 3, the gross contractual amounts receivable from loans and advances to customers and the provision adjustments made under the scope of the purchase price allocation process:

(Thousands of euros)	Barclays Bank, SAU accounting balances at 31 December 2014				Adjustments made during allocation of the purchase price (1)	Fair value
	Gross amount	Valuation adjustments	Provisions	Net balance		
Loans and receivables (Note 7)	18,822,687	87,780	(1,159,758)	17,750,709	(432,569)	17,318,140
<i>Loans and advances to credit institutions</i>	<i>1,003,152</i>		<i>(88)</i>	<i>1,003,064</i>		<i>1,003,064</i>
<i>Loans and advances to customers</i>	<i>17,819,535</i>	<i>87,780</i>	<i>(1,159,670)</i>	<i>16,747,645</i>	<i>(432,569)</i>	<i>16,315,076</i>

(1) EUR 405,254 thousand of which corresponds to the adjustment for expected loss.

- The fair value of the portfolio of real estate assets was obtained considering appraisals performed and other parameters such as the type, use and location of the assets, etc.
- The fair values of the portfolio of unquoted holdings were estimated using a variety of generally accepted valuation techniques, including discounted cash flows.
- The wholesale debt issues, including treasury shares, were estimated at their fair values.
- Liabilities and contingent liabilities were measured at the best estimate of the outflow of resources that could be required of uncertain timing.
- The related deferred tax asset and liability have been accounted for in each adjustment.

The Group recognised a positive amount equivalent to the negative difference arising on consolidation of EUR 602 million under "Negative goodwill" in the accompanying consolidated income statement (before and after tax). The Group will recognise the final accounting of the transaction after the purchase price allocation is completed.

Consolidated ordinary income, or consolidated gross income, contributed by the acquiree from the acquisition date (1 January) amounts to EUR 135 million. This amount was arrived at as a best available estimate, as the merger and technological integration for accounting purposes were carried out in May 2015, after which there is no individual income statement available for Barclays Bank.



Transactions with subsidiaries

FinConsum, EFC, SA

In the first half of 2015, CaixaBank fully subscribed a capital increase at FinConsum for the sum of EUR 9,090 thousand, entailing the issuance and circulation of 10,000 new shares, all cumulative and indivisible and each with a par value of EUR 909. The new shares were issued with a share premium of EUR 26,498 thousand. The new shares were paid up through the non-monetary contribution of 1,750 shares in CaixaRenting (100% of the share capital), which are valued at EUR 35,588 thousand.

The decision was also reached to change the name of Finconsum, EFC, SAU to CaixaBank Consumer Finance, EFC, SAU.

Arquitrabe activos, SL

In 2015, CaixaBank, as sole shareholder of Arquitrabe, agreed the takeover and merger by this company of the following companies: Vip Desarrollos, SLU; Myqueli Inmuebles, SLU; Valenciana de Inversiones Participadas, SLU; Corporación Urbanística y de Bienes Inmuebles de Caja de Ahorros y Monte de Piedad de Navarra, SLU; Cajasol Inversiones Inmobiliarias, SAU; Vip Administración de Inmuebles, SLU; Vip Negocios, SLU; Inverjico 2005, SLU; Bavaacun SL. Arquitrabe acquired, en bloc, all the net assets, rights and obligations of the absorbed companies.

CaixaCapital Fondos SCR de Régimen Simplificado, SAU

In May 2015, CaixaBank sold Caixa Emprendedor XXI, SA to CaixaCapital Fondos for EUR 25 million.



10. Investments

Note 2.1 of the CaixaBank Group's 2014 consolidated financial statements set out the criteria used to determine the classification of companies as jointly controlled entities, associates or available-for-sale equity instruments, along with the consolidation and measurement bases used for each for the purpose of preparing the consolidated annual financial statements. Appendices 1, 2 and 3 in the notes thereto provide key information on subsidiaries, jointly controlled entities and associates.

Jointly controlled entities and associates

The detail of and changes in investments in jointly controlled entities and associates in the first half of 2015 are as follows:

(Thousands of euros)		
	30.06.2015	31.12.2014
Quoted banking investments	5,728,931	5,241,573
<i>Underlying carrying amount</i>	4,348,459	3,914,695
<i>Goodwill</i>	1,380,472	1,326,878
Other quoted companies	3,458,524	3,231,764
<i>Underlying carrying amount</i>	3,458,524	3,231,764
<i>Goodwill</i>		
Unquoted	1,275,056	1,467,501
<i>Underlying carrying amount</i>	971,718	1,093,865
<i>Goodwill</i>	303,338	373,636
Subtotal	10,462,511	9,940,838
Less:		
Impairment allowances	(667,065)	(674,441)
Total	9,795,446	9,266,397

(Thousands of euros)				
	Underlying carrying amount	Goodwill	Impairment allowances	Total
Balance at 31.12.2014	8,240,324	1,700,514	(674,441)	9,266,397
Acquisitions and capital increases	66,770			66,770
Disposals and capital reductions	(174,569)	(70,010)	7,376	(237,203)
Profit for the period	381,797			381,797
Dividends declared	(150,384)			(150,384)
Translation differences	139,110	61,483		200,593
Valuation adjustments - investees	189,078			189,078
Reclassifications and others	86,575	(8,177)		78,398
Balance at 30.06.2015	8,778,701	1,683,810	(667,065)	9,795,446



Investments in jointly controlled entities and associates. Acquisitions

30.06.2015

(Thousands of euros)

	Underlying carrying amount	Goodwill	Total
Acquisitions and capital increases			
The Bank of East Asia, Ltd.	33,939		33,939
Brilliance-Bea Auto Finance	22,773		22,773
Global Payments South America, Brasil – Serviços de Pagamentos, SA	6,067		6,067
Other	3,991		3,991
	66,770	0	66,770

30.06.2015

(Thousands of euros)

	Underlying carrying amount	Goodwill	Total
Disposals and capital reductions			
Boursorama, SA	(113,084)	(66,306)	(179,390)
Self Trade Bank, SA	(38,629)		(38,629)
Investbya Holding, SL	(11,056)		(11,056)
GDS-Risk Solutions, Correduría de Seguros, SL	(331)	(3,704)	(4,035)
Other	(11,469)		(11,469)
	(174,569)	(70,010)	(244,579)

The main changes occurring in the first half of 2015 were as follows:

Boursorama and Self Trade Bank

In June, CaixaBank sold its entire stake in Boursorama (20.5%) for EUR 219 million. The sale marked an end to the alliance between Société Générale and CaixaBank begun in 2006 following the sale of CaixaBank France to Boursorama. It also cancels the shareholder agreement signed in May 2006 and renegotiated in March 2014 by the two institutions.

As part of the sale of the stake in Boursorama, CaixaBank sold its stake in Self Trade Bank (49%) for EUR 33 million. This transaction terminates the joint venture and the shareholder agreements signed between Boursorama and CaixaBank in July 2008. The transaction will be completed once the pertinent administrative authorisations have been secured.

The pre-tax gain generated on these transactions amounted to EUR 38 million.



Impairment losses on associates and jointly controlled entities

The Group has a methodology in place (described in Note 17 of the CaixaBank Group 2014 consolidated annual financial statements) for assessing the recoverable value and potential impairment of its interests in associates and jointly controlled entities.

The Group updated the impairment tests performed at 31 December 2014 to 30 June 2015. To do so, it updated the model's balance sheet and income statement projections for investees and the assumptions used, adjusting them to new information as of that date on the circumstances and performance of the investees. Sensitivity analyses for key variables were also updated. The main assumptions, with a 5-year time horizon, were as follows:

- Discount rates for each activity and country, for banking stakes, ranging from 9.4% to 13.8%, and for the remaining significant stakes of between 8.1% and 10%, slightly lower than those used at December 2014 due to the backdrop and to the expected low interest rates for sovereign debt.
- Growth rates to calculate terminal value beyond the forecast period ranging from 2.5% to 4.3%, in line with December 2014, but below the estimated nominal GDP increase for the countries where the investees conduct their operations and in line with analysts' estimates. The rate was 0.5% for the remaining significant stakes.

Sensitivity analyses were performed using reasonable changes in key assumptions to ensure that the recoverable amount of the investments continues to exceed the amount to be recovered in more adverse scenarios.

Based on the analyses carried out at 30 June 2015, it is not necessary to recognise additional impairment losses for the first half of the year.

Market value of quoted investees

The table below shows the main quoted companies classified as associates at 30 June 2015 and 31 December 2014, detailing the percentage of ownership and their market value.

Company	30.06.2015		31.12.2014	
	% stake	Market value	% stake	Market value
Repsol, SA (1)	11.68%	2,528,230	11.89%	2,495,322
Grupo Financiero Inbursa	9.01%	1,220,497	9.01%	1,280,346
The Bank of East Asia, LTD (2)	17.15%	1,754,007	18.68%	1,454,995
Erste Group Bank AG	9.92%	1,086,107	9.92%	820,070
Banco BPI, SA	44.10%	654,027	44.10%	659,167
Market value		7,242,868		6,709,900

(1) Dilution due to Repsol, SA capital increase as part of a scrip dividend programme

(2) The change in the stake in The Bank of East Asia is the net effect of an increase on opting to receive shares through a scrip dividend programme (of EUR 33,939 thousand), and a dilution stemming from the private placement of shares by The Bank of East Asia for Sumitomo Bank



Goodwill

The breakdown of goodwill at 30 June 2015 and 31 December 2014 arising from companies consolidated using the equity method is as follows:

(Thousands of euros)		
	30.06.2015	31.12.2014
The Bank of East Asia, LTD (1)	725,831	677,940
Banco BPI, SA	350,198	350,198
Grupo Financiero Inbursa (1)	304,443	298,740
SegurCaixa Adeslas, SA de Seguros Generales y Reaseguros	299,618	299,618
Boursorama, SA		66,306
Other	3,720	7,712
Subtotal	1,683,810	1,700,514
Impairment allowances	(667,065)	(674,441)
Total	1,016,745	1,026,073

(1) Equivalent value in euros of goodwill recorded in foreign currency.



11. Tangible assets

This heading in the accompanying condensed interim consolidated balance sheet includes the acquired properties held to earn rentals or for own use.

In the first six months of 2015, there were no significant gains or losses on any individual sale.

At 30 June 2015, the CaixaBank Group had no significant commitments to acquire items of property and equipment.

In addition, property and equipment for own use is allocated to the Banking Business CGU. At 30 June 2015, the impairment test performed on the net amount of the assets associated with the Banking Business CGU was updated. Both the assumptions issued and the earnings projections were updated to reflect current circumstances. The results of the tests carried did not uncover any need to make allowances for the assets included under this heading in the first half of 2015.

Movements in this heading of the balance sheet during the first six months of the year were as follows:

(Thousands of euros)	30.06.2015		
	Land and buildings	Furniture, facilities and other	Total
Cost			
Balance at beginning of period	2,813,637	3,679,576	6,493,213
Additions due to business combinations (Note 9)	28,808	94,029	122,837
Additions	15,077	63,156	78,233
Disposals	(1,390)	(328,597)	(329,987)
Transfers	(119,505)	(5,522)	(125,027)
Balance at 30.06.2015	2,736,627	3,502,642	6,239,269
Accumulated depreciation			
Balance at beginning of period	(480,778)	(2,867,616)	(3,348,394)
Additions due to business combinations (Note 9)	(10,354)	(60,081)	(70,435)
Additions	(11,560)	(85,542)	(97,102)
Disposals	1,389	213,489	214,878
Transfers	7,016	30,016	37,032
Balance at 30.06.2015	(494,287)	(2,769,734)	(3,264,021)
Own use, net	2,242,340	732,908	2,975,248



(Thousands of euros)	30.06.2015		
	Land and buildings	Furniture, facilities and other	Total
Cost			
Balance at beginning of period	3,985,454	70,941	4,056,395
Additions due to business combinations (Note 9)	26,926		26,926
Additions	128,692	2,530	131,222
Disposals	(119,231)	(8,350)	(127,581)
Transfers	137,281	(35,027)	102,254
Balance at 30.06.2015	4,159,122	30,094	4,189,216
Accumulated depreciation			
Balance at beginning of period	(172,640)	(32,398)	(205,038)
Additions due to business combinations (Note 9)	(66)		(66)
Additions	(23,915)	(1,251)	(25,166)
Disposals	6,945	4,541	11,486
Transfers	68,043	21,789	89,832
Balance at 30.06.2015	(121,633)	(7,319)	(128,952)
Impairment allowances			
Balance at beginning of period	(590,213)	(1,547)	(591,760)
Additions due to business combinations (Note 9)	(11,794)		(11,794)
Provisions	(80,620)		(80,620)
Recoveries			0
Transfers	(69,523)		(69,523)
Amounts used	26,395		26,395
Balance at 30.06.2015	(725,755)	(1,547)	(727,302)
Investment property	3,311,734	21,228	3,332,962
Total tangible assets	5,554,074	754,136	6,308,210



12. Intangible assets

Goodwill

The balance of this heading of the accompanying condensed consolidated balance sheet at 30 June 2015 was not different from the balance at 31 December 2014. The most significant existing goodwill derived from the acquisitions in previous years of the businesses of Banca Cívica, Morgan Stanley in Spain, VidaCaixa, SA de Seguros y Reaseguros, and Bankpime, SA.

Impairment tests on the cash-generation units (CGUs) to which this goodwill is allocated and the updates of the impairment tests carried out at 31 December 2014 show no need to made additional allocations to goodwill existing at 30 June 2015.

As explained in Note 20 of the 2014 consolidated financial statements, every six months the Group retests the banking business CGU for impairment on the basis of the test carried out at the close of the previous year, by updating projected cash flows to factor in potential deviations from the recoverable amount estimation model. Additionally, assumptions are reviewed and changed accordingly to reflect any developments in the six-month period if necessary and a new sensitivity analysis for key variables is performed.

The recoverable amount of the Insurance Business CGU was also updated in the same way.

Goodwill

(Thousands of euros)

	CGU	30.06.2015	31.12.2014
Acquisition of Banca Cívica	Banking	2,019,996	2,019,996
Acquisition of Banca Cívica Vida y Pensiones	Insurance	137,180	137,180
Acquisition of Cajasol Vida y Pensiones	Insurance	50,056	50,056
Acquisition of CajaCanarias Vida y Pensiones	Insurance	62,003	62,003
Acquisition of Banca Cívica Gestión de Activos	Banking	9,220	9,220
Acquisition of the Morgan Stanley business in Spain	Banking/Insurance (1)	402,055	402,055
Acquisition of Bankpime, SA	Banking	39,406	39,406
Acquisition of VidaCaixa, SA de Seguros y Reaseguros	Insurance	330,929	330,929
Total		3,050,845	3,050,845

(1) Of which EUR 3.7 million are allocated to the Insurance CGU and the remainder to the Banking CGU.



Other intangible assets

The change in this condensed interim consolidated balance sheet heading in the first six months of 2015 is as follows:

Other intangible assets

(Thousands of euros)

	30.06.2015
Balance at beginning of period	583,721
Plus:	
Business combination with Barclays Bank (Note 9)	89,452
Additions of software and others	61,475
Less:	
Sales	(600)
Reclassifications and others	
Amortisation recognised in profit or loss	(68,283)
Write-downs	(45,471)
Balance at 30.06.2015	620,294



13. Other assets

“Other assets” in the accompanying condensed interim consolidated balance sheet includes inventories and other assets relating to normal operations on financial markets and with customers.

“Inventories”, which consists mainly of land and property under construction, are measured at the lower of cost, including financial charges, and realisable value, understood to be the estimated net selling price less estimated production and marketing costs.

The breakdown of “Inventories” is as follows:

(Thousands of euros)	30.06.2015		
	Foreclosed assets	Other Assets	Total
Gross cost, inventories			
Balance at beginning of period	2,277,549	308,177	2,585,726
Plus:			
Additions due to integration of Barclays Bank, SAU	234,637		234,637
Acquisitions	109,909	37,076	146,985
Transfers and other	145,152		145,152
Less:			
Cost of sales	(53,450)	(6,260)	(59,710)
Transfers and other	(66,196)	(244,494)	(310,690)
Subtotal	2,647,601	94,499	2,742,100
Impairment allowances, inventories			
Balance at beginning of period	(1,231,360)	(157,331)	(1,388,691)
Plus:			
Additions due to integration of Barclays Bank, SAU	(194,512)		(194,512)
Provisions	(20,397)	(1,941)	(22,338)
Transfers and other	(69,162)	95,657	26,495
Less:			
Amounts used	25,669		25,669
Balance at end of period	(1,489,762)	(63,615)	(1,553,377)
Total	1,157,839	30,884	1,188,723

Note 4, “Risk management”, provides details on foreclosed assets, classified into “Non-current assets held for sale” (see Note 8) and “Other assets – Inventories” by source and type of property.



14. Financial liabilities

The detail of the balance of “Financial liabilities” in the accompanying condensed consolidated balance sheet by nature and category of the portfolio for measurement purposes at 30 June 2015 and 31 December 2014 is as follows:

30.06.2015

(Thousands of euros)

	Financial liabilities held for trading	Other financial liabilities at FV through profit or loss	Financial liabilities at amortised cost	TOTAL
Deposits from central banks			20,941,160	20,941,160
Deposits from credit institutions			10,597,832	10,597,832
Customer deposits		1,880,160	185,808,680	187,688,840
Marketable debt securities			29,899,763	29,899,763
Trading derivatives	9,318,995			9,318,995
Subordinated liabilities			4,409,642	4,409,642
Short positions	2,544,553			2,544,553
Other financial liabilities			4,650,594	4,650,594
Total	11,863,548	1,880,160	256,307,671	270,051,379

31.12.2014

(Thousands of euros)

	Financial liabilities held for trading	Other financial liabilities at FV through profit or loss	Financial liabilities at amortised cost	TOTAL
Deposits from central banks			12,156,872	12,156,872
Deposits from credit institutions			13,762,059	13,762,059
Customer deposits		1,442,391	180,200,450	181,642,841
Marketable debt securities			32,920,219	32,920,219
Trading derivatives	10,105,414			10,105,414
Subordinated liabilities			4,396,075	4,396,075
Short positions	1,869,466			1,869,466
Other financial liabilities			4,102,981	4,102,981
Total	11,974,880	1,442,391	247,538,656	260,955,927



Details of issues, buy-backs or redemptions of debt securities

The table below provides a detail at 30 June 2015 and 2014 of the outstanding balance of debt securities at those dates issued by CaixaBank or any other CaixaBank Group company, along with details of the most significant movements in the first six months of 2015 and 2014.

30.06.2015

(Thousands of euros)

	Opening outstanding balance at 31.12.2014	Additions due to business combinations (Note 9)	Issuances	Buy-backs or redemptions	Adjustments for exchange rates and other (1)	Closing outstanding balance at 30.06.2015
Debt securities issued by a European Union member state that have required the filing of a prospectus	37,316,294	2,544,469	4,090,700	(9,569,118)	(72,939)	34,309,405
Total	37,316,294	2,544,469	4,090,700	(9,569,118)	(72,939)	34,309,405

(1) Includes valuation adjustments and the impact of the elimination on consolidation of purchases and redemptions of CaixaBank issues by Group companies.

30.06.2014

(Thousands of euros)

	Opening outstanding balance at 31.12.2013	Issuances	Buy-backs or redemptions	Adjustments for exchange rates and other (1)	Closing outstanding balance at 30.06.2014
Debt securities issued by a European Union member state that have required the filing of a prospectus	42,747,453	2,687,986	(6,954,441)	(267,805)	38,213,193
Total	42,747,453	2,687,986	(6,954,441)	(267,805)	38,213,193

(1) Includes valuation adjustments and the impact of the elimination on consolidation of purchases and redemptions of CaixaBank issues by Group companies.

Other issues guaranteed by the Group

At 30 June 2015 and 31 December 2014, there were no debt securities issued by associates or third parties (outside the Group) guaranteed by CaixaBank or any Group company.



Individual details of certain issues, buy-backs or redemptions of debt securities

The main features of the most important issues, buy-backs or redemptions made by CaixaBank Group in the first six months of 2015 are as follows:

CaixaBank Group at 30.06.2015

Details of the issuing entity			Details of issues, buy-backs or redemptions made in the first six months of 2015										(1 / 6)
Entity	Relationship with entity	Country of residence	Credit rating of issue or issuer (Moody's/Fitch/S&P/DBRS)	ISIN code	Type of security	Type of transaction	Issue or redemption date	Currency	Amount (thousands of €os)	Outstanding balance at 30.06.2015	Interest rate	Market in which it is listed	Collateral
CaixaBank	Subsidiary	Spain	Aa2/-/A/-	ES0414970642	Mortgage covered bond	Redemption	02.02.2015	€	(74,000)			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Aa2/-/A/-	ES0414970642	Mortgage covered bond	Redemption	02.02.2015	€	49,000			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Aa2/-/A/-	ES0414970576	Mortgage covered bond	Redemption	02.02.2015	€	(42,000)			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Aa2/-/A/-	ES0414970576	Mortgage covered bond	Redemption	02.02.2015	€	2,300			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Aa2/-/A/-	ES0414970667	Mortgage covered bond	Redemption	18.03.2015	€	(1,250,000)			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Aa2/-/A/-	ES0414970667	Mortgage covered bond	Redemption	18.03.2015	€	143,700			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Aa2/-/A/-	ES0440609271	Mortgage covered bond	Issuance	27.03.2015	€	1,000,000	1,000,000	Fixed	AIAF	Entity's capital
CaixaBank	Subsidiary	Spain			Mortgage covered bond	Buy-back	Various (*)	€	(11,733)				
Barclays	Subsidiary	Spain	-/-/A/-	ES0413985013	Mortgage covered bond	Issuance	27.04.2009	€	1,000,000	1,000,000	E1A+0.15%	AIAF	Entity's capital
Barclays	Subsidiary	Spain	-/-/A/-	ES0413985021	Mortgage covered bond	Issuance	27.04.2009	€	1,000,000	1,000,000	E1A+0.20%	AIAF	Entity's capital
Barclays	Subsidiary	Spain	-/-/A/-	ES0413985039	Mortgage covered bond	Issuance	27.04.2009	€	390,000	390,000	E1A+0.25%	AIAF	Entity's capital
Barclays	Subsidiary	Spain	-/-/A/-	ES0413985047	Mortgage covered bond	Issuance	10.07.2014	€	1,000,000	1,000,000	E1A+0.82%	AIAF	Entity's capital
Barclays	Subsidiary	Spain	-/-/A/-	ES0413985013	Mortgage covered bond	Buy-back	27.04.2009	€	(1,000,000)	(1,000,000)	E1A+0.15%	AIAF	Entity's capital
Barclays	Subsidiary	Spain	-/-/A/-	ES0413985021	Mortgage covered bond	Buy-back	27.04.2009	€	(1,000,000)	(1,000,000)	E1A+0.20%	AIAF	Entity's capital
Barclays	Subsidiary	Spain	-/-/A/-	ES0413985039	Mortgage covered bond	Buy-back	27.04.2009	€	(390,000)	(390,000)	E1A+0.25%	AIAF	Entity's capital
Barclays	Subsidiary	Spain	-/-/A/-	ES0413985047	Mortgage covered bond	Buy-back	10.07.2014	€	(1,000,000)	(1,000,000)	E1A+0.82%	AIAF	Entity's capital



Details of the issuing entity

Details of issues, buy-backs or redemptions made in the first six months of 2015

(2 / 6)

Entity	Relationship with entity	Country of residence	Credit rating of issue or issuer (Moody's/Fitch/S&P/DBRS)	ISIN code	Type of security	Type of transaction	Issue or redemption date	Currency	Amount (thousands of €os)	Outstanding balance at 30.06.2015	Interest rate	Market in which it is listed	Collateral
CaixaBank	Subsidiary	Spain	P-2/F2/A-2/R-1L		Promissory notes	Net redemption	Various (*)		(67,268)			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Aa2/-/-/	ES0440609289	Public sector covered bonds	Issuance	19.06.2015	€	1,500,000	1,500,000	E6M+0.20%	AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Aa2/-/-/	ES0440609289	Public sector covered bonds	Buy-back	19.06.2015	€	(1,500,000)	(1,500,000)		AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Aa2/-/-/	ES0440609297	Public sector covered bonds	Issuance	19.06.2015	€	1,500,000	1,500,000	E6M+0.25	AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Aa2/-/-/	ES0440609297	Public sector covered bonds	Buy-back	19.06.2015	€	(1,500,000)	(1,500,000)		AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Aa2/-/-/	ES0440609008	Public sector covered bonds	Redemption	19.06.2015	€	(2,500,000)			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Aa2/-/-/	ES0440609008	Public sector covered bonds	Redemption	19.06.2015	€	2,500,000			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Aa2/-/-/	ES0448873069	Public sector covered bonds	Redemption	26.04.2015	€	(200,000)			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Aa2/-/-/	ES0448873069	Public sector covered bonds	Redemption	26.04.2015	€	200,000			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Baa2/BBB/BBB/AL	ES0340609694	Structured notes/bonds	Issuance	16.02.2015	€	9,000	9,000	Variable €OSTOXX 50	AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Baa2/BBB/BBB/AL	ES0340609702	Structured notes/bonds	Issuance	16.02.2015	€	3,700	3,700	Variable € / USD	AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Baa2/BBB/BBB/AL	ES0340609710	Structured notes/bonds	Issuance	01.04.2015	€	22,000	22,000	Variable €OSTOXX 50	AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Baa2/BBB/BBB/AL	ES0340609728	Structured notes/bonds	Issuance	19.05.2015	€	36,700	36,700	Variable €OSTOXX 50	AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Baa2/BBB/BBB/AL	ES0340609736	Structured notes/bonds	Issuance	19.06.2015	€	15,200	15,200	Variable €OSTOXX 50	AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Baa2/BBB/BBB/AL	ES0340609090	Structured notes/bonds	Redemption	20.04.2015	€	(13,050)		Variable IBEX 35	AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Baa2/BBB/BBB/AL	ES0340609090	Structured notes/bonds	Redemption	20.04.2015	€	4,100		Variable IBEX 35	AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Baa2/BBB/BBB/AL	XS0994834587	Structured notes/bonds	Buy-back	22.11.2016	€	(20,000)	(50,000)	Fixed	Irish Stock Exchange	Entity's capital
CaixaBank	Subsidiary	Spain			Structured notes/bonds	Buy-back	Various (*)	€	(36,700)				
CaixaBank	Subsidiary	Spain	-/BBB/BBB/-	ES0340609058	Plain vanilla bonds	Redemption	20.01.2015	€	(3,000,000)			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	-/BBB+/-/-	ES0314961147	Plain vanilla bonds	Redemption	12.02.2015	€	(264,000)			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	-/BBB+/-/-	ES0358197038	Plain vanilla bonds	Redemption	25.02.2015	€	(350,000)			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	-/BBB+/-/-	ES0314965106	Plain vanilla bonds	Redemption	24.03.2015	€	(350,000)			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	-/BBB+/-/-	ES0314965122	Plain vanilla bonds	Redemption	30.03.2015	€	(25,000)			AIAF	Entity's capital



Details of the issuing entity

Details of issues, buy-backs or redemptions made in the first six months of 2015

(3 / 6)

Entity	Relationship with entity	Country of residence	Credit rating of issue or issuer		Type of security	Type of transaction	Issue or redemption date	Currency	Amount (thousands of €os)	Outstanding balance at 30.06.2015	Interest rate	Market in which it is listed	
			(Moody's/Fitch/S&P/DBRS)	ISIN code								Collateral	
CaixaBank	Subsidiary	Spain	-/BBB+/-/-	ES0314981095	Plain vanilla bonds	Redemption	31.03.2015	€	(200,000)			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	-/BBB+/-/-	ES0358197046	Plain vanilla bonds	Redemption	30.04.2015	€	(400,000)			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain			Plain vanilla bonds	Redemption	Various (*)	€	(54,596)				
CaixaBank	Subsidiary	Spain	-/BBB/BBB/-	ES0340609058	Plain vanilla bonds	Redemption	20.01.2015	€	384,161			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	-/BBB+/-/-	ES0314965106	Plain vanilla bonds	Redemption	24.03.2015	€	300,000			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	-/BBB+/-/-	ES0358197038	Plain vanilla bonds	Redemption	25.02.2015	€	3,000			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain			Plain vanilla bonds	Redemption	Various (*)	€	6,500				Entity's capital
FonCaixa FTGENCAT 3, FTA	Subsidiary	Spain	Aa2 / A+ / /	ES0337937017	Securitisation funds	Redemption		€	(8,943)	69,596	E3M+0.03%	Barcelona Stock Exchange	Securitisated loan
FonCaixa FTGENCAT 4, FTA	Subsidiary	Spain	Aa3 / BBB / /	ES0338013016	Securitisation funds	Redemption		€	(12,075)	117,419	E3M+0.04%	Barcelona Stock Exchange	Securitisated loan
FonCaixa FTGENCAT 5, FTA	Subsidiary	Spain	Baa1 / / BBB- /	ES0337782017	Securitisation funds	Redemption		€	(25,833)	318,466	E3M+0.10%	Barcelona Stock Exchange	Securitisated loan
FonCaixa FTGENCAT 6, FTA	Subsidiary	Spain	/ / BB /	ES0337773016	Securitisation funds	Redemption		€	(19,407)	232,258	E3M+0.37%	Barcelona Stock Exchange	Securitisated loan
Valencia Hipotecario 1, FTA (serie A)	Subsidiary	Spain	Aa2 / AA+ / /	ES0382744003	Securitisation funds	Redemption		€	(8,701)	78,089	E3M+0.185%	AIAF	Securitisated loan
Valencia Hipotecario 2, FTA (serie A)	Subsidiary	Spain	Aa3 / AA+ / /	ES0382745000	Securitisation funds	Redemption		€	(43,588)	215,202	E3M+0.14%	AIAF	Securitisated loan
Valencia Hipotecario 3, FTA (serie A2)	Subsidiary	Spain	A1 / AA- / /	ES0382746016	Securitisation funds	Redemption		€	(80,663)	222,250	E3M+0.15%	AIAF	Securitisated loan
PYME valencia 1, FTA (serie A2)	Subsidiary	Spain	A1 / AA+ / /	ES0372241010	Securitisation funds	Redemption		€	(19,977)	10,248	E3M+0.24%	AIAF	Securitisated loan
AyT Génova Hipotecario II Serie A	Subsidiary	Spain	Aa3/*+ / / AA /	ES0370139000	Securitisation funds	Addition, business combination		€	107,289		E3M+0.27%	AIAF	Securitisated loan
AyT Génova Hipotecario II Serie B	Subsidiary	Spain	Ba1/*+ / AA- / BBB- /	ES0370139018	Securitisation funds	Addition, business combination		€	7,082		E 3M+ 0.75%	AIAF	Securitisated loan
AyT Génova Hipotecario III Serie A	Subsidiary	Spain	A1/*+ / AA+ / AA /	ES0370143002	Securitisation funds	Addition, business combination		€	128,474		E3M+0.25%	AIAF	Securitisated loan
AyT Génova Hipotecario III Serie B	Subsidiary	Spain	Ba2/*+ / AA- / BBB- /	ES0370143010	Securitisation funds	Addition, business combination		€	9,993		E3M+0.65%	AIAF	Securitisated loan



Details of the issuing entity

Details of issues, buy-backs or redemptions made in the first six months of 2015

(4 / 6)

Entity	Relationship with entity	Country of residence	Credit rating of issue or issuer (Moody's/Fitch/S&P/DBRS)	ISIN code	Type of security	Type of transaction	Issue or redemption date	Currency	Amount (thousands of €os)	Outstanding balance at 30.06.2015	Interest rate	Market in which it is listed	Collateral
AyT Génova Hipotecario IV Serie A	Subsidiary	Spain	A1/*+ / AA+ / AA /	ES0370150007	Securitisation funds	Addition, business combination		€	188,279		E3M+0.18%	AIAF	Securitisated loan
AyT Génova Hipotecario VI Serie A2	Subsidiary	Spain	A1 / AA+ / AA /	ES0312349014	Securitisation funds	Addition, business combination		€	85,432		E3M+0.15%	AIAF	Securitisated loan
AyT Génova Hipotecario VI Serie B	Subsidiary	Spain	Ba1/*+ / AA / A+ /	ES0312349022	Securitisation funds	Addition, business combination		€	4,801		E3M+0.23%	AIAF	Securitisated loan
AyT Génova Hipotecario VI Serie C	Subsidiary	Spain	B1/*+ / A+ / BBB- /	ES0312349030	Securitisation funds	Addition, business combination		€	5,105		E3M+0.50%	AIAF	Securitisated loan
AyT Génova Hipotecario VI Serie D	Subsidiary	Spain	B3 / BBB / B /	ES0312349048	Securitisation funds	Addition, business combination		€	4,951		E3M+1.75%	AIAF	Securitisated loan
AyT Génova Hipotecario VII Serie A2	Subsidiary	Spain	Aa3/*+ / AA+ / AA /	ES0312343017	Securitisation funds	Addition, business combination		€	340,967		E3M+0.14%	AIAF	Securitisated loan
AyT Génova Hipotecario VII Serie B	Subsidiary	Spain	Baa3/*+ / AA / A+ /	ES0312343025	Securitisation funds	Addition, business combination		€	15,101		E3M+0.27%	AIAF	Securitisated loan
AyT Génova Hipotecario VII Serie C	Subsidiary	Spain	Ba3/*+ / A- / BB+ /	ES0312343033	Securitisation funds	Addition, business combination		€	5,059		E3M+0.57%	AIAF	Securitisated loan
AyT Génova Hipotecario VIII Serie A2	Subsidiary	Spain	A1/*+ / AA+ / AA /	ES0312344015	Securitisation funds	Addition, business combination		€	377,233		E3M+0.14%	AIAF	Securitisated loan
AyT Génova Hipotecario VIII Serie B	Subsidiary	Spain	Ba1/*+ / AA / A /	ES0312344023	Securitisation funds	Addition, business combination		€	2,340		E3M+0.22%	AIAF	Securitisated loan
AyT Génova Hipotecario VIII Serie C	Subsidiary	Spain	B1/*+ / A / BB+ /	ES0312344031	Securitisation funds	Addition, business combination		€	3,506		E3M+0.47%	AIAF	Securitisated loan
AyT Génova Hipotecario IX Serie A2	Subsidiary	Spain	A1/*+ / AA+ / AA /	ES0312300017	Securitisation funds	Addition, business combination		€	332,258		E3M+0.15%	AIAF	Securitisated loan



Details of the issuing entity

Details of issues, buy-backs or redemptions made in the first six months of 2015

(5 / 6)

Entity	Relationship with entity	Country of residence	Credit rating of issue or issuer (Moody's/Fitch/S&P/DBRS)	ISIN code	Type of security	Type of transaction	Issue or redemption date	Currency	Amount (thousands of €os)	Outstanding balance at 30.06.2015	Interest rate	Market in which it is listed	Collateral
AyT Génova Hipotecario IX Serie B	Subsidiary	Spain	Baa3/*+ / AA- / BBB /	ES0312300025	Securitisation funds	Addition, business combination		€	2,393		E3M+0.22%	AIAF	Securitized loan
AyT Génova Hipotecario IX Serie C	Subsidiary	Spain	Ba3/*+ / BBB+ / BB+ /	ES0312300033	Securitisation funds	Addition, business combination		€	1,719		E3M+0.47%	AIAF	Securitized loan
AyT Génova Hipotecario X Serie A2	Subsidiary	Spain	A1/*+ / AA- / AA /	ES0312301015	Securitisation funds	Addition, business combination		€	487,545		E3M+ 0.15%	AIAF	Securitized loan
AyT Génova Hipotecario XII Serie A	Subsidiary	Spain	A1/*+ / AA+ / /	ES0312285002	Securitisation funds	Addition, business combination		€	429,623		E3M+0.30%	AIAF	Securitized loan
AyT Génova Hipotecario II Serie A	Subsidiary	Spain	Aa3/*+ / / AA /	ES0370139000	Securitisation funds	Redemption		€	(9,400)	100,687	E3M+0.27%	AIAF	Securitized loan
AyT Génova Hipotecario III Serie A	Subsidiary	Spain	A1/*+ / AA+ / AA /	ES0370143002	Securitisation funds	Redemption		€	(9,435)	123,294	E3M+0.25%	AIAF	Securitized loan
AyT Génova Hipotecario III Serie B	Subsidiary	Spain	Ba2/*+ / AA- / BBB- /	ES0370143010	Securitisation funds	Redemption		€	(1,413)	9,494	E3M+0.65%	AIAF	Securitized loan
AyT Génova Hipotecario IV Serie A	Subsidiary	Spain	A1/*+ / AA+ / AA /	ES0370150007	Securitisation funds	Redemption		€	(13,344)	181,679	E3M+0.18%	AIAF	Securitized loan
AyT Génova Hipotecario VI Serie A2	Subsidiary	Spain	A1 / AA+ / AA /	ES0312349014	Securitisation funds	Redemption		€	(5,587)	82,840	E3M+0.15%	AIAF	Securitized loan
AyT Génova Hipotecario VI Serie B	Subsidiary	Spain	Ba1/*+ / AA / A+ /	ES0312349022	Securitisation funds	Redemption		€	(455)	4,745	E3M+0.23%	AIAF	Securitized loan
AyT Génova Hipotecario VI Serie C	Subsidiary	Spain	B1/*+ / A+ / BBB- /	ES0312349030	Securitisation funds	Redemption		€	(501)	5,220	E3M+0.50%	AIAF	Securitized loan
AyT Génova Hipotecario VI Serie D	Subsidiary	Spain	B3 / BBB / B /	ES0312349048	Securitisation funds	Redemption		€	(5,424)		E3M+1.75%	AIAF	Securitized loan



Details of the issuing entity

Details of issues, buy-backs or redemptions made in the first six months of 2015

(6 / 6)

Entity	Relationship with entity	Country of residence	Credit rating of issue or issuer (Moody's/Fitch/S&P/DBRS)	ISIN code	Type of security	Type of transaction	Issue or redemption date	Currency	Amount (thousands of €os)	Outstanding balance at 30.06.2015	Interest rate	Market in which it is listed	Collateral
AyT Génova Hipotecario VII Serie A2	Subsidiary	Spain	Aa3/*+ / AA+ / AA /	ES0312343017	Securitisation funds	Redemption		€	(20,744)	332,740	E3M+0.14%	AIAF	Securitized loan
AyT Génova Hipotecario VII Serie B	Subsidiary	Spain	Baa3/*+ / AA / A+ /	ES0312343025	Securitisation funds	Redemption		€	(961)	15,421	E3M+0.27%	AIAF	Securitized loan
AyT Génova Hipotecario VII Serie C	Subsidiary	Spain	Ba3/*+ / A- / BB+ /	ES0312343033	Securitisation funds	Redemption		€	(333)	5,344	E3M+0.57%	AIAF	Securitized loan
AyT Génova Hipotecario VIII Serie A2	Subsidiary	Spain	A1/*+ / AA+ / AA /	ES0312344015	Securitisation funds	Redemption		€	(19,109)	373,544	E3M+0.14%	AIAF	Securitized loan
AyT Génova Hipotecario VIII Serie B	Subsidiary	Spain	Ba1/*+ / AA / A /	ES0312344023	Securitisation funds	Redemption		€	(467)	2,155	E3M+0.22%	AIAF	Securitized loan
AyT Génova Hipotecario VIII Serie C	Subsidiary	Spain	B1/*+ / A / BB+ /	ES0312344031	Securitisation funds	Redemption		€	(976)	3,024	E3M+0.47%	AIAF	Securitized loan
AyT Génova Hipotecario IX Serie A2	Subsidiary	Spain	A1/*+ / AA+ / AA /	ES0312300017	Securitisation funds	Redemption		€	(35,507)	309,302	E3M+0.15%	AIAF	Securitized loan
AyT Génova Hipotecario X Serie A2	Subsidiary	Spain	A1/*+ / AA- / AA /	ES0312301015	Securitisation funds	Buy-back		€	(505,652)		E3M+0.15%	AIAF	Securitized loan
AyT Génova Hipotecario XII Serie A	Subsidiary	Spain	A1/*+ / AA+ / /	ES0312285002	Securitisation funds	Buy-back		€	(441,065)		E3M+0.30%	AIAF	Securitized loan
									(2,924,075)				

(*) In accordance with CNMV rules on the presentation of financial information, buy-backs of own instruments have been aggregated as they are for insignificant amounts.



Individual details of certain issues of subordinated liabilities

The main movements in subordinated liabilities issued by the CaixaBank Group in the first six months of 2015 are as follows:

CaixaBank Group at 30.06.2015

Details of the issuing entity				Details of issues, buy-backs or redemptions made in the first six months of 2015									
Entity	Relationship with entity	Country of residence	Credit rating of issue or issuer (Moody's/Fitch/S&P/DBRS)	ISIN code	Type of security	Type of transaction	Issue or redemption date	Currency	Amount (thousands of euros)	Outstanding balance at 30.06.2015	Interest rate	Market in which it is listed	Collateral
CaixaBank	Subsidiary	Spain	Baa2/BBB/BBB/AL	ES0114965009	Preference shares	Redemption	16.02.2015	EU R	(2,876)			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Baa2/BBB/BBB/AL	ES0114965009	Preference shares	Redemption	16.02.2015	EU R	1,501			AIAF	Entity's capital
CaixaBank	Subsidiary	Spain	Baa2/BBB/BBB/AL	ES0214979181	Subordinated liabilities	Redemption	30.06.2015	EU R	(8,500)			AIAF	Entity's capital
									(9,875)				



15. Provisions

The table below presents the balances at 30 June 2015 and 31 December 2014 and the nature of provisions recognised in the accompanying condensed consolidated balance sheet:

(Thousands of euros)

	Balance at 31.12.2014	Additions for business combination with Barclays Bank, SAU (Note 9)	Provisions net of releases charged to income	Other charges (*)	Actuarial (gains)/losses	Amounts used	Transfers and other	Balance at 30.06.2015
Provisions for pensions and similar obligations	2,964,457	150,823	(13,991)	490,337	(124,546)	(353,594)	22,308	3,135,794
Defined benefit post- employment plans	2,043,412	36,424	22	17,821	(124,546)	(61,793)	209	1,911,549
Other long-term defined employee benefits	921,045	114,399	(14,013)	472,516		(291,801)	22,099	1,224,245
Provisions for taxes and other legal contingencies	396,589	27,728	75,926	0	0	(13,821)	5,622	492,044
Provisions for taxes	293,766	6,224	37,264			(5,715)	5,062	336,601
Other legal contingencies	102,823	21,504	38,662			(8,106)	560	155,443
Provision for contingent liabilities and commitments	563,597	93,765	(16,386)	0	0	0	(126,178)	514,798
Country risk allowance	1,361	1	493					1,855
Allowance for identified losses	562,236	92,678	(16,015)	0	0	0	(125,956)	512,943
<i>Contingent liabilities</i>	<i>531,973</i>	<i>92,678</i>	<i>(22,731)</i>				<i>(125,956)</i>	<i>475,964</i>
<i>Contingent commitments</i>	<i>30,263</i>		<i>6,716</i>					<i>36,979</i>
Allowance for inherent losses		1,086	(864)				(222)	0
Other provisions	445,864	53,890	70,736	0	0	(125,971)	66,487	511,006
Losses from agreements not formalised and other risks	329,341	53,890	103,432			(109,793)	66,468	443,338
Ongoing legal proceedings	70,188		(49,437)			(845)	(143)	19,763
Other	46,335		16,741			(15,333)	162	47,905
Total provisions	4,370,507	326,206	116,285	490,337	(124,546)	(493,386)	(31,761)	4,653,642
(*) Interest cost of pension funds				19,715				
Personnel expenses				470,622				
Total other provisions				490,337				



Provisions for pensions and similar obligations – Defined benefit post-employment plans

The Group has undertakings with certain employees or their right holders to supplement public social security benefits for retirement, permanent disability, death of spouse or death of parents. These obligations were basically assumed by CaixaBank.

Most of the obligations arise from the “Pensions Caixa 30” Pension Fund, the CaixaBank employee pension plan, which mostly covers its risks in Group entities. The Entity has a duty to oversee the plan, which it exercises through its membership of the plan’s Control Committee. For insurance contracts not taken out by the pension plan, but with third parties outside the Group, CaixaBank is the policyholder, and the contracts are managed by each insurance company, which also assumes the risks.

The value of the obligations at 30 June 2015 was recalculated using the following criteria:

- a) The “projected unit credit” method has been used, which considers each year of service as giving rise to one additional unit of benefit entitlement and measures each unit separately.
- b) The actuarial assumptions used are unbiased and mutually compatible. The main assumptions used in the calculations were as follows:

Actuarial assumptions

	30.06.2015	31.12.2014
Discount rate (1)	2.27%	1.72%
Mortality tables	PERM-F/2000 - P	PERM-F/2000 - P
Annual pension review rate (2)	0% - 2%	0% - 2%
Annual cumulative CPI	1.5% 2016 and onwards	0.3% 2015; 1.5% 2016 and onwards
Annual salary increase rate	CPI+ 0.5%	CPI+ 0.5%

(1) Rate obtained by using a rate curve based on high-rated corporate bonds, with the same currency and terms as the commitments assumed.

(2) Depending on each obligation.

- c) The estimated retirement age of each employee is the first at which the employee has the right to retire or the agreed age, as applicable.

Accordingly, actuarial gains/loss were recognised under “Valuation adjustments” in equity and immediately reclassified to reserves in application of the amendment to IAS 19 explained in Note 2 to the Group’s 2014 consolidated financial statements.

Pension funds and similar obligations – Other long-term defined employee benefits

The CaixaBank Group has pension funds covering the obligations assumed under its early retirement schemes. The funds cover the obligations with personnel who retire early – with regard to salaries and other welfare charges – from the date of early retirement to their actual retirement date. Funds are also in place covering obligations with personnel who are partially retired, and obligations assumed in relation to long-service premiums and other obligations with existing personnel.

On 27 March 2013, CaixaBank reached a labour agreement with trade union representatives, which involved reducing staff by 2,600 employees exclusively through voluntary redundancies, paid leave and



geographical mobility initiatives with economic compensation. Under the terms of the agreement, which has been fully covered, employees accepting these measures may, *inter alia*, benefit from a reinsertion plan overseen by an external outplacement company, and receive training, advice on finding new employment and becoming self-employed professionals, and geographic mobility support.

This labour agreement was part of the restructuring carried out to improve the efficiency of the Company's resources by rationalising the mergers with Banca Cívica and Banco de Valencia. The associated extraordinary restructuring cost was recognised under this item in 2013 and amounted to EUR 785 million.

On 17 July 2014 a new labour agreement was signed under which CaixaBank could allocate specific amounts in 2014 to the employee restructuring plan. The associated cost of this labour agreement amounted to EUR 182 million, all intended for employees born before 1 January 1958. These early retirements got under way in March 2015.

A labour restructuring agreement was reached in the first half of 2015 with trade union representatives. The deal envisages an adjustment in the workforce coming from Barclays Bank, affecting a total of 975 individuals through voluntary redundancies, repostings and compulsory redundancies. The associated extraordinary restructuring cost was recognised under this item in the first half of 2015 and amounted to EUR 188 million.

On 29 June 2015, CaixaBank and trade union representatives signed a new labour agreement to set out a raft of measures aimed at restructuring and rebalancing the existing geographical distribution of the workforce and the associated costs. The plan is expected to affect a maximum of 900 individuals, 700 to be given voluntary redundancies and 200 to be reassigned to other locations. The restructuring cost is estimated at EUR 284 million, which was recognised under this Fund at 30 June 2015.

Provisions for taxes and other legal contingencies

The following table shows “Provisions – Provisions for taxes” in the balance sheet at 30 June 2015 and 31 December 2014:

(Thousands of euros)	30.06.2015	31.12.2014
Income tax assessments for years 2004 to 2006	33,171	33,171
Income tax assessments for years 2007 to 2009	11,069	10,963
Tax on deposits	173,752	141,985
Other	118,609	107,647
Total	336,601	293,766

A provision for taxes amounting to EUR 31,767 thousand was recognised in the first half of 2015 related to the estimate of the tax on customer deposits at credit institutions for 2015 and in accordance with the terms of Law 18/2014 of 15 October, which establishes a 0.03% tax on deposits. At 31 December 2014, a provision of EUR 141,985 thousand had already been recognised for tax imposed by certain autonomous communities in prior years (subject to appeals) and for the tax on deposits levied by the State in 2014. Accordingly, the balance of this provision at 30 June 2015 stood at EUR 171,985 thousand.



16. Equity

Share capital

At 30 June 2015, CaixaBank had 5,768,287,514 shares in issue, all fully subscribed and paid up. All the shares are in book-entry form, with a par value of EUR 1 each.

Changes in share capital in 2015 were as follows:

Share capital increases

Date	Purpose	No. of shares	Date of first listing	Nominal amount (thousands of euros)
Balance at 31.12.2014		5,714,955,900		5,714,956
24.03.2015	Scrip dividend programme	53,331,614	27.03.2015	53,332
Balance at 30.06.2015		5,768,287,514		5,768,288

CaixaBank's shares are traded on the four official stock exchanges in Spain and on the electronic trading system, forming part of the Ibex-35. The share price at 30 June 2015 was EUR 4.156 (31 December 2014: EUR 4.361).

Share premium

The balance of this heading at 30 June 2015 stood at EUR 12,032,802 thousand. There were no movements during the first half of 2015.



Reserves

The breakdown and the limits of unrestricted reserves of the parent company are as follows:

(Thousands of euros)		
	30.06.2015	31.12.2014
Reserves attributable to the parent company of the CaixaBank Group	7,826,391	6,632,833
<i>Legal reserve (*)</i>	1,142,991	1,005,522
<i>Restricted reserves related to the scrip dividend programme</i>	144,794	71,134
<i>Restricted reserves for financing the acquisition of treasury shares</i>	13,202	18,684
<i>Other restricted reserves</i>	388,319	267,832
<i>Unrestricted reserves</i>	2,598,490	2,391,884
<i>Other consolidation reserves assigned to the Parent (**)</i>	3,538,595	2,877,777
Reserves of fully-consolidated subsidiaries (***)	(3,451,715)	(2,650,231)
Reserves of companies accounted for using the equity method (****)	1,101,332	1,087,231
Total	5,476,008	5,069,833

(*) Approval was given at the Ordinary Annual General Meeting of 23 April 2015 to appropriate EUR 137,469 thousand of 2014 profit to the legal reserve.

(**) The change relates mainly to the consolidated profit from subsidiaries, attributable to the Parent and not distributed.

(***) Reserves relating to fully-accounted subsidiaries correspond mainly to VidaCaixa, SA de Seguros y Reaseguros and BuildingCenter, SAU.

(****) Reserves relating to equity-accounted subsidiaries correspond mainly to Repsol, SA, The Bank of East Asia, LTD., Grupo Financiero Inbursa and Banco BPI, SA.

“Unrestricted reserves” increased in the first half of 2015, due mainly to the non-distributed earnings of the Parent.

"Other increases/(decreases) in equity" in the statement of total changes in equity showed an increase of EUR 138,381 thousand, mainly comprising actuarial gains on pension commitments externalised to Group insurers (EUR 120,546 thousand) and for changes in the period in the equity of companies consolidated by the CaixaBank Group (Group companies and associates) (EUR 17,835 thousand).

Treasury shares

At the Ordinary Annual General Meeting held on 19 April 2012, the shareholders authorised the company's Board of Directors to buy treasury shares by virtue of the provisions in Article 146 of the Corporate Enterprises Act. The unused portion of the authorisation granted at the Annual General Meeting held on 12 May 2011 was thereby revoked. The authorisation is valid for five years.

Movement in treasury shares during the first half of 2015 is as follows:

	31.12.2014	Acquisition and other	Disposals and other	30.06.2015
Number of treasury shares	2,656,651	5,483,405	(5,217,208)	2,922,848
% of share capital (*)	0.046%	0.095%	(0.090%)	0.051%
Cost/sale (thousands of euros)	11,013	22,735	(21,492)	12,256

(*) Percentage calculated on the basis of the total number of CaixaBank shares at the end of the period.



Net gains on transactions involving treasury shares in the first half of 2015 amounted to EUR 724 thousand, recognised under “Unrestricted Reserves”.

Valuation adjustments

Valuation adjustments include mainly the net amount of changes in the fair value of financial assets classified as available for sale, as well as the amounts of valuation adjustments recognised in the equity of associates.

The decrease in valuation adjustment attributable to the Group in the first half of 2015 was EUR 86,402 thousand.

This variation reflects a EUR 655,215 thousand reduction in valuation adjustments for fixed income securities classified as available-for-sale, primarily due to the sale of sovereign debt. This decrease was partially offset by the increase in value caused by the share price performance of equity instruments classified under "Available-for-sale financial assets" (EUR 200,298 thousand), by exchange differences on investees' investments in foreign currencies (EUR 199,439 thousand) and by the increase in valuation adjustments attributed to associates valued using the equity method (EUR 189,078 thousand).



17. Tax position

As described in Note 6, the merger of CaixaBank (absorbing company) and Barclays Bank (absorbed company) took place in 2015. The absorbed company was dissolved but not liquidated and its total net assets were passed to CaixaBank, which has acquired the rights and obligations of Barclays Bank Cívica through universal succession.

Tax consolidation

Following the entry into force of Law 26/2013, of 27 December, governing savings banks and banking foundations, and given that in 2013 the stake held by "la Caixa" in CaixaBank was reduced to below 70%, CaixaBank assumed the position of Parent of the tax group and "la Caixa" (currently "la Caixa" Banking Foundation) became a subsidiary, with effect from 1 January 2013.

Furthermore, CaixaBank and some of its subsidiaries also belong to a consolidated tax group for value added tax (VAT) whose parent has been "la Caixa" since 2008.

Deferred tax assets/liabilities

Pursuant to current tax legislation, there are certain temporary differences which must be taken into account when quantifying the corresponding income tax expenditure. The deferred tax assets/liabilities recognised in the consolidated balance sheet at 30 June 2015 and 31 December 2014 arose from the following:

Deferred tax assets

(Thousands of euros)

	30.06.2015	31.12.2014
Pension plan contributions	419,209	306,817
Credit loss provisions (1)	4,099,467	2,676,402
Early retirement obligations	93,505	120,784
Provision for foreclosed property	1,010,859	825,345
Arrangement fees for loans and receivables	12,524	15,104
Unused tax credits	1,420,736	1,713,862
Tax loss carryforwards	2,087,176	2,620,557
Tax assets for adjustments to equity	17,034	35,090
Other deferred tax assets arising on business combinations (2)	488,088	508,712
Other (3)	594,430	567,573
Total	10,243,028	9,390,246

(1) Includes general and specific provisions, and the assets in this connection from Barclays.

(2) Includes deferred tax assets from negative fair value adjustments to assets and liabilities of Banco Cívica, Banco de Valencia and Barclays, except those from adjustments to loans and receivables.

(3) Includes, *inter alia*, deferred tax assets deriving from impairment losses on investments, eliminations from intragroup operations and those corresponding to different provisions.

The business combination with Barclays Bank, SAU has involved assuming at the transaction date deferred tax assets of EUR 877,444 thousand, EUR 93,134 thousand of which arise from the negative adjustments made to recognise Barclays Bank, SAU's assets and liabilities at fair value.



Estimated monetisable deferred tax assets in accordance with Royal Decree-Law 14/2013, of 29 November, amount to EUR 5,438 million.

The Group assesses the recoverable amount of its recognised tax assets every six months. To do this, it has developed a model based on the Group's projected results. This model was created in collaboration with an independent expert and at 31 December 2014, it indicated that the tax assets should be recovered before the legal recovery period lapses.

The model is updated every six months so that the assumptions used are adjusted continually during the analysis to include any potential deviations. At 30 June 2015, the model concludes that the Group has sufficient capacity to recover, in a reasonable period of time, the tax assets recognised at the revision date, as well as the estimated future tax assets that will be generated within the CaixaBank Group.

Deferred tax liabilities

(Thousands of euros)

	30.06.2015	31.12.2014
Revaluation of property on first time application of IFRS	256,876	257,653
Tax liabilities on measurement of available-for-sale financial assets	246,650	509,972
Tax liabilities relating to intangible assets generated in business combinations	50,261	87,647
Tax liabilities relating to an extraordinary allowance to the mathematical provision	263,837	272,094
Other deferred tax liabilities arising on business combinations (1)	342,813	365,090
Other	247,531	179,111
Total	1,407,967	1,671,567

(1) Includes mainly deferred tax liabilities from positive fair value adjustments to assets and liabilities acquired in business combinations.

The business combination with Barclays Bank, SAU has involved assuming at the transaction date deferred tax liabilities of EUR 183,821 thousand, EUR 69,272 thousand of which arise from the positive adjustments made to recognise Barclays Bank, SAU's assets and liabilities at fair value.



18. Related party transactions

Key management personnel and executives at CaixaBank are those persons having authority and responsibility for planning, directing and controlling the activities of the Entity, directly or indirectly, including any member of the Board of Directors and Senior Management. By virtue of their positions, this group of persons is considered a “related party”, and as such subject to the disclosure requirements described in this Note.

Persons who have certain kinship or personal relationships with key management personnel and executives are also considered related parties, along with companies in which control, significant influence or significant voting power is exercised by key employees or any of the aforementioned persons in their family environment.

According to the Regulations of the Board of Directors, the Board may issue a generic authorisation for transactions by Directors and related persons provided that they fall within the ordinary course of corporate business and are habitual or recurring in nature. Otherwise, they must be authorised by the Board of Directors except where they simultaneously meet the following three conditions: (i) they are carried out by virtue of adhesion contracts whose conditions are standardised and applied en masse to many clients; (ii) they are carried out at market prices or rates, generally established by the party acting as the provider of the good or service in question; and (iii) the amount of the transaction is not more than one per cent (1%) of the consolidated annual revenue of the group of which the Company is the Parent.

Notwithstanding the above, according to prevailing legislation, express authorisation by the Bank of Spain is required for the grant of loans, credits or guarantees to the Chairman, Deputy Chairman, Directors, General Managers and similar.

The approval policy for loans to members of the Board of Directors who are employees of CaixaBank and Senior Management is governed by the provisions of the collective bargaining agreement for the savings bank industry and the internal employment regulations which implement this agreement.

All other loan and deposit transactions or financial services arranged by CaixaBank with key management personnel and executives (Board of Directors and Senior Management), which are not subject to employment regulations, were approved under normal market conditions. None of these transactions involves any material amounts affecting the correct interpretation of the annual financial statements.

CaixaBank also has service level agreements with related parties. These agreements form part of its ordinary course of business and are carried out under normal market conditions. None of them individually is for a significant amount.

The most significant balances at 30 June 2015 and 2014 between CaixaBank and jointly controlled entities and associates, and with Directors, Senior Managers and other related parties (relatives and companies with links to members of the Board of Directors and Senior Management, to the best of the Entity’s knowledge), of CaixaBank and “la Caixa” and Criteria CaixaHolding, and those with other related parties such as the employee pension plan, etc., are shown in the table below. Details are also provided of the amounts recognised in the income statement from transactions carried out. All transactions between related parties form part of the ordinary course of business and are carried out under normal market conditions.



30.06.2015

(Thousands of euros)

	With the majority shareholder "la Caixa" Banking Foundation and its Group (1)	Associates and jointly controlled entities	Directors and Senior Management (2)	Other related parties (3)
ASSETS				
Loans and advances to credit institutions		264		
Loans and receivables	3,419,941	1,090,593	12,141	66,129
<i>Reverse repurchase agreement</i>				
<i>Mortgage loans</i>	455,578	16,314	10,941	44,741
<i>Other loans and credits (4)</i>	2,964,363	1,074,279	1,200	21,388
<i>Of which: Provisions</i>		(89,844)		
Total	3,419,941	1,090,857	12,141	66,129
LIABILITIES				
Deposits from credit institutions (4)		32,528	17,269	
Customer deposits (5)	2,989,682	1,073,864	50,113	138,688
Off-balance sheet liabilities(6)			15,358	30,652
Total	2,989,682	1,106,392	82,740	169,340
PROFIT AND LOSS				
Interest expense and similar charges	(13,610)	(1,574)	(303)	(883)
Interest and similar income	20,648	7,363	59	546
Total	7,038	5,789	(244)	(337)
OTHER				
Contingent liabilities - Guarantees and other	290,824	306,308	55	1,712
Contingent commitments - Drawable by third parties and others (7)	1,727,364	318,983	8,632	19,107
Accrued post-employment benefits			44,085	
Total	2,018,188	625,291	52,772	20,819

(1) Includes the balances held with the "la Caixa" Banking Foundation, Criteria CaixaHolding and subsidiaries, associates, jointly-controlled entities and subsidiaries thereof.

(2) Directors and Senior Management referred to are those of "la Caixa" Banking Foundation, CaixaBank and Criteria CaixaHolding.

(3) Family members and entities related to Directors and Senior Management of "la Caixa" Banking Foundation, CaixaBank and Criteria CaixaHolding, and other related parties, such as the employee pension plan.

(4) Includes other loans and receivables.

(5) Includes deposits, marketable debt securities and subordinated debt.

(6) Includes mutual funds, insurance contracts, pension funds and post-employment obligations contributed.

(7) Includes amounts drawable against commercial risk lines and reverse factoring transactions.



30.06.2014

(Thousands of euros)

	With the majority shareholder "la Caixa" Banking Foundation and its Group	Associates and jointly controlled entities	Directors and Senior Management (1)	Other related parties (2)
ASSETS				
Loans and advances to credit institutions		76,374		
Loans and receivables	4,305,354	1,137,133	8,977	69,256
<i>Reverse repurchase agreement</i>				
<i>Mortgage loans</i>	475,464	59,661	7,977	29,216
<i>Other loans and credits (3)</i>	3,829,890	1,077,472	1,000	40,040
Total	4,305,354	1,213,507	8,977	69,256
LIABILITIES				
Deposits from credit institutions (4)	57	1,253,689	73,820	
Customer deposits (4)	4,024,609	966,234	32,904	194,635
Off-balance sheet liabilities(5)			18,688	37,124
Total	4,024,666	2,219,923	125,412	231,759
PROFIT AND LOSS				
Interest expense and similar charges	(17,106)	(8,907)	(731)	(1,467)
Interest and similar income	34,037	17,120	48	1,625
Total	16,931	8,213	(683)	158
OTHER				
Contingent liabilities - Guarantees and other	348,455	105,869	3,589	60,450
Contingent commitments - Drawable by third parties and others (6)	1,253,587	378,780	5,993	82,012
Accrued post-employment benefits			37,627	
Total	1,602,042	484,649	47,209	142,462

(1) Directors and Senior Management referred to are those of "la Caixa" Banking Foundation, CaixaBank and Criteria CaixaHolding.

(2) Family members and entities related to members of the Board of Directors and Senior Management of "la Caixa" Banking Foundation, CaixaBank and Criteria CaixaHolding, and other related parties, such as the employee pension plan.

(3) Includes other loans, credits and other available securities.

(4) Includes deposits, marketable debt securities and subordinated debt.

(5) Includes mutual funds, insurance contracts, pension funds and post-employment obligations contributed.

(6) Includes amounts drawable against commercial risk lines and reverse factoring transactions.



The most significant balances and transactions in the first half of 2015, in addition to those described in the different notes and not eliminated on consolidation, are as follows:

Financing extended to the "la Caixa" Banking Foundation Group is as follows:

- The balance at 30 June 2015 of financing provided by CaixaBank to "la Caixa" stood at EUR 100 million (EUR 100 million at 31 December 2014). This loan corresponds to financing provided by the Council of Europe Bank to the Banking Foundation channelled through CaixaBank.
- In the first half of 2014, CaixaBank provided financing to "la Caixa" in the form of a loan for EUR 650 million, forming part of the assets and liabilities spun off to Criteria in 2014. This balance remains at 30 June 2015. In addition, Criteria signed a credit facility agreement with CaixaBank for EUR 750 million, which was not drawn down at 30 June 2015.
- In the first six months of 2015, Criteria made full early redemption of the bond issue placed in 2012, which was fully acquired by CaixaBank. The balance at 31 December 2014 stood at EUR 999 million.
- Financing granted to Criteria CaixaHolding's real estate subsidiaries totalled EUR 657 million at 30 June 2015 (EUR 1,662 million at 31 December 2014, including the plain vanilla bond of EUR 999 million issued by Criteria mentioned in the preceding point).
- Financing balances with the majority shareholder also include financing with associates and jointly-controlled entities and the subsidiaries thereof, forming part of the "la Caixa" Banking Foundation Group.

The most significant payables to the majority shareholder are as follows:

- At 30 June 2015, Criteria holds EUR 875 million in time deposits and EUR 207 million in demand deposits at CaixaBank (EUR 275 million and EUR 72 million, respectively, at 31 December 2014).
- "la Caixa" Banking Foundation holds demand and time deposits at CaixaBank, amounting to EUR 39 million (EUR 70 million at 31 December 2014).
- Criteria arranged derivatives with CaixaBank to hedge the interest rates on bilateral loans for a nominal amount of EUR 800 million at 31 December 2014, rising to EUR 1,350 million at 30 June 2015. The fair value of the outstanding derivatives at 30 June 2015 was a negative EUR 10 million (positive EUR 3 million at 31 December 2014).
- Gas Natural, a jointly controlled entity of the Criteria Group, holds time deposits and current accounts at CaixaBank for the amount of EUR 856 million (EUR 1,651 million at 31 December 2014). The amount held by Abertis Infraestructuras, an associate of the Criteria Group, totals EUR 866 million (EUR 356 million at 31 December 2014).

In addition, "la Caixa" Banking Foundation had a receivable for income tax, of EUR 161,950 thousand at 31 December 2014, from the head of the tax group, CaixaBank. This balance was settled in January 2015.

Transactions between Group companies form part of the ordinary course of business and are carried out under normal market conditions. The most significant transactions between Group companies in the first half of 2015 were as follows:

- In January 2015, InverCaixa acquired the credit card business from Barclays Bank, SAU for EUR 60 million.
- In April 2015, SegurCaixa Adeslas and CaixaBank, based on an addendum to the agency contract signed between them in 2011, agreed the payment by SegurCaixa Adeslas of an amount of EUR 47 million as the fee for the commercial brokerage activities performed by CaixaBank selling insurance products to customers from Barclays Bank branch network.



- In May 2015, CaixaBank acquired the factoring and reverse factoring business carried out by Barclays Bank, SAU through its subsidiary Barclays Factoring, SA EFC. The transaction price was EUR 33 million.

- In May 2015, Caixa Card 1 EFC, SA acquired Barclays Bank, SAU's card management business for EUR 80 million. In addition, Comercia Global Payments, Entidad de Pago, SL acquired Barclays Bank, SAU's merchant business for EUR 0.5 million.

At 30 June 2015, there was no evidence of impairment to the value of the financial assets or the guarantees or contingent commitments held with key management personnel and executives.

Loans at 30 June 2015 arranged with Directors and Senior Management serving at that date have an average maturity of 22.61 years and accrue interest at an average rate of 0.95%.

Financing granted in the first half of 2015 to Directors and Senior Management serving at 30 June 2015 amounted to EUR 205 thousand, with an average maturity of 0.58 years and earning interest at an average rate of 0.24%.

Description of the relationship between "la Caixa" Banking Foundation and CaixaBank

In order to strengthen the Group's transparency, autonomy and good governance, as well as to limit and regulate conflicts of interest, "la Caixa" and CaixaBank signed an internal relations protocol on 1 July 2011. According to the Protocol, any new intragroup service or transaction shall always be made in writing and shall be governed by the general principles contained therein.

As a result of its transformation into a banking foundation and the conclusion of the indirect exercise of banking activity through CaixaBank, and in accordance with the provisions of Law 26/2013, of 27 December, governing savings banks and banking foundations, on 24 July 2014, the foundation's Board of Trustees approved a protocol for managing its ownership interest in the financial institution which primarily regulates the following aspects:

- The basic strategic lines governing "la Caixa" Banking Foundation's management of its stake in CaixaBank
- Relations between the Board of Trustees and CaixaBank's Governing Bodies
- The general criteria governing transactions between "la Caixa" Banking Foundation and CaixaBank
- The mechanisms to avoid the emergence of conflicts of interest
- The basic criteria relating to the assignment and use of distinctive signs and domain names owned by "la Caixa" Banking Foundation by CaixaBank and the companies in its Group
- The provision for "la Caixa" Banking Foundation to have a right of pre-emptive acquisition in the event of transfer by CaixaBank of Monte de Piedad, which it owns
- The basic principles for a possible collaboration so that (a) CaixaBank may implement corporate social responsibility policies through "la Caixa" Banking Foundation, and, at the same time (b) "la Caixa" Banking Foundation may disseminate its welfare projects through the CaixaBank branch network, and where appropriate, through other material means
- The flow of adequate information to allow "la Caixa" Banking Foundation and CaixaBank to prepare their financial statements and to comply with periodic reporting and supervisory duties with the Bank of Spain and other regulatory bodies.



Under the scope of this new protocol, a new protocol shall be signed that replaces the internal relations protocol signed between "la Caixa" and CaixaBank on 1 July 2011. "la Caixa" and CaixaBank agreed to renew the Internal Relations Protocol between the two under all the terms and conditions that were not affected by the end of the indirect exercise by "la Caixa" as a credit institution through CaixaBank until the new relations protocol is adopted.

Criteria CaixaHolding's Board of Directors took note of the aforementioned management protocol at its meeting on 18 December 2014.



19. Segmental analysis

Segment reporting is carried out on the basis of internal control, monitoring and management of the CaixaBank Group's activity and results, and developed in accordance with the various areas of business established with regard to the Group's structure and organisation. The Board of Directors is the highest operational decision-making body of each business.

The business segments are defined bearing in mind the inherent risks and management characteristics of each. For the purposes of business segment reporting of activities and income, the core business units on which accounting and management figures are available are taken as a reference. The same general principles are applied as those used in Group management information, and the measurement, valuation bases and accounting principles applied are basically the same as those used to prepare the interim financial statements, with no asymmetric allocations.

CaixaBank's business segments are:

Banking and insurance: the CaixaBank Group's core business and includes the entire banking business (retail banking, corporate banking, cash management and markets) and insurance business, primarily carried out in Spain through the branch network and the other complementary channels. It encompasses the activity and the profits generated from the Group's customers, whether individuals, companies or institutions. It also incorporates the liquidity management and the Assets and Liabilities Committee (ALCO), and income from the financing of the equity investment business.

This segment includes the result of the Group's insurance companies, mainly VidaCaixa, whose retail products are distributed to the same customer base and through the CaixaBank branch office network.

Investments: includes the significant holdings in the area of the Group's international diversification or services. It includes the results of the investments in the international banking investee portfolio (Grupo Financiero Inbursa, The Bank of East Asia, Erste Group Bank, and Banco BPI), the investments in Repsol, SA and Telefónica, SA, and other significant holdings in the area of sector diversification following the Group's latest acquisitions. The gross income of this business includes income from the equity accounting of the respective investments and from dividends, net of the related financing charge, equivalent to the opportunity cost of holding the investment over the long term and determined based on a long-term rate plus a credit spread, adapted in 2015 to trends in market conditions.

In 2015, the allocation of capital to this business was brought into line with the Group's new corporate objective of maintaining a Common Equity Tier 1 (CET1) BIS III fully loaded ratio of over 11%. The capital allocated to this business takes into account both the consumption of capital by risk-weighted assets of 11% (10% in 2014) and all applicable deductions. Therefore, as the CaixaBank Group's entire capital is distributed, the difference between shareholders' equity and regulatory capital allocated to the investments business is allocated to the banking and insurance business.

Segment operating expenses include both direct and indirect expenses, which are allocated in accordance with internal distribution methods.

The performance of the CaixaBank Group by business segment at June 2015 and 2014 is shown below. Information for 2014 is presented solely purposes of comparison and has been adjusted to include the impact of applying IFRIC 21 and IAS 8 on the recognition of levies.



Consolidated income statement of the CaixaBank Group - By business segment

(Millions of euros)

	Banking and insurance (*)		Investments		TOTAL CAIXABANK GROUP	
	January – June		January – June		January – June	
	2015	2014	2015	2014	2015	2014
Net interest income	2,364	2,170	(94)	(155)	2,270	2,015
Dividends and share of profit/(loss) of entities accounted for using the equity method	64	56	428	168	492	224
Net fees and commissions	1,027	930			1,027	930
Gains/(losses) on financial assets and liabilities and	775	534		47	775	581
Gross income/(loss)	4,230	3,690	334	60	4,564	3,750
Administrative expenses	(2,401)	(1,703)	(2)	(1)	(2,403)	(1,704)
Depreciation and amortisation	(191)	(184)			(191)	(184)
Operating income	1,638	1,803	332	59	1,970	1,862
Impairment of financial and other assets	(1,439)	(1,314)			(1,439)	(1,314)
Net operating income/(loss)	199	489	332	59	531	548
Gains/(losses) on disposal of assets and others	(12)	(120)	38	18	26	(102)
Profit/(loss) before tax	187	369	370	77	557	446
Income tax	124	(72)	28	31	152	(41)
Profit/(loss) after tax	311	297	398	108	709	405
Profit/(loss) attributable to non-controlling interests	1				1	0
Profit/(loss) attributable to the Group	310	297	398	108	708	405
<i>Equity (**)</i>	<i>19,600</i>	<i>20,234</i>	<i>4,204</i>	<i>3,065</i>	<i>23,804</i>	<i>23,299</i>

(*) Net profit for the insurance business in the first half of 2015 amounted to EUR 146 million. Key indicators for the insurance group at 30 June 2015 include on-balance sheet assets of EUR 56,264 million, technical provisions of EUR 34,917 million and premiums earned in the period of EUR 2,720 million.

(**) Average equity in the period allocated to the businesses.

Profit/(loss) attributable to the Group

(Thousands of euros)

	January–June	
	2015	2014
Banking and insurance	310,211	296,863
Investments	398,001	108,092
Total profit attributable to reporting segments	708,212	404,955
Unattributed results		
Elimination of internal results (between segments)		
Plus: Other results (including result attributable to non-controlling interests)	449	(123)
Plus: Income tax and/or gains/(losses) on discontinued operations	(151,378)	41,259
Total profit before tax	557,283	446,091



As additional information, the non-core real estate activity is shown separately from the banking and insurance business due to the special management of the segment's assets. Since the first quarter of 2015, the non-core real estate activity includes:

- Non-core developer lending: The developer loan management model has been redefined in 2015, with the assignment of a team and centres manned by managers who specialise in the developer loans included in this activity that requiring special monitoring and management.
- Foreclosed real estate assets (available for sale and rental) mainly owned by the real estate subsidiary BuildingCenter.
- Other real estate assets and holdings.

Segment results for the banking and insurance business for the first half of 2015 are as follows:

Consolidated income statement – banking and insurance business. January–June 2015

(Millions of euros)

	Banking and insurance business (excl. non- core real estate)	Non-core real estate activity	Banking and insurance
Net interest income	2,417	(53)	2,364
Dividends and share of profit/(loss) of entities accounted for using the equity method	56	8	64
Net fees and commissions	1,025	2	1,027
Gains/(losses) on financial assets and liabilities and other operating	900	(125)	775
Gross income/(loss)	4,398	(168)	4,230
Administrative expenses	(2,376)	(25)	(2,401)
Depreciation and amortisation	(166)	(25)	(191)
Operating income	1,856	(218)	1,638
Impairment of financial and other assets	(869)	(570)	(1,439)
Net operating income/(loss)	987	(788)	199
Gains/(losses) on disposal of assets and others	417	(429)	(12)
Profit/(loss) before tax	1,404	(1,217)	187
Income tax	(243)	367	124
Profit/(loss) after tax	1,161	(850)	311
Profit/(loss) attributable to non-controlling interests	1		1
Profit attributable to the Group	1,160	(850)	310
<i>Equity (**)</i>	<i>17,908</i>	<i>1,692</i>	<i>19.600</i>

(**) Average equity in the period allocated to the businesses.



The income of the CaixaBank Group for the six months ended 30 June 2015 and 2014 by segment and geographical area is as follows:

Distribution of interest and similar income by geographical area

(Thousands of euros)	January – June			
	CaixaBank		CaixaBank Group	
	2015	2014	2015	2014
Domestic market	3,095,449	3,526,333	4,569,210	4,346,390
Export	3,658	3,901	3,655	3,917
a) European Union	1,651	2,161	1,648	2,177
b) OECD countries				
c) Other countries	2,007	1,740	2,007	1,740
Total	3,099,107	3,530,234	4,572,865	4,350,307

Distribution of ordinary income (*)

(Thousands of euros)	January – June					
	Ordinary income from customers		Ordinary income between segments (**)		Total ordinary income	
	2015	2014	2015	2014	2015	2014
Banking and insurance	7,040,571	6,417,849	0	0	7,040,571	6,417,849
<i>Spain</i>	7,032,903	6,411,416			7,032,903	6,411,416
<i>Other countries</i>	7,668	6,433			7,668	6,433
Investments	428,347	215,056	0	0	428,347	215,056
<i>Spain</i>	230,598	312,503			230,598	312,503
<i>Other countries</i>	197,749	(97,447)			197,749	(97,447)
Total	7,468,918	6,632,905	0	0	7,468,918	6,632,905

Information for 2014 is presented solely for the purposes of comparison and has been adjusted to include the impact of applying IFRIC 21 and IAS 8 on the recognition of levies.

(*) Correspond to the following captions of the CaixaBank Group's public income statement calculated pursuant to Bank of Spain Circular 6/2008.

1. Interest and similar income
4. Return on equity instruments
5. Share of profit /loss) of entities accounted for using the equity method
6. Fee and commission income
8. Gains/(losses) on financial assets and liabilities (net)
10. Other operating income

(**) No ordinary income between segments. Banking and insurance income generated from financing of the rest of the businesses has not been recognised as this segment's ordinary income.



20. Average number of employees

The following table shows the breakdown of average headcount by gender for the six months ended 30 June 2015 and 2014.

Average number of employees

(Number of employees)	30.06.2015		30.06.2014	
	CaixaBank	CaixaBank Group	CaixaBank	CaixaBank Group
Male	14,393	15,505	14,441	15,546
Female	15,289	16,368	15,040	16,222
Total	29,682	31,873	29,481	31,768



21. Contingent liabilities and commitments

The breakdown of “Contingent liabilities” and “Contingent commitments” in the accompanying condensed interim consolidated balance sheet are as follows:

Contingent liabilities

(Thousands of euros)

	30.06.2015	31.12.2014
Bank guarantees and other collateral deposited	8,908,805	8,568,078
Documentary credits	1,800,781	1,666,890
Assets assigned to third-party obligations	6,868	6,868
<i>Of which: Non-performing contingent liabilities</i>	571,235	425,755
Total	10,716,454	10,241,836

The detail of “Contingent commitments” included as memorandum items in the consolidated balance sheet at 30 June 2015 and 31 December 2014 is as follows:

Contingent commitments

(Thousands of euros)

	30.06.2015		31.12.2014	
	Limits	Drawable	Limits	Drawable
Drawable by third parties	112,598,431	52,526,070	109,449,605	49,372,792
<i>Credit institutions</i>	186,566	74,550	90,522	20,522
<i>Public sector</i>	7,941,842	4,137,403	6,089,104	2,709,003
<i>Other sectors</i>	104,470,023	48,314,117	103,269,979	46,643,267
<i>Of which: conditionally drawable</i>		2,309,071		2,332,176
Other contingent commitments		5,000,375		1,333,434
Total	112,598,431	57,526,445	109,449,605	50,706,226

Non-performing contingent liabilities were EUR 571,235 thousand and EUR 425,755 thousand at 30 June 2015 and 31 December 2014, respectively. At the date of the business combination, the takeover of Barclays Bank, SAU involved assuming EUR 160,168 thousand of non-performing contingent liabilities.

The specific and general provisions relating to contingent liabilities and commitments are recognised under “Provisions” in the balance sheet (see Note 15).

The Group is only obliged to pay the sum of contingent liabilities if the counterparty guaranteed fails to comply with its obligations at the time of non-compliance. CaixaBank believes that most of these risks will reach maturity without being settled.

With respect to contingent commitments, the Group has an undertaking to facilitate funds to customers through drawables on lines of credit and other commitments, whenever it receives a request and subject to compliance with certain conditions by the counterparties. It believes that not all the drawables will be used by customers, and that a large portion of them will fall due prior to drawdown, either because they will not be requested by customers or because the drawdown conditions will not be met.



22. Other disclosure requirements

Disclosures required under the Mortgage Market Law

In accordance with regulations governing the mortgage market, issuers of mortgage covered bonds are required to disclose relevant information regarding their issues. Consequently, CaixaBank presents the following information regarding its total mortgage covered bond issues:

1. Information on support and privileges available to holders of mortgage covered bonds issued by the Group

CaixaBank is the Group entity that issues mortgage covered bonds.

Mortgage covered bonds are securities in which the principal and interest are especially secured, with no need for registration, by mortgages on all the bonds registered in favour of the Entity, without prejudice to liability of the Entity's assets.

The securities include credit rights for holders vis-à-vis the Entity, guaranteed as stated in the preceding paragraph, and entail execution to claim payment for the issuer after they mature. The holders of these securities are considered to be creditors with special preference, as stipulated in section 3 of Article 1,923 of the Civil Code, vis-à-vis any other creditor, in relation to the total mortgage credits and loans registered in favour of the issuer. All holders of bonds, irrespective of their date of issue, have the same seniority over the loans and credits which guarantee the bonds.

The members of the Board of Directors certify that CaixaBank has express policies and procedures in place covering all activities carried on within the scope of its mortgage market issues, and that they guarantee strict compliance with the mortgage market regulations applicable to such activities. These policies and procedures cover issues such as:

- Relationship between the sum of loans and credits and the appraisal value of the mortgaged asset.
- Relationship between the debt and the borrower's income, and verification of the information provided by the borrower and its solvency.
- Prevention of mismatches between flows from the hedging portfolio and those arising from payments owned on the securities issued.
- Proper procedures for the selection of appraisers.



2. Information concerning mortgage market issues

The table below shows the nominal value of mortgage covered bonds issued by CaixaBank and outstanding at 30 June 2015 and 31 December 2014:

Mortgage covered bonds issued		
(Thousands of euros)		
	30.06.2015	31.12.2014
Mortgage covered bonds issued in public offers (debt securities)	38,470	38,470
Residual maturity up to 1 year	10,646	
Residual maturity between 1 and 2 years	14,362	
Residual maturity between 2 and 3 years	13,462	18,628
Residual maturity between 3 and 5 years		19,842
Residual maturity between 5 and 10 years		
Residual maturity over 10 years		
Mortgage covered bonds not issued in public offers (debt securities)	44,317,106	41,238,691
Residual maturity up to 1 year	8,546,704	4,276,159
Residual maturity between 1 and 2 years	3,752,500	4,850,000
Residual maturity between 2 and 3 years	2,450,000	3,952,500
Residual maturity between 3 and 5 years	4,900,000	5,900,000
Residual maturity between 5 and 10 years	16,640,000	10,750,000
Residual maturity over 10 years	8,027,902	11,510,032
Deposits	7,363,256	8,766,092
Residual maturity up to 1 year	1,993,889	2,532,836
Residual maturity between 1 and 2 years	750,000	1,213,889
Residual maturity between 2 and 3 years	885,000	1,100,000
Residual maturity between 3 and 5 years	1,193,939	999,981
Residual maturity between 5 and 10 years	1,520,427	1,771,181
Residual maturity over 10 years	1,020,000	1,148,205
Total	51,718,832	50,043,253
Of which: not recognised under liabilities	21,030,320	17,823,587

The nominal value of mortgage participations issued by CaixaBank, corresponding exclusively to the mortgage credits and loans on the asset side of the balance sheet, and outstanding at 30 June 2015 and 31 December 2014 is as follows:

Mortgage participations issued		
(Thousands of euros)		
	30.06.2015	31.12.2014
Mortgage participations issued in public offers	0	0
Residual maturity up to 3 years		
Residual maturity between 3 and 5 years		
Residual maturity between 5 and 10 years		
Residual maturity over 10 years		
Mortgage participations not issued in public offers	9,286,415	439,748
Residual maturity up to 3 years	69,844	13,834
Residual maturity between 3 and 5 years	132,944	24,893
Residual maturity between 5 and 10 years	794,216	119,206
Residual maturity over 10 years	8,289,411	281,815
Total	9,286,415	439,748



The nominal value of mortgage transfer certificates issued by CaixaBank, corresponding exclusively to the mortgage credits and loans on the asset side of the balance sheet, and outstanding at 30 June 2015 and 31 December 2014 is as follows:

Mortgage transfer certificates issued

(Thousands of euros)

	30.06.2015	30.06.2014
Mortgage transfer certificates issued in public offers	0	0
Residual maturity up to 3 years		
Residual maturity between 3 and 5 years		
Residual maturity between 5 and 10 years		
Residual maturity over 10 years		
Mortgage transfer certificates not issued in public offers	3,941,776	4,208,630
Residual maturity up to 3 years	110,214	109,838
Residual maturity between 3 and 5 years	158,438	171,168
Residual maturity between 5 and 10 years	734,587	777,787
Residual maturity over 10 years	2,938,537	3,149,837
Total	3,941,776	4,208,630

3. Information on mortgage loans and credits

The nominal value of all CaixaBank's mortgage loans and credits as well as those which are eligible, pursuant to applicable regulations, for the purposes of calculating the mortgage covered bonds issue limit, is as follows:

Mortgage loans. Eligibility and accountability in relation to the mortgage market

(Thousands of euros)

	30.06.2015	31.12.2014
Total loans	139,836,943	130,637,686
Mortgage participations issued	9,327,152	484,701
<i>Of which: On balance sheet loans</i>	<i>9,286,415</i>	<i>439,748</i>
Mortgage transfer certificates issued	3,952,895	4,220,761
<i>Of which: On balance sheet loans</i>	<i>3,941,776</i>	<i>4,208,630</i>
Mortgage loans pledged in guarantee for financing received (SAREB)	0	0
Loans backing mortgage bonds and mortgage covered bond issues	126,556,896	125,932,224
<i>Non-eligible loans</i>	<i>56,927,220</i>	<i>57,933,477</i>
Meet eligibility requirements, except for limits established in Article 5.1. of Royal Decree 716/2009, of April 24	36,769,927	38,058,426
Other	20,157,293	19,875,051
<i>Eligible loans</i>	<i>69,629,676</i>	<i>67,998,747</i>
Non-computable amounts	169,809	180,909
Computable amounts	69,459,867	67,817,838
<i>Loans backing mortgage bond issues</i>		
<i>Loans suitable for backing mortgage bond issues</i>	<i>69,459,867</i>	<i>67,817,838</i>



Information is also provided on all pending mortgage loans and credits, and those that are eligible without taking into account the calculation limits set out in Article 12 of Royal Decree 716/2009 of 24 April:

Mortgage loans and credits

(Thousands of euros)

	30.06.2015		31.12.2014	
	Total portfolio of loans and credits	Total portfolio of eligible loans and credits	Total portfolio of loans and credits	Total portfolio of eligible loans and credits
By source	126,556,896	69,629,676	125,932,224	67,998,747
Originated by the Entity	126,315,752	69,468,974	125,699,215	67,840,516
Assumed from other entities	241,144	160,702	233,009	158,231
By currency	126,556,896	69,629,676	125,932,224	67,998,747
Euro	125,431,525	69,259,715	125,546,727	67,796,953
Other	1,125,371	369,961	385,497	201,794
By payment situation	126,556,896	69,629,676	125,932,224	67,998,747
Normal	110,654,810	67,692,453	109,550,490	66,226,027
Past-due	15,902,086	1,937,223	16,381,734	1,772,720
By average residual maturity	126,556,896	69,629,676	125,932,224	67,998,747
Up to 10 years	22,713,277	12,855,104	22,521,470	12,260,011
From 10 to 20 years	47,147,418	31,560,817	43,880,872	29,163,056
From 20 to 30 years	46,434,113	22,126,005	48,642,048	23,279,669
Over 30 years	10,262,088	3,087,750	10,887,834	3,296,011
By type of interest rate	126,556,896	69,629,676	125,932,224	67,998,747
Fixed	1,689,986	568,033	1,760,852	545,686
Floating	123,326,848	67,898,257	122,841,505	66,462,523
Mixed	1,540,062	1,163,386	1,329,867	990,538
By holder	126,556,896	69,629,676	125,932,224	67,998,747
Natural persons and business entities	29,146,163	10,310,390	31,066,417	10,424,628
Of which: Real estate developers	6,856,288	2,332,361	8,575,707	2,556,974
Other individuals and not-for-profit institutions	97,410,733	59,319,286	94,865,807	57,574,119
By collateral	126,556,896	69,629,676	125,932,224	67,998,747
Assets/completed buildings	120,908,870	67,911,514	119,480,014	66,222,533
- Homes	104,800,273	62,208,736	103,253,884	60,515,159
Of which: Subsidised housing	4,541,189	2,398,386	4,728,494	2,508,372
- Commercial	5,808,986	2,283,327	5,916,996	2,266,873
- Other	10,299,611	3,419,451	10,309,134	3,440,501
Assets/buildings under construction	2,541,632	1,077,895	2,884,826	1,095,395
- Homes	2,035,746	985,078	2,373,258	1,007,162
Of which: Subsidised housing	116,071	17,461	128,071	19,123
- Commercial	49,240	13,274	53,424	10,968
- Other	456,646	79,543	458,144	77,265
Land	3,106,394	640,267	3,567,384	680,819
- Built	1,005,873	110,837	1,218,603	128,081
- Other	2,100,521	529,430	2,348,781	552,738



The amounts available (undrawn committed amounts) of the entire portfolio of mortgage loans and credits pending payment at 30 June 2015 and 31 December 2014 are as follows:

Available mortgage loans and credits

(Thousands of euros)

	30.06.2015	31.12.2014
Potentially eligible	15,223,660	14,962,589
Other	4,106,057	4,109,057
Total	19,329,717	19,071,646

The nominal amount of all non-eligible mortgage loans and credits pending repayment is provided below, along with an indication of those loans and credits that are not eligible because they do not comply with the limits set out in Article 5.1 of Royal Decree 716/2009 but otherwise comply with the remaining requirements for eligible mortgage loans and securities, set out in Article 4 of the aforementioned Royal Decree.

Non eligible mortgage loans and credits

(Thousands of euros)

	30.06.2015	31.12.2014
Not eligible: Meet eligibility requirements, except for limits established in Article 5.1. of Royal Decree 716/2009	36,769,927	38,058,426
Not eligible: Other	20,157,293	19,875,051
Total	56,927,220	57,933,477

The table below shows the breakdown of eligible mortgage loans and credits tied to CaixaBank's mortgage covered bond issues at 30 June 2015 and 31 December 2014 in accordance with the principal amount receivable on the loans and credits divided by the latest fair value of the corresponding collateral (LTV):

Eligible mortgage loans and credits

(Thousands of euros)

	30.06.2015	31.12.2014
Mortgage on homes	63,122,020	61,452,609
Transactions with LTV below 40%	23,950,495	22,405,414
Transactions with LTV between 40% and 60%	27,021,501	26,383,484
Transactions with LTV between 60% and 80%	12,150,024	12,663,711
Transactions with LTV over 80%		
Other assets received as collateral	6,507,656	6,546,138
Transactions with LTV below 40%	4,758,784	4,733,370
Transactions with LTV between 40% and 60%	1,702,045	1,764,229
Transactions with LTV over 60%	46,827	48,539
Total	69,629,676	67,998,747



At 30 June 2015 and 31 December 2014, there were no replacement assets assigned to mortgage covered bond issues.

Changes in mortgage loans and credits, which back the issue of mortgage covered bonds, broken down into additions and reductions in the first half of 2015, are shown below:

Mortgage loans and credits. Changes in nominal value during the period.

(Thousands of euros)

	30.06.2015	
	Eligible loans	Non-eligible loans
Balance at beginning of period	67,998,747	57,933,477
Reductions in the year	3,569,181	6,310,174
Cancellations on maturity	23,543	63,571
Early cancellation	423,861	454,117
Assumed by other entities	31,846	21,063
Other	3,089,931	5,771,423
Additions in the period	5,200,110	5,303,917
Additions due Banca de Valencia	2,402,835	3,335,425
Originated by the Entity	1,795,464	1,803,318
Assumed by other entities	8,522	13,240
Other	993,289	151,934
Balance at end of period	69,629,676	56,927,220

The calculation of the collateralisation and overcollateralisation of CaixaBank's mortgage covered bonds issued at 30 June 2015 and 31 December 2014 is as follows:

Collateralisation and overcollateralisation

(Thousands of euros)

	30.06.2015	31.12.2014
Non-registered mortgage covered bonds	44,355,576	41,277,161
Registered mortgage covered bonds placed as customer deposits	7,143,256	8,546,092
Registered mortgage covered bonds issued by credit institutions	220,000	220,000
Mortgage covered bonds issued	(A) 51,718,832	50,043,253
Total outstanding mortgage loans and credits (*)	139,836,943	130,637,686
Mortgage participations issued	(9,327,152)	(484,701)
Mortgage transfer certificates issued	(3,952,895)	(4,220,761)
Portfolio write-down with sale public deed in January 2015		(160,301)
Portfolio of loan and credit collateral for mortgage covered bonds	(B) 126,556,896	125,771,923
Collateralisation:	(B)/(A)	245%
Overcollateralisation:	[(B)/(A)]-1	151%

(*) Includes on and off balance sheet portfolio



CAIXABANK GROUP INTERIM MANAGEMENT REPORT FOR THE FIRST HALF OF 2015

This report describes the key data and events of the first half of 2015 shaping the financial position of the CaixaBank Group ("the Group") and the evolution of its businesses, risks and outlook. The condensed interim consolidated financial statements of the CaixaBank Group for the first half of 2015 which this Management Report supplements were prepared in accordance with International Financial Reporting Standards adopted by the European Union (IFRS-EU) and the criteria set forth in Bank of Spain Circular 4/2004 of December 22 and subsequent amendments.

CaixaBank was the listed bank through which Caja de Ahorros y Pensiones de Barcelona "la Caixa" carried on its business indirectly as a credit institution in accordance with its Bylaws until its transformation into a banking foundation ("la Caixa" Banking Foundation) as a result of the entry into force of Law 26/2013 of 27 December, and the spin-off to Criteria CaixaHolding, SAU of the assets and liabilities not assigned to welfare projects (essentially, "la Caixa" Banking Foundation's stake in CaixaBank), which took place in June and October 2014, respectively.

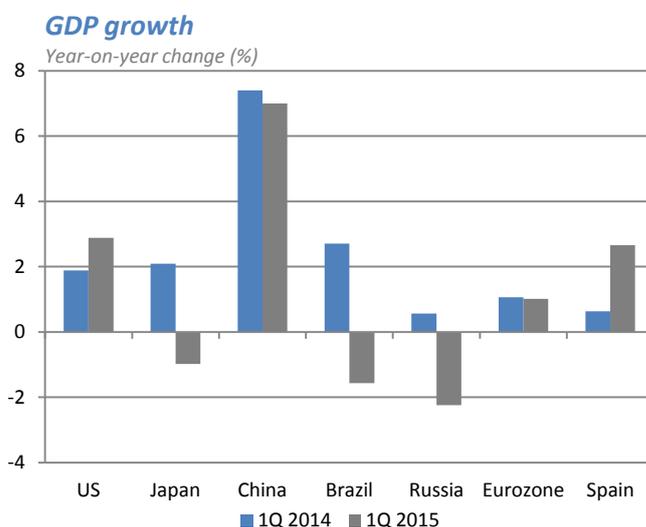
At 30 June 2015, Criteria CaixaHolding, SAU ("Criteria") was CaixaBank's majority shareholder, with a stake conferring profit-sharing rights of 56.71% (58.96% at 31 December 2014). Criteria is 100% owned by "la Caixa" Banking Foundation.

CaixaBank follows a banking business model geared towards promoting savings and investments that has positioned it as a leader in Spain's retail banking market. The acquisitions and subsequent business combinations with Banca Cívica, in 2012, Banco de Valencia, in 2013, and Barclays Bank SAU in the first half of 2015 have made CaixaBank a leading entity in the Spanish financial system.



Economic environment

In the first half of 2015, growth in the global economy continued at a strong pace, thanks in part to the expansive effect of cheaper oil and the lax monetary policy. Despite recovery in the global economy, there are wide gaps between different countries.



Source: "la Caixa Research" based on Thomson Reuters data Datastream.

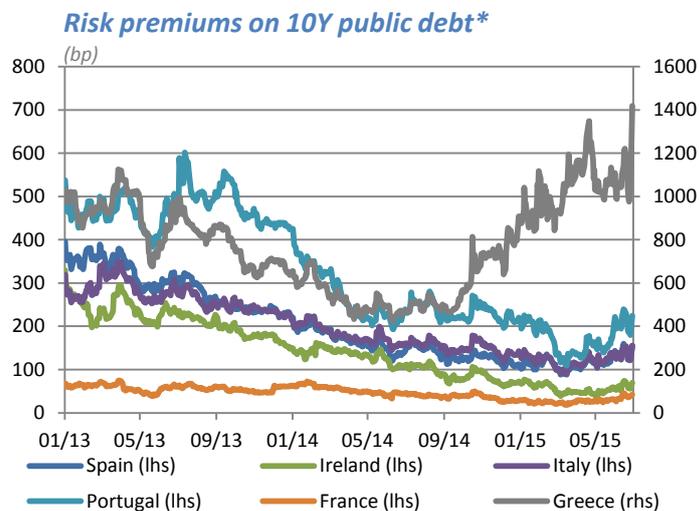
Among the advanced economies, US activity indicators suggest a notable recovery of growth and a continuation of the contained inflation and the employment growth in the second quarter of 2015, following an atypically weak first quarter. In May, a total of 280,000 new jobs were created, above expectations and surpassing the 200,000 mark, which indicates a strong market. With this data, we expect the Federal Reserve to begin raising its benchmark rate in autumn, before leading to a period of gradual monetary normalisation. Japan looks set to see modest growth in 2015 due to the difficulties it is facing in spurring private spending.

Among the emerging economies, China, one of the engines of global growth, is undergoing a tough but necessary transition to a more solid and higher-quality production model. In this context, the moderation of GDP growth rates is perceived as a by-product of this change in model. Brazil and Russia show the worst performances among the emerging economies with the greatest imbalances (fiscal, inflation and trade balance), which are therefore the most vulnerable. These two countries saw rather sharp drops in activity in early 2015, which are expected to carry through to the end of the year. The Brazilian Central Bank was forced to raise the intervention rate due to high inflation coupled with negative growth.

In the eurozone, economic recovery has taken firmer hold during the first six months of the year, primarily supported by a push in internal demand, with favourable tailwinds: low oil prices, a depreciation of the euro, and better financing conditions. All this has helped to shore up the short-term economic outlook. The one exception to this broad-based improvement is Greece. The new episode of political uncertainty has led to a severe deterioration of the country's macroeconomic and financial conditions. In any event, in contrast to events in 2012, contagion to the rest of the eurozone - and especially to peripheral European countries - is limited. A number of factors are serving as firewalls for contagion: the European Central Bank's commitment to defend the euro is much more credible than in 2012, as is the commitment of the eurozone's core countries to continue building a more robust Europe-wide institutional framework. Contagion is also being prevented by the European banking system's lower degree of exposure to Greek

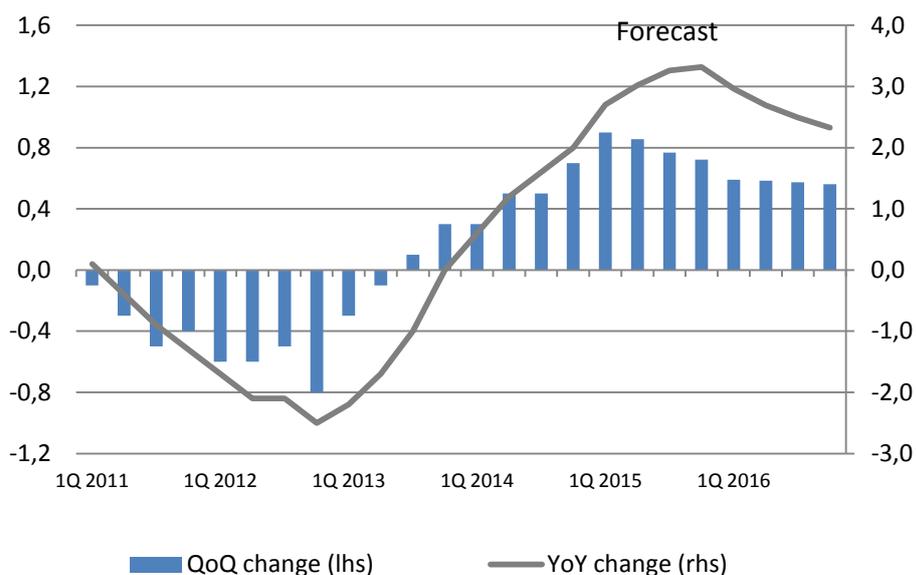


financial assets, and the improvement in the macroeconomic panorama of peripheral countries, thanks to these nation's recent efforts to reduce public deficits and to implement structural reforms boosting their long-term growth capacity.



Note: * Spread with German 10Y bond yield.
Source: "la Caixa Research", based on Thomson Reuters Datastream data.

The Spanish economy maintained a good pace of recovery in the first half of 2015. Following the intense GDP growth seen in the first quarter of the year (0.9% quarter on quarter), activity indicators for recent months suggest that GDP growth remained positive in the second quarter as well. As such, we have raised our growth outlook for the year as a whole, to 3.1%, even though we expect the economy to slow down moderately in the second half of 2015 and in 2016, due to the waning of temporary support factors (particularly lower oil prices and depreciation of the euro).



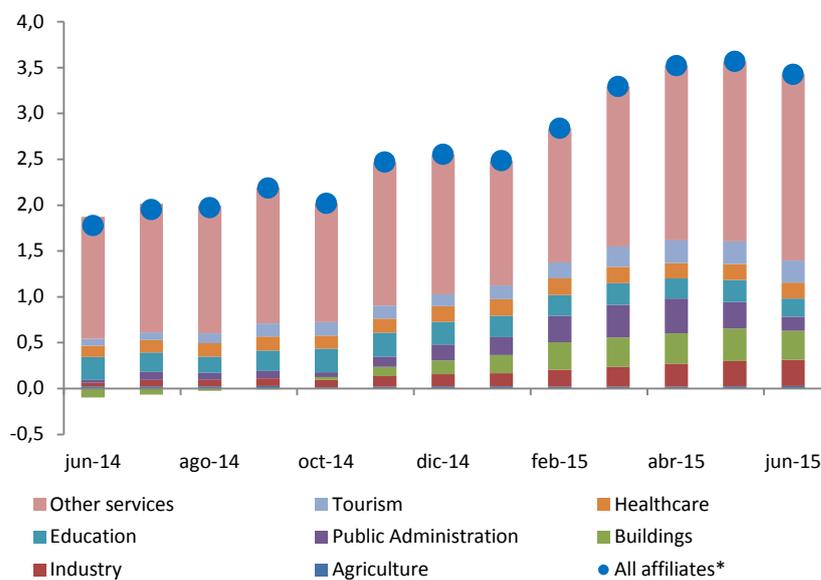
Source: "la Caixa" Research, based on INE data.



In the second quarter of the year, business investment and private spending continued to drive growth. Job creation in recent months has helped boost household spending considerably. To illustrate, in the second quarter, the year-on-year change in the number of persons enrolled with the Social Security system was 3.5% on average. Although June figures reflect slow job creation, in line with the expected slowdown in business activity growth, we expect the labour market recovery to be here to stay. With respect to price trends, inflation once again hit positive ground in June. As expected, higher private spending in recent months is slowly translating into higher prices. In particular, the CPI rose 0.1% year-on-year in June, representing a three-tenths increase compared to the previous month.

Workers affiliated to the Social Security system

Sector contribution to YoY change (pp)



Note: YoY (%)

Source: "la Caixa" Research, based on Ministry of Employment and Social Security data

The labour market improvement is also supported by the real-estate sector, which shows signs of recovery, especially on the demand side: home sales rose 9.8% year on year in April (accumulated 12 months). The real-estate market is also benefiting from more favourable financing conditions, which are spurring growth in new mortgage loans to households (between January and April, new loans rose 15.2% compared to the same four months of 2014). While demand is gaining traction, however, the construction side is lagging behind, due to the high stock of empty homes for sale. Nevertheless, the drop in home prices appears to have hit its floor.

With respect to the foreign sector, the current account surplus continued to grow, hitting 1.0% of GDP in April. With respect to goods, exports rose significantly, spurred by eurozone demand and demand from the rest of the European Union. Imports increased as well, although growth figures were tempered by lower oil prices, which allowed for considerable savings on imports. The services component continues to contribute strongly to the trade balance, thanks to the excellent performance of the tourism sector. A new annual milestone is expected to be hit this year, above the EUR 65 million logged in 2014. Taking into account the positive data and the outlook that this trend will take firmer hold in the rest of the year, we expect the



current account balance to reach 1.5% of GDP in 2015 (falling to 1.2% in 2016, as the positive impact of lower oil prices will no longer apply, once again making imports more expensive).

Business performance

The CaixaBank Group reinforced its status as the Spanish leader, with a customer base of 13.8 million and 5,345 branches. Market share¹ stood at 28.2% among individual customers (for 24.1%, CaixaBank is their preferred bank).

The Bank's commercial strength and the acquisition of Barclays Bank, SAU will trigger growth in market shares² for the main retail products and services.

- The shares² of loans and deposits stood at 16.5% and 15.1%, respectively, while the share in savings insurance was 21%.
- Leader in mutual funds in terms of both number of fund investors and assets under management, with the market share² climbing to 17.5% (+2.3pp in 2015).
- Leader in pension plans by assets under management, with the market share² climbing to 21% (+1.6pp in 2015).
- Market share² for direct deposits of salary payments climbed to 24.9% (+1.9pp in 2015), with 568,600 salaries paid in the first six months (up 79% year on year). The market share² for direct pension payment deposits stood at 20.3%.

Benchmark in the financial sector in innovation, new technologies and digitisation, in the first half of 2015 CaixaBank strengthened its status as leader in electronic banking, with upwards of 14.7 million cards (market share² of 22.7%), and in new channels, with 4.2 million active online banking customers and 2.6 million mobile banking customers.

Total assets amounted to EUR 343,967 million at 30 June 2015, up 1.6% from 31 December 2014. The increase was due to :

- The integration of Barclays Bank, SAU, largely in relation to customer loans and deposits and also deposits at central banks following the increased financing secured from the European Central Bank.
- Management of balance sheet assets and liabilities associated with treasury and ALM activities, plus the impact of the measurement of available-for-sale financial assets and natural maturities of held-to-maturity investments at maturity.

Customer funds using management criteria stood at EUR 296,412 million, up 9.1% in 2015 after integrating the balances held by Barclays Bank, SAU. There was sustained growth in off-balance sheet funds managed (+27.5%).

Customer loans and advances using management criteria amounted to EUR 211,559 million, +7.3% in 2015 following the integration of Barclays Bank, SAU. The drop in the first half of 2015 was largely attributable to the reduction in exposure to the real estate development sector (-17.4%).

Asset quality indicators continued to improve:

- Non-performing loans (NPLs) stood at EUR 20,115 million. Stripping out the inclusion of Barclays Bank, SAU's NPLs, the level would have decreased by EUR 2,227 million in 2015.
- **The NPL ratio declined to 9.0%**. The decrease in 2015 (-64bp) was underpinned by the sharp organic² decline in NPLs (-99bp), which helped offset the integration of Barclays Bank, SAU (+21bp) and the impact of the deleveraging process (+14bp).
- Provisions totalled EUR 10,897 million, **with a coverage ratio of 54%**.

⁽¹⁾ Market shares. Source: FRS Inmark.

⁽²⁾ Latest information available. Data prepared in-house, based on Bank of Spain, Social Security, INVERCO and ICEA information. Lending and deposit market shares relate to other resident sectors. Market share of pension plans, including individual and guaranteed plans.



Results

Profit attributable to the Group in the first half of 2015 amounted to EUR 708 million, marking a 75% year-on-year gain. The inclusion of results from Barclays Bank, SAU impacted the year-on-year income statement comparison.

- **Gross income rose by 21.7% to EUR 4,564 million:**
 - High generation of core income from the banking business: +12.6% in net interest income and +10.4% in fees and commissions.
 - Upward trend in profits contributed by investees (+119.4%) and gains on financial assets and exchange rate differences (+36.0%).
- **Recurring expenses** increased by 8.8% following the integration of Barclays Bank, SAU.
- The **cost-to-income ratio, stripping out non-recurring costs, stood at 50.8%** (-6.8pp over the last 12 months).
- Non-recurring costs of EUR 541 million were recognised as a product of the acquisition of Barclays Bank, SAU (EUR 257 million) and the labour agreement signed in the second quarter of 2015 (EUR 284 million).
- **Operating income grew by 5.8% to EUR 1,970 million.**
- Impairment losses on financial and other assets stood at EUR 1,439 million following the efforts made to cover the risks inherent in the lending portfolio and others.
The cost of risk stood at 0.88% (-36bp for the last 12 months).
- The accounts reflect the negative goodwill generated from the acquisition of Barclays Bank, SAU, as well as the proceeds from the sale of the stake in Boursorama and Self Trade Bank, and asset write-downs.
- **In all, profit for the first half of 2015 amounted to EUR 708 million.** In the first half of 2014, profit stood at EUR 405 million.



The CaixaBank Group's condensed interim consolidated income statement for the first half of 2015 and 2014 is shown in the table below:

Condensed consolidated income statement of the CaixaBank Group - Management report

(Millions of euros)	January – June		
	2015	2014 (*)	% chg
Financial income	4,573	4,350	5.1
Financial expenses	(2,303)	(2,335)	(1.4)
Net interest income	2,270	2,015	12.7
Dividends	110	102	8.2
Share of profit/(loss) of entities accounted for using the equity method	382	122	212.2
Net fees and commissions	1,027	930	10.4
Gains/(losses) on financial assets and liabilities and exchange differences	696	513	36.0
Other operating income and expense	79	68	15.2
Gross income	4,564	3,750	21.7
<i>Recurring operating expenses</i>	<i>(2,053)</i>	<i>(1,888)</i>	8.8
<i>Non-recurring operating expenses</i>	<i>(541)</i>		
Operating income	1,970	1,862	5.8
Recurring operating income	2,511	1,862	34.9
Impairment losses on financial and other assets (net)	(1,439)	(1,314)	9.5
Gains/(losses) on disposal of assets and others	26	(102)	
Profit before tax	557	446	24.9
Income tax	152	(41)	
Profit after tax	709	405	75.1
Profit attributable to non-controlling interests	1		
Profit attributable to the Group	708	405	75.0

(*) Presented for comparison purposes only (see Note 1 "Comparison of information")

In a macroeconomic environment of very low interest rates, **net interest income stood at EUR 2,270 million**, up 12.6% year on year. The solid performance illustrates the Bank's approach to the retail banking activity, with a sharp drop in the cost of maturity deposits, which, in addition to the acquisition of Barclays Bank, SAU, helped cushion the impact of the lower returns on loans as interest rates continue to fall and fixed income continues to drop.

Fee and commission income grew to EUR 1,027 million (+10.4%) on the back of heavy sales of off-balance sheet products and the integration of Barclays Bank, SAU.

Income from equity investments totalled EUR 492 million (EUR 224 million in the same period of 2014). The share of profit/(loss) of entities accounted for using the equity method was affected by the seasonal nature of their earnings. Moreover, the year-on-year performance reflects the negative impact attributable to Erste Group Bank in the second quarter of 2014.

Gains on financial assets and liabilities and exchange differences stood at EUR 696 million (EUR 513 million in 2014). Market opportunities meant that a number of unrealised capital gains could materialise, mostly in the second quarter of 2015. These gains arose mainly from available-for-sale financial assets.

The trend in **operating income and expense** was shaped by high income from the life-risk insurance business (+53.9% year on year), with an increase in transactions following the success of the commercial



campaigns rolled out. Meanwhile, other operating income and expense includes, *inter alia*, income and expenses from non-real estate subsidiaries, encompassing income from rentals and expenses incurred in managing foreclosed properties, including Spanish property tax.

Drivers of the growth in **operating income** (+5.8%) were:

- Strong revenue-generating capacity. Gross income totalled EUR 4,564 million (+21.7%), with net interest income up 12.6% and fees and commissions up 10.4%.
- Recurring expenses on a like-for-like basis were down by 0.7% following the drive to pare back and streamline costs. Factoring in the integration of Barclays Bank, SAU, recurring operating expenses were up 8.8%.

Operating expenses this year include EUR 257 million of extraordinary costs related to the Barclays Bank, SAU integration and EUR 284 million to the labour agreement for the voluntary termination of 700 employment contracts in regions with an oversupply of personnel.

Impairment losses on financial and other assets increased by 9.5%. This reflects lower loan-loss provisions (EUR 1,087 million, -11.0%) and **other charges to provisions**, which primarily reflects coverage of future obligations and other asset impairment allowances.

Gains/(losses) on disposal of assets and other primarily comprises the proceeds of non-recurring transactions completed during the year and the results on sales and write-downs in relation to the real estate portfolio and other assets. Year-on-year performance was affected by certain **non-recurring events in 2015**:

- Recognition of the negative goodwill arising from the integration of Barclays Bank, SAU (EUR 602 million) and of asset impairment due to obsolescence also associated with the integration process (EUR 64 million).
- Recognition of the proceeds from the sale of the stakes in Boursorama and Self Trade Bank (EUR 38 million gross).
- Write-down of real estate and other assets.

With respect to **income tax expense**, double taxation avoidance principles are applied to income contributed by investees, with a significant impact following the recognition of the negative goodwill on consolidation of Barclays Bank, SAU.

In all, net profit attributable to the Group totalled EUR 708 million (+75.0%).

Capital management and liquidity

CaixaBank had a Common Equity Tier 1 (CET1) BIS III of 12.8% at 30 June 2014, according to the phase-in criteria for this year. There marks a decrease of 78bp year on year as a result of the integration of Barclays Bank, SAU and an increase of 18bp thanks to capital generation.

Total eligible own funds (total capital) stood at 15.7%, down 33bp on 31 December 2014.

Risk-weighted assets (RWA) amounted to EUR 147,634 million, a EUR 7,905 million increase in the period, driven mainly by the inclusion of RWA from Barclays Bank, SAU.

Applying the criteria expected for the end of the transitional period (fully loaded), CaixaBank had a **CET1** ratio of **11.5%**.



CaixaBank's leverage ratio, a capital metric introduced by the CRR, stood at 5.7% (5.1% fully loaded) at 30 June 2015.

Liquidity management is a strategic cornerstone at CaixaBank. At 30 June 2015, bank liquidity stood at EUR 54,015 million, all of which is immediately available. The changes in the first half were impacted by the loan-deposit gap, the integration of Barclays Bank, SAU, the drop in institutional financing and the increase in financing secured from the European Central Bank.

On-balance sheet liquidity generated in the first half of 2015 totalled EUR 1,618 million. At 30 June 2015, the Group had drawn down EUR 16,319 million on the ECB facility. Also in the period, CaixaBank tapped the ECB for EUR 9,070 million of long-term financing and repaid EUR 5,069 million (EUR 3,525 million of the LTRO and EUR 1,544 million of short-term financing), of which EUR 5,450 million was financing arranged by Barclays Bank, SAU at 31 December 2014. Wholesale maturities in the period amounted to EUR 3,860 million.

CaixaBank placed a EUR 1,000 million issue of mortgage covered bonds, with strong take-up. The coupon rate was set at 0.625% and the issue cost (15bp over the mid-swap rate) meant that financing was obtained for 51bp below the rate paid by the Spanish Treasury for the same term.

Wholesale maturities outstanding in 2015 stand at EUR 2,967 million. Available issuance capacity of mortgage and public sector covered bonds stands at EUR 6,680 million.

In the first half of 2015, CaixaBank brought its liquidity coverage ratio (LCR) to over the 130% target set out in the 2015-2018 Strategic Plan, despite the fact that no more than 60% is required until October 2015.



CaixaBank share price performance

CaixaBank shares closed on 30 June 2015 at EUR 4.156 per share, down 4.7% in the semester.

Trading volume continues to rise, as it has done since November 2013, as a result of the higher free float and a greater weight of CaixaBank shares in the portfolios of institutional investors. Trading volume was up 25% in the first half of 2015 compared to the year-ago figure.

	30.06.2015
Market capitalisation (Millions of euros)	23,961
Number of shares outstanding (excluding treasury shares) (1)	5,765,365
Share price (EUR/share)	
Share price at the beginning of the period	4.361
Share price at the close of 30 June 2015	4.156
Maximum price (2)	4.510
Minimum price (2)	3.829
Trading volume (number of shares, excluding special transactions, in thousands)	
Highest daily trading volume	39,681
Lowest daily trading volume	4,918
Average daily trading volume	14,721
Market ratios	
Net profit (EUR million) (12 months)	923
Average number of shares outstanding - fully diluted	5,765,365
Earnings per share (EPS) (EUR/share)	0.16
Equity (millions of euros)	25,754
Average number of shares outstanding at 30.06.2015- fully diluted	5,765,365
Book value per share (EUR/share) – fully diluted	4.47
Tangible equity (EUR million)	20,769
Tangible book value per share (EUR/share) – fully diluted	3.60
P/E	25.98%
P/B ratio – fully diluted	1.15
Dividend yield (3)	4.30%

(1) Number of shares, in thousands, excluding treasury shares

(2) Trading session closing price.

(3) Calculated by dividing the yield for the past 12 months (EUR 0.18/share) by the closing price at the end of the period (EUR 4.507/share).



Shareholder remuneration

The CaixaBank scrip dividend programme entails remunerating shareholders through a bonus issue. Under the scheme, shareholders can choose to receive newly-issued bonus shares, receive cash by selling their subscription rights on the market, or receive cash by selling their rights to CaixaBank at a price to be determined by the latter. Shareholders may also choose to combine these three options in any way.

On 16 February 2015, the Board of Directors resolved to propose to the shareholders at the Annual General Meeting that the final payout for 2014 to be paid in June 2015 be distributed as a cash dividend. This resolution was ratified at the Annual General Meeting held on 23 April 2015, which green-lighted the distribution of a final 2014 dividend of EUR 0.04 per share. The dividend was paid on 12 June 2015.

At a meeting held on 26 February 2015, CaixaBank's Board of Directors initiated the process of distributing a dividend charged to profit for 2014 under the scrip dividend programme, thus resulting in the cash payment to those shareholders who opted to sell their rights to CaixaBank at a fixed price of EUR 0.04 per right for a total pay-out of EUR 15,272 thousand. The remaining shareholders opted to receive shares under a scrip issue, which was effected on 24 March 2015 through the issuance of 53,331,614 shares, each of a par value of EUR 1, with a charge to the restricted reserves posted to such end at the Annual General Meeting held on 24 April 2014.

On 12 March 2015, the Board of Directors resolved that remuneration charged to 2015 would total EUR 0.16 per share, in the form of two cash payments and two payments under the scrip dividend programme (with the corresponding capital increases approved at the Annual General Meeting held on 23 April 2015). The quarterly remuneration policy will remain unchanged.

CaixaBank paid shareholders a total of EUR 0.18 per share for the last 12 months, split into quarterly payments; three of which were paid under the scrip dividend programme, while the other was paid in cash.

On 20 March 2015, remuneration for the first quarter of 2015 of EUR 0.04 per share through the scrip dividend programme was paid, with take-up of 93%, demonstrating the confidence shareholders place in the Entity.

Shareholder remuneration for the past 12 months is as follows:

Item	EUR/share	Approval	Payment date
CaixaBank scrip dividend programme	0.05	09.09.2014	26.09.2014
CaixaBank scrip dividend programme	0.05	25.11.2014	12.12.2014
CaixaBank scrip dividend programme	0.04	26.02.2015	20.03.2015
Cash dividend / Final dividend - 2014	0.04	23.04.2015	12.06.2015



Ratings

The ratings assigned to the CaixaBank Group are shown in the table below:

Agency	Long term	Short term	Outlook
Standard & Poor's (1)	BBB	A-2	Stable
Fitch (2)	BBB	F2	Positive
Moody's (2)	Baa2	P-2	Stable
DBRS (4)	A (low)	R-1 (low)	Stable

(1) On 22 June 2015, Standard & Poor's confirmed the long-term rating of BBB with stable outlook, after the withdrawal of the public takeover bid for BPI was announced.

(2) On 25 February 2015, Fitch confirmed its long-term rating of BBB, positive outlook.

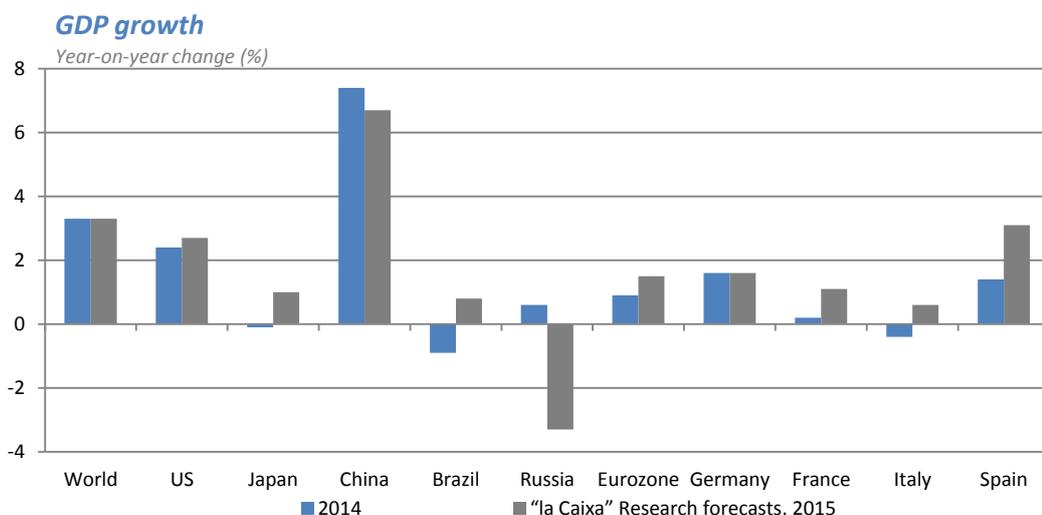
(3) On 17 June 2015, Fitch upgraded the long-term ratings (senior unsecured and deposits) from Baa3 to Baa2 with stable outlook, following implementation of its new bank rating methodology.

(4) On 10 February 2015, DBRS confirmed the A low long-term rating and upgraded the outlook from negative to stable.

Outlook

At the mid-point of 2015, global growth for the year as a whole is expected to continue to be strong, at around 3.3%. Nevertheless, this rate is slightly below the growth projected a few months ago. This is due mainly to the fact that two of the main emerging countries, Russia and Brazil, are going through recessions that are more severe than expected, and that the world growth drivers, the US and China, began the year with growth that was slightly weaker than anticipated.

In any event, the situation in the US is merely a temporary setback, as it is linked to weather factors and to port strikes on the West coast. In China, the slower growth rates are actually due to a positive shift toward a more moderate and sensible growth model. Moreover, during the second half of the year, the global economy will continue to be shored up by cheaper oil prices and by lax monetary policy. Maintenance of the crude oil production level by OPEC countries will encourage cheap oil, which will also help advanced economies and the bulk of emerging ones. Meanwhile, at its June meeting, the US Federal Reserve highlighted that the pace of interest rate hikes will be slow, despite the solid growth in GDP (we foresee an annual rate of 2.7% in 2015, vs. 2.5% in 2014).



Source: "la Caixa Research", based on Thomson Reuters Datastream data.



In Japan, Prime Minister Shinzo Abe's expansive policies, known as "Abenomics", were launched in 2013 to propel the country out of its deflationary cycle and ensure greater growth through private spending. However, these policies have yet to yield the desired effect. Of all components, imports and exports showed the greatest growth in the first quarter of the year, with exports supported by the depreciation of the yen and imports bolstered by post-Fukushima reconstruction efforts and energy purchases. This trend looks set to continue during the coming months.

Among the largest emerging economies, China looks set to grow at around 6.7% for 2015 (7.4% in 2014). Consequently, the Chinese economy will continue with the forecast gradual slowdown, as a result of its ongoing shift in production model. Brazil and Russia will be the two major reasons why the broad-based improvement in global activity hits its ceiling this year, as Brazil will see a slight dip in GDP and Russia will fall into a deep recession in 2015 due to lower oil prices and geopolitical uncertainty in the Ukraine.

Eurozone GDP growth is expected to pick up in 2015, at an annual rate of 1.5% (0.9% in 2014). Nevertheless, apart from this positive trend, the Greek debt crisis has yet to be resolved. This situation is dragging out the uncertainty and, therefore, the volatility in financial markets. All in all, the contagion risk is more contained now than during the tension back in 2011 and 2012 and, therefore, we do not expect risk premiums on the debt of other peripheral countries to rise as a result of the ongoing instability in Greece.

Spain continues to present good economic data, which has spurred us to upgrade growth outlooks for the coming months. Nevertheless, the most recent indicators suggest that the pace of expansion could slow in the next few quarters. Given that the Spanish economy currently appears able to ride out this stage of greater eurozone uncertainty, we expect to see a robust GDP growth rate of 3.1% in 2015 (1.4% in 2014).

With respect to the financial system, the high debt level of the private sector continues to fall (the 12-month drop in outstanding loan balances stood at 4.8% in May, compared to 5.4% in April). This deleveraging process is very gradual, given that long-term mortgage loans account for 75% of household debt. Moreover, the improvement in business, the jobs market and financing conditions in recent months has revived growth in new loan transactions. In particular, the stabilisation of housing prices and the rise in real-estate transactions is driving mortgage lending in 2015. Trends in consumer lending are also positive, and will continue throughout the year. We also expect new lending to non-financial companies (both SMEs and large companies) to continue growing at a good pace, supported by the ECB's exceptional measures to avoid deflationary risks.

Interest rates will hold steady at their all-time lows in the medium term, bolstered by the ECB's lax policies and by competitive pressure, which is spurring the majority of entities to roll out commercial efforts to reactivate lending. All in all, the Spanish financial system is expected to yield good results in 2015, driven by the improvement in cost-to-income ratios and the gradual levelling out of the cost of risk, although pre-recession levels are still not foreseen.

In addition to the improvement in the bulk of banking sector indicators, the pillars to support the sector continue to be shored up. In particular, in June the Spanish government passed Law 11/2015 on the recovery and resolution of credit institutions and investment services companies, which sets out the responsibilities, instruments and powers enabling the Spanish authorities to address the needs of distressed banks while protecting critical bank functions. In particular, the Bank of Spain will be responsible for developing the resolution plan, while the FROB, as an independent body, will handle the execution of the plan.

In short, the recovery of the Spanish economy is taking firm hold, although it makes lose some steam in the second half of the year. Nevertheless, this gentle slowdown does not obscure the fact that Spain is in a growth phase featuring elements such as an improvement in household income (benefiting from the stronger labour market), inflation (which finally begins to reflect the more vigorous tone of internal



demand), the increase in foreign trade surplus, the recovery of the real-estate market, and the reactivation of lending.

CaixaBank Group outlook for the second half of the year

2014 marked the culmination of the 2011-2014 Strategic Plan, which was designed to strengthen the Group's leadership in retail banking while making the Group more financially sound. Particularly eye-catching was that the commercial leadership, innovation and financial strength targets were all met. Conversely, despite improving in the period profitability remained low due to deleveraging, low interest rates and a still-high cost of risk.

Against this backdrop, 2015 marks the beginning of a new strategic four-year vision for CaixaBank with the aim of cementing its leadership in the Spanish market. A strategic priority is to attain recurring and sustainable returns above the cost of capital. All of this comes in a scenario of gradual economic recovery, in which interest rates remain extremely low.

In the first half of 2015, the year that kicks off the new Strategic Plan, progress was made in improving the Group's competitiveness in key segments and regions, in part driven by the acquisition of Barclays Bank SAU, as well as in its profitability.

The outlook is for further advances in the second half of the year:

- *Core Operating Income* (net interest income, and fees and commissions):
 - Pressure on net interest income. Looking ahead to the second half of the year, there is less scope for improvement in financing costs, while the negative impact of deleveraging looks set to ease only slightly.
 - Fees and commissions are underpinned mainly by trends in off-balance sheet funds in the low-interest-rate environment.
- Potential for higher earnings from investees compared to 2014 thanks to more buoyant economies in the respective regions and profit growth, not to mention the absence of extraordinary costs.
- Potential reductions in cost of risk, although this will require a decrease in the unemployment rate and economic recovery, and in losses on disposals given the improved outlook for housing prices.
- Active management of the cost base, implying cost control and rationalisation. The biggest example in the first half of the year was the labour agreement reached to address the situation of overstaffing in certain regions.

The challenging economic environment and low interest rates, not to mention the demanding regulatory environment, are squeezing profitability. The banking industry in general, and CaixaBank in particular, will also have to prepare for and adapt to the challenges posed by the start-up of the Banking Union, the harmonisation of prudential requirements and the new requirements regarding bank resolution. Solvency will remain a key strategic priority.

In the third quarter of 2015, a new European-wide transparency exercise is scheduled to take place, similar to the one carried out in 2014. Detailed information will be published on banks' solvency and leverage, P&Ls, loan portfolios, sovereign exposure, market risk and securitisations. Elsewhere, the European Banking Authority (EBA) will conduct a new stress test in 2016, bearing in mind the results of the ECB's ongoing SREP (Pillar 2).

Lastly, another key factor guiding the Group's actions is the unstoppable progress of technology and innovation in customer relations. CaixaBank aims to leverage its proven ability to innovate so it can lead this process and offer its customers a value proposition, while becoming more productive and profitable.