CaixaBank obtains attributable profit of 503 million and allocates 7,501 million to provisioning charges and write-downs

- ✓ **In 2013, CaixaBank consolidated its position in the Spanish banking sector, after completing the integration of Banca Cívica and Banco de Valencia, with close to 14 million customers, a customer penetration of 27.4% and a leading position in most segments and products.**

- ✓ **The bank ended the year with a Basel II Core Capital ratio of 12.9%, after generating 193 basis points during the financial year, reaching a fully loaded Basel III Core Capital ratio of 11.7%.**

- **Gross margin reached 6,632 million**, due to the positive evolution of net interest income (+2.1%), fees (+3.5%) and gains on financial assets (+48.9%), despite the fall in income from investments (-44.9%).

- **Net interest income reached 3,955 million (+2.1%)**, due to the integration of Banca Cívica and Banco de Valencia and the active management of margins and liquidity. Net interest income for the fourth quarter totalled 1,019 million euros and confirmed the positive trend started in the previous quarter, growing by 4.3%.

- **Recurring costs fell by 6.4%** on a like-for-like basis, as a result of optimisation of the Group's structure and the acceleration in the extraction of synergies.

- **Excellent liquidity** of 60,762 million euros (+7,670 million for the year). CaixaBank also repaid 21,084 million euros of ECB funding (2,480 million during January 2014), reducing ECB funding to 13,000 million.

- **Coverage for doubtful loans stands at 61%,** while the non-performing loans (NPL) ratio stands at 11.66%. The total amount of doubtful loans was reduced by 338 million euros during the quarter.

- **Coverage of foreclosed assets is now at 54%,** a 9% increase over the year after significant write-downs. The net portfolio of foreclosed assets available for sale was reduced by 158 million euros during the quarter.

- **Total write-downs and provisioning charges amount to 7,501 million euros,** in line with the previous financial year. 4,994 million of this were booked against results and the remainder booked as fair value adjustments related to Banco de Valencia and Banca Cívica acquisitions.

CaixaBank Corporate Department of Communications and External relations
Tel: +34 93 404 65 06 prensa@lacaixa.es
http://press.lacaixa.es/caixabank/ @infoCaixa

Barcelona, 31 January 2014. CaixaBank obtained attributable net profit of 503 million euros in 2013, 118.9% more than in 2012, when it reached 230 million euros. CaixaBank also maintained similar levels of provisions to those recorded in the previous year, with provisioning charges and write-downs totalling 7,501 million euros, compared to 7,880 million in 2012.

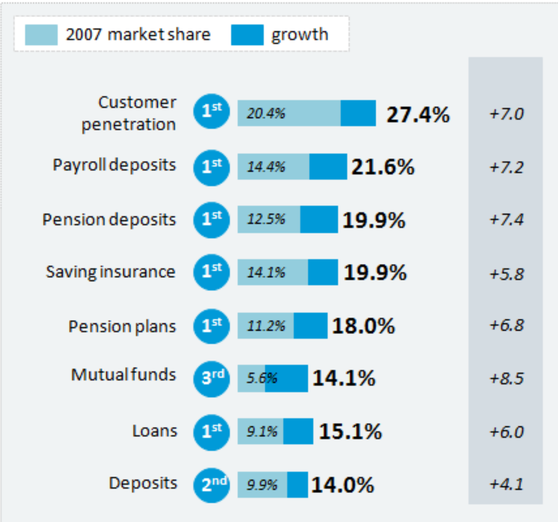
In 2013 CaixaBank successfully completed the accounting and technological integration of both Banca Cívica and Banco de Valencia. Furthermore, the accounts also reflect an increase in the evolution of the core business metrics (net interest income and fees), a reduction in costs with the early achievement of synergies, a sustained effort in provisioning charges and write-downs, high levels of prudence in the management of asset quality and capital gains from corporate transactions.

CaixaBank, with Isidro Fainé as Chairman and Juan María Nin as CEO, initiated the second phase of its 2011-2014 Strategic Plan in 2013, focusing its efforts on prioritising the institution's reputation and quality of service, and maintaining its leading position in the sector.

Strengthening CaixaBank's leading position: 27 out of every 100 people in Spain are customers of CaixaBank

After completing the incorporation of Banca Cívica and Banco de Valencia, CaixaBank has further consolidated its position as Spain's leading financial institution, with 13.6 million customers, assets worth 340,190 million euros and business volumes totalling 510,835 million. According to the most recent data published, CaixaBank's share in retail banking penetration stands at 27.4% (22.7% using CaixaBank as their primary institution).

CaixaBank's commercial focus remains on **capturing and retaining customers**, as shown by the increase of 736,105 in managed payrolls during 2013. In addition, InverCaixa has consolidated its position as the leading mutual fund manager by number of participants, a total of 748,833, managing funds, portfolios and SICAVS totalling 27,952 million (up by 22.4%).



As a consequence of these intense levels of commercial activity and the incorporation of the Banca Cívica and Banco de Valencia business, the Group has further consolidated its leading position in the Spanish market, with increased market shares in the most important retail banking products and services.

Retail funds increase by 6.9% (16,673 million euros)

Total customer funds amount to 303,604 million euros, an increase over the last twelve months of 12,676 million (+4.4%), with high levels of diversification between the different forms of savings. Demand deposits, for example, rose by 11,278 million euros (+16.3%), of which 6,523 million was obtained during the last quarter, while mutual funds rose by 5,124 million (+22.4%). Retail funds stand at 259,244 million euros, representing year-on-year growth of 16,673 million (+6.9%).

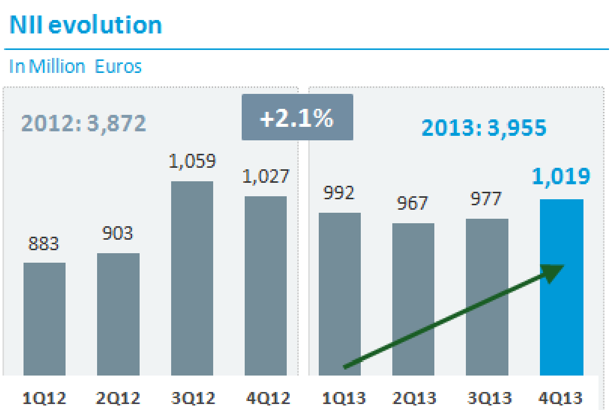
Gross customer loans fell by 7.1% to 207,231 million, as a result, among other things, of the general deleveraging process focused mainly on the property development sector (-26%), and the replacement of bank financing with debt issues by both large companies and public sector institutions. If this last factor were not taken into account, the fall in the loans portfolio would have been 5.6%.

Loans to individuals fell by 6.4% organically as a consequence of the deleveraging among individual customers. CaixaBank's high and increasing market share in loans to individuals (15.1%, up by 59 basis points in 2013), demonstrates the institution's commitment to this market segment. Over the last 12 months, CaixaBank has granted 83,400 million euros in loans in more than 1.5 million operations approved by the Group.

Operating costs have fallen by 6.4% on a like-for-like basis

The robustness of the retail banking business, the integration of Banca Cívica and Banco de Valencia and the management of assets and liabilities on the balance sheet have led to a rise in the **gross margin** to 6,632 million euros (-1.6% versus 2012).

Net interest income increased to 3,955 million euros (+2.1%) and displayed an upward trend during the second half of the year: up by 1% in the third quarter and 4.3% during the fourth quarter, totalling 1,019 million.



CaixaBank has also continued with its strict cost-cutting policy. Recurring costs fell by 6.4% on a like-for-like basis (showing an accelerated fall of 4.9% during the final quarter of the year), as a result of the rightsizing process of the Group structure.

The intense restructuring plan for CaixaBank workforce will lead to increased efficiency, thus ensuring the achievement of the cost synergies target as a result of the integration of Banca Cívica and Banco de Valencia.

As of 31 December, 436 million euros of synergies had been booked. Total synergies expected from 2015 onwards have risen to 682 million euros, a 9.1% increase on the initial target of 625 million.

Provisioning charges and write-downs totalling 7,501 million euros

- **Impairment losses** rose to 4,329 million euros, up by 9.8%. This figure includes 375 million euros in provisioning charges made in June as the result of new criteria for refinanced loans and 902 million euros to cover 100% of the requirements of Royal Legislative Decree 18/2012 (booked in the first quarter of the year).

- **High levels of provisioning charges and write-downs** have been maintained, with total impairments of 7,501 million euros, including 2,507 million euros registered as fair value adjustments related to Banco de Valencia and Banca Cívica acquisitions. The total amount remains in line with the previous financial year, when provisioning charges and write-downs of 7,880 million were made.

- **Net fees** rose by 3.5% to 1,760 million euros, due to the increase in banking activity, the specialisation by segments and the strong performance of off-balance sheet products.

- **Income from investments** totalled 446 million euros (-44.9%), affected by the reduction in the dividend from Telefónica and lower attributed profit from the Group's stake in Repsol, as a provisional estimate was made of the impact of a potential compensation agreement for the nationalization of 51% of YPF(1).

- **Gains on financial assets** rose to 679 million euros (+48.9%), due to active management of the Group’s financial assets and liabilities, taking advantage of market opportunities.

- **Pre-impairment income** excluding extraordinary expenses stands at 2,685 million euros (-16.6%). Operating costs were affected by 839 million euros of extraordinary expenses, related to headcount adjustments.

- **“Profit/loss from the disposal of assets and others”** in 2013 includes, among other items, the impact of the badwill of Banco de Valencia (2,289 million), capital gains from the sale of 51% of the real estate servicing business (255 million gross) and the sale of Banca Cívica’s and Banco Valencia’s non-life insurance business to SegurCaixa Adeslas (79 million gross), and high levels of provisioning charges to cover the portfolio of foreclosed assets (665 million).

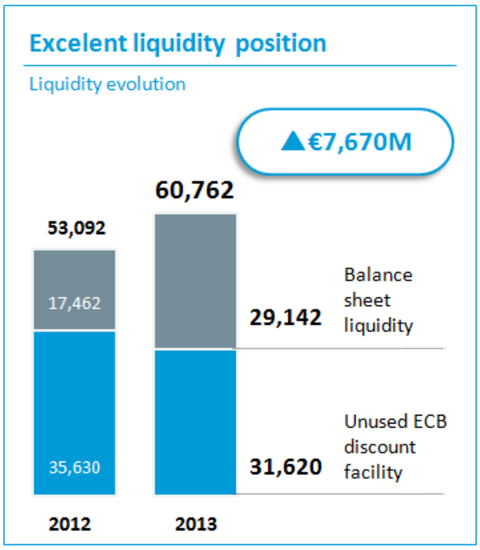
Reduction of ECB funding by 21,084 million since December 2012

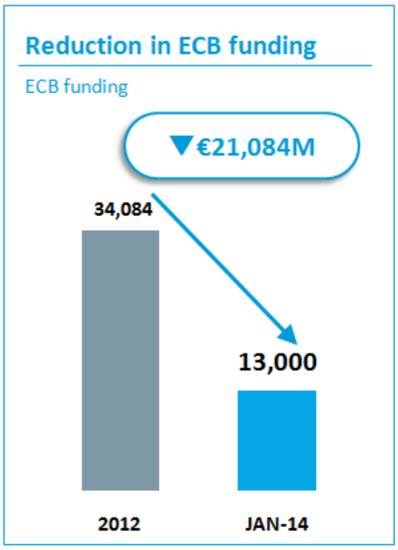
Total **liquidity** stands at 60,762 million euros, amounting to 17.9% of total assets. This figure has increased by 7,670 million over the course of the year.

CaixaBank's strong liquidity position has enabled to repay 21,084 million euros of ECB funding since December 2012 (including 2,480 million during January 2014), bringing the balance down to 13,000 million. At the end of the year, the amount of balance sheet liquidity (29,142 million) exceeded the remaining ECB funding (15,480 million).

CaixaBank's issues were well received by international investors in 2013, totalling 5,344 million euros.

CaixaBank also consolidated its strong funding structure, as demonstrated by the Loan to Deposits ratio, which has fallen by 18 percentage points in 2013 to 110%.





High levels of coverage: 54% for real estate foreclosed assets and 61% for NPL's

Commercial activity of Building Center, CaixaBank's real estate subsidiary, have brought sales and rentals worth 2,180 million euros, up by 119.1% versus 2012. The total number of units disposed reached 18,386. Total disposals, including developers and at loan-equivalent amounts, totalled 5,309 million, with 29,132 units sold.

Total portfolio of net foreclosed assets available for sale (6,169 million euros) was reduced by 158 million euros during the quarter, with coverage rising to 54%, an increase of 9 percentage points compared to 2012. During 2013, loans to real estate developers fell by 7,012 million euros (-26%).

The **non-performing loans (NPL) ratio** stands at 11.66%, below the average for the sector (13.08% in November), with coverage of 61%, 140% if mortgage guarantees are taken into account. The total amount of doubtful loans was reduced during the fourth quarter of the year by 338 million euros.

The year-on-year evolution of the NPL ratio figure has been impacted by the new criteria for refinanced loans (+151 basis points), the effect of the deleveraging process (+122 basis points) and the integration of Banco de Valencia (+23 basis points). The change in doubtful loans represents an increase of just 7 basis points in the NPL ratio.

High level of Basel II solvency at 12.9%, with a robust capacity to generate capital (193 bp)

CaixaBank maintains high levels of solvency, with **Core Capital** ratio reaching 12.9% (11% in December 2012), following the integration of Banco de Valencia, the early repayment of the public assistance received by Banca Cívica from the FROB, capital gains from sales and efforts to cover the losses inherent to the portfolio.

CaixaBank has demonstrated its strong capacity to generate capital, leading to an increase of 193 basis points in its Core Capital ratio over the course of the year. It should be noted that, as of December 2013, CaixaBank obtained a "fully loaded" **Core Capital Basel III** ratio of 11.7% (based on the rules applicable at the end of the transition period).

Positive performance of the share price, increasing by 43.6% during 2013

CaixaBank's **share price** performed very positively over the course of the year, rising by 43.6% to 3.788 euros per share as of 31 December 2013. This performance has been significantly better than the average for Spanish financial institutions, which rose by 24.7% over the same period. It also outperformed the STOXX Europe Banks industry index, which recorded a revaluation of 19.0%.

Particular notable was CaixaBank's performance during the second half of the year, in which the share price increased by 60.4%, well above the average for Spanish financial institutions (which rose by 45.2%) and other reference indices, such as the Ibex 35 (+27.7%), EURO STOXX50 (+19.5%) and STOXX Europe Banks (+21.0%).

In addition, the free float has increased to 44% (fully diluted) following operations by "la Caixa", placing shares and issuing convertible bonds into CaixaBank shares in November 2013.

“la Caixa” Social Projects: the budget of 500 million euros is maintained for a seventh year

The commitment of “la Caixa” to the welfare of individuals and the needs of the society in which it engages in its financial business, one of the institution’s defining features since its foundation in 1904, has taken on even greater importance in the present circumstances, with the capacity to make an even more significant contribution.

Despite the difficult context, la Caja de Ahorros y Pensiones de Barcelona, “la Caixa”, CaixaBank’s controlling shareholder. will maintain its Social Projects budget for 2014 at 500 million euros, the same amount that it has contributed for the last 6 years. This amount once again makes the “la Caixa” Social Projects the number one private foundation in Spain and one of the most important in the world.

67% of this budget (334.9 million) will be devoted to the development of **social and welfare programmes**; **Science, Research and the Environment** will account for 13.2% (66.1 million); **cultural events** will benefit from 12.9% of the investment (64.3 million); and 6.9% (34.7 million) will provide support for **education and training**.

With efficiency forming the foundation for its actions in these areas, the continuing aim of the Social Projects programme is to provide a response to the serious challenges facing our society: equality, longevity, the management of diversity and sustainability. These were the priorities that underpinned the work carried out during 2013, some highlights of which are listed below.

In the area of job creation, the **Incorpora programme** helped 14,638 people find employment (4,134 more than in 2012, despite the current situation), bringing to 67,771 the number of jobs generated by the Social Projects programme at around 26,800 ordinary businesses since the programme was launched in 2006.

CaixaProinfancia, the programme that provides assistance for children in situations of poverty and social exclusion, was supported by an investment of 43.5 million euros in 2013, and the number of children who have directly benefitted from the programme rose to 58,242 (from 56,941 in 2012). The creation of the **Hope Foundation**, which brings together projects to combat exclusion, took a further step forward with the launch of a programme for direct social action from new premises located in Calle Palma de Sant Just in Barcelona.

With the aim of guaranteeing access to housing by people in disadvantaged circumstances, the Social Projects introduced an **“Accessible Housing” programme** in 2004, aimed at young people, the elderly and families, with rents that are significantly lower than those charged in the public welfare programme. This programme was supplemented some years later with the **“Assisted Renting”** initiative, under which the Social Projects programme offers housing at rents of between 85 and 150 euros for people with an annual income of less than 18,600 euros. A total of more than 18,000 flats have now been provided under this social housing programme.

The Social Projects programme was also active in the following areas during 2013: support for active ageing and the full integration of **the elderly** (through the new **Generation 3.0 project**, which helped 734,000 beneficiaries in 2013); assistance for people suffering from **terminal illnesses** and their families (13,592 patients were helped); the **social and professional reinsertion of prisoners** during the final stage of their sentence; support for women who are the victims of domestic violence (1,364 victims helped); support and encouragement for volunteer workers and the encouragement of social cohesion in areas with high levels of cultural diversity.

The development of its own programmes was also supplemented by support, through **Calls for Aid for Social Projects**, for 898 initiatives created by not-for-profit organisations throughout Spain to help people in vulnerable situations. There was also support from the "la Caixa" branch network for more than 21,700 actions aimed at meeting the most immediate needs of people living in the communities in which the branches operate.

Outside Spain, "la Caixa" continues its commitment to **child vaccination** in developing countries (more than 2 million children have been immunized since the programme began) and to sustainable economic development through 74 on-going projects in 29 countries. In particular, it provides **assistance for the victims of emergencies**, such as the people affected by typhoon Hayan in the Philippines, for whom the "la Caixa" Social Projects programme has collected 760,000 euros, which will be managed by Unicef.

In the educational arena, **eduCaixa** is an example of the institution's firm commitment to the education of children aged between 3 and 18, as well as to the work done by teachers and parent organisations. Around 1.7 million students (some 49% more than in 2012) took part in educational initiatives supported by the Social Projects programme at 6,591 schools throughout Spain last year. Support for entrepreneurship in schools is one of the primary factors in this undertaking, as demonstrated by the award of 183 **grants** to allow students to continue their post-graduate studies at universities in Spain and abroad and to complete doctorates at the Severo Ochoa research centres in Spain.

In the **environmental** arena, the Social Projects programme intensified its support for conservation and the improvement of natural spaces across the whole of Spain. 2013 saw the programme's involvement in 265 projects, which also prioritised the employment of people at risk from exclusion to work on conservation programmes. 1,511 beneficiaries found work on this programmes during 2013 (bringing the total to 11,272 since 2005). In the area of **research**, the Social Projects continued its support for the advancement of knowledge at universities (the RecerCaixa programme), along with research into AIDS (irsiCaixa), cancer (the "la Caixa" Molecular Therapy Unit at Vall d'Hebron hospital), endoscopic digestive surgery (the Wilder Centre), neurodegenerative disorders (in collaboration with the CSIC as part of the BarcelonaBeta Project) and cardiovascular disease (CNIC), among other projects.

The promotion of **culture** as a tool for personal development is another of the key aims of the Social Projects Programme In this connection, in 2013 “la Caixa” renewed its agreement with the Prado Museum, and as a result the museum now boasts a new hall to house its educational activities. New strategic alliances were also signed with Fira de Barcelona, MNAC and the authorities with a view to advancing the “Museum Hill” project on Montjuic in Barcelona.

A total of more than 3 million visitors enjoyed the programmes and events organised at the CaixaForum venues and the CosmoCaixa Science Museums in 2013, all of which were aimed at educating people of all ages and all academic levels.

In short, 2013 was an intense and demanding year in which the “la Caixa” Social Projects programme continuously sought to achieve optimum efficiency in order to further underpin the institution’s raison d’être: a commitment to people and to the advancement of society.

A year in which **8,784,752 people have taken part in and benefitted from the 42,546 activities** supported by the “la Caixa” Social Projects, Spain’s leading Social Projects programme.

Key indicators for the Group CaixaBank

In € million	12M'13	12M'12	Change	4Q'13	3Q'13
INCOME STATEMENT HEADINGS					
Net interest income	3.955	3.872	2,1%	1.019	977
Gross income	6.632	6.737	(1,6%)	1.356	1.647
Pre-impairment income stripping out extraordinary costs	2.685	3.219	(16,6%)	416	659
Pre-impairment income	1.846	3.171	(41,8%)	409	648
Profit attributable to the Group	503	230	118,9%	45	50

In € million	December'13	September'13	December'12	Quarterly change	Annual change
BALANCE SHEET					
Total assets	340.190	342.675	348.174	(0,7%)	(2,3%)
Equity	24.333	24.346	22.711	(0,1%)	7,1%
Total banking business volume	510.835	514.644	513.977	(0,7%)	(0,6%)
Total customers funds	303.604	299.332	290.928	1,4%	4,4%
Customer loans, gross	207.231	215.312	223.049	(3,8%)	(7,1%)
EFFICIENCY AND PROFITABILITY (last 12 months)					
Cost-to-income ratio (Total operating expenses/ gross income)	72,2%	70,6%	52,9%	1,6	19,3
Cost-to-income ratio stripping out extraordinary costs	59,5%	57,8%	52,2%	1,7	7,3
ROE (attributable profit / average equity)	2,1%	2,2%	1,0%	(0,1)	1,1
ROA (net profit / average total assets)	0,1%	0,1%	0,1%	0,0	0,0
RORWA (net profit / Risk-weighted assets)	0,4%	0,4%	0,2%	0,0	0,2
ROTE (attributable profit / average tangible equity)	2,7%	2,8%	1,3%	(0,1)	1,4
RISK MANAGEMENT					
Non-performing loans	25.365	25.703	20.150	(338)	5.215
Non-performing loan (NPL) ratio	11,66%	11,40%	8,63%	0,26	3,03
Non-performing loan (NPL) ratio stripping out real-estate developers	6,83%	6,69%	3,98%	0,14	2,85
NPL coverage ratio	61%	65%	63%	(4)	(2)
NPL coverage ratio including collateral	140%	143%	145%	(3)	(5)
NPL coverage ratio stripping out real-estate developers	63%	58%	57%	5	6
Foreclosed available for sale real-estate assets	6.169	6.327	5.088	(158)	1.081
Foreclosed available for sale real-estate assets coverage ratio	54%	49%	45%	5	9
of which: land coverage	65%	60%	61%	5	4
LIQUIDITY					
Liquidity	60.762	66.289	53.092	(5.527)	7.670
Loan to deposits	109,9%	117,6%	128,1%	(7,7)	(18,2)
SOLVENCY					
Core Capital - BIS II	12,9%	12,5%	11,0%	0,4	1,9
Tier 1	12,9%	12,5%	11,0%	0,4	1,9
Tier Total	14,5%	13,4%	11,6%	1,1	2,9
Eligible equity	18.754	18.919	18.641	(165)	113
Risk Weighted Assets (RWA)	129.110	141.425	161.200	(12.315)	(32.090)
Surplus capital	8.425	7.605	5.745	820	2.680
SHARE INFORMATION					
Share price (€/share)	3,788	3,244	2,637	0,544	1,151
Market capitalization	19.045	15.640	11.839	3.405	7.206
Number of shares outstanding (thousands) (Excluding treasury shares)	5.025.419	4.817.993	4.450.743	207.426	574.676
Book value per share - fully dilluted (€/share)	4,43	4,55	4,40	(0,12)	0,03
Number of shares - fully diluted (thousands)	5.498.274	5.355.055	5.164.642	143.219	333.632
Net income attributable per share (EPS) (€/share) (12 months)	0,09	0,10	0,05	(0,01)	0,04
Average number of shares - fully diluted (thousands)	5.416.010	5.162.641	4.711.294	253.369	704.716
PER (Price/ Profit; times)	40,76	33,97	54,02	6,79	(13,26)
PBV (Market value/ book value)	0,86	0,71	0,60	0,14	0,26
BANKING BUSINESS AND RESOURCES (Units)					
Customers (millions)	13,6	13,7	12,9	(0,1)	0,7
Employees CaixaBank Group	31.948	32.347	32.625	(399)	(677)
Branches	5.730	5.920	6.342	(190)	(612)
ATMs	9.597	9.710	9.696	(113)	(99)

Consolidated Profit & Loss Account Group CaixaBank

€ million	January - December 2013	2012	Change %
Financial income	9.301	9.178	1,3
Financial expenses	(5.346)	(5.306)	0,7
Net interest income	**3.955**	**3.872**	**2,1**
Dividends	107	228	(53,1)
Share of profit (loss) of entities accounted for using the equity method	339	581	(41,7)
Net fees	1.760	1.701	3,5
Gains on financial assets	679	455	48,9
Other operating income and expenses	(208)	(100)	108,3
Gross income	**6.632**	**6.737**	**(1,6)**
Recurring expenses	(3.947)	(3.518)	12,2
Extraordinary expenses	(839)	(48)	
Pre-impairment income	**1.846**	**3.171**	**(41,8)**
Pre-impairment income stripping out extraordinary costs	***2.685***	***3.219***	***(16,6)***
Impairment losses	(4.329)	(3.942)	9,8
Gains/(losses) on disposal of assets and others	1.770	709	149,7
Pre-tax income	**(713)**	**(62)**	
Income tax	1.208	291	
Profit for the period	**495**	**229**	116,6
Minority interest	(8)	(1)	
Profit attributable to the Group	**503**	**230**	118,9