

CaixaBank posts profit of €466 million, up 1.6% year on year

Consolidated growth in revenues from the banking business with a 6.7% increase in pre-impairment income to €2,420 million, stripping out extraordinary costs in 2013.

Retail customer funds grew by an impressive 3.4%, or €8,756 million, to reach €268,000 million, with a substantial increase in off-balance sheet funds (€5,725 million, +10.2%).

- **Net interest income rose 4.7% to €3,074 million** on the back of effective management of financing costs; **fee and commission income was up 4.1% to €1,374 million**, as a result of stronger off-balance sheet product sales and **recurring costs were driven down by 6.1%** thanks to the optimisation of the Group's structure and synergies.
- **Profit attributable to the banking and insurance business** (excluding real estate and investees) totalled €1,037 million at 30 September.
- **The NPL ratio fell for the third consecutive quarter**, down 118bp year to date, to stand at 10.48%, with a substantial €3,925 million drop in non-performing balances (-15%). The coverage ratio for NPLs stands at 58%.
- **Outstanding liquidity level** of €61,172 million. In the first nine months of 2014, CaixaBank made early repayments to the European Central Bank totalling €1,880 million, and took up €3,000 million in the ECB's new TLTRO programme.
- **CET1 under Basel III is 13.1%**, whilst CET1 fully loaded stands at 12.7%, reflecting a surplus of €12,231 million over the Tier 1 minimum. Capital generation year to date reached 103bp in CET1.
- Customer penetration of 27.6% among individual customers; **for 23.5%, CaixaBank is their preferred bank**. CaixaBank defended its leadership position in the main financing products: 15% total loans, 15.8% mortgages and 17.9% factoring and reverse factoring. **The new CaixaNegocios commercial strategy**, designed to strengthen links with businesses, self-employed professionals and micro-enterprises, **secured a further 214,046 clients**.
- On 31 August, **CaixaBank signed an agreement with Barclays Bank PLC to acquire Barclays Bank SAU**, which manages the British bank's retail banking, wealth management and corporate banking businesses in Spain.

Barcelona, 24 October 2014.- CaixaBank, with Isidro Fainé as Chairman and Gonzalo Gortázar as CEO, posted net attributable profit of €466 million in the first nine months of 2014, up 1.6% versus the same period in 2013, when non-recurring items – mainly the negative goodwill generated through the Banco de Valencia acquisition and the requirements of Royal Decree Law 18/2012 – impacted various financial statement headings.

In the first nine months of the year, CaixaBank reinforced its banking business, generating 6.7% growth in pre-impairment income stripping out non-recurring expenses in 2013, and defended its leadership position in the Spanish banking sector, after intense commercial activity underpinned strong market shares for the main products and services.

Profit attributable to the banking and insurance business (excluding real estate and investees) totalled €1,037 million. During the period, the real estate business generated a net loss of €742 million.

€ million	January-September		Change %
	2014	2013	
Financial income	6,568	7,043	(6.7)
Financial expenses	(3,494)	(4,107)	(14.9)
Net interest income	3,074	2,936	4.7
Dividends	104	104	
Share of profit (loss) of entities accounted for using the equity method	263	465	(43.4)
Net fees and commissions	1,374	1,320	4.1
Gains on financial assets and exchange rate differences	577	601	(4.0)
Other operating income and expenses	(148)	(150)	(1.6)
Gross income	5,244	5,276	(0.6)
Recurring expenses	(2,824)	(3,007)	(6.1)
Extraordinary expenses		(832)	
Pre-impairment income	2,420	1,437	68.4
Pre-impairment income stripping out extraordinary costs	2,420	2,269	6.7
Impairment losses on financial assets and others	(1,799)	(3,449)	(47.8)
Gains/(losses) on disposal of assets and others	(156)	2,091	
Pre-tax income	465	79	488.9
Income tax	1	373	
Profit for the period	466	452	3.0
Minority interest		(6)	
Profit attributable to the Group	466	458	1.6

On 31 August, CaixaBank signed an agreement with Barclays Bank PLC to acquire Barclays Bank SAU, which manages the British bank's retail banking, wealth management and corporate banking businesses in Spain.

This deal will allow CaixaBank to cement its leadership position in Spain, incorporating some 555,000 new clients – mainly retail and private and personal banking clients – as well as assets of €21,600 million and a network of 271 branches and 2,446 employees.

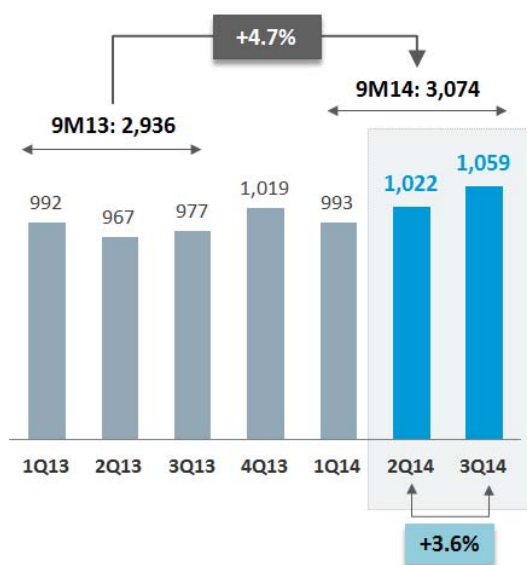
Net interest income up 4.7% to €3,074 million.

The strong performance of CaixaBank's income statement is now reflected in the top line, with a 4.7% year-on-year increase in net interest income driven by the constant reduction in the cost of maturity deposits. The figure for 3Q14 stands at €1,059 million, the best quarterly performance for two years.

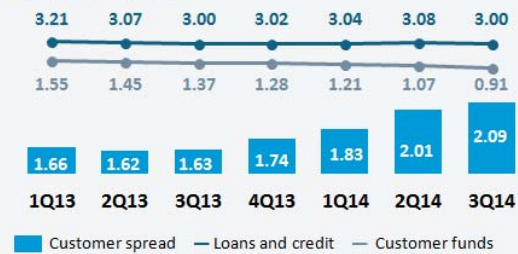
As a result core income from the banking business (net interest income and fees and commissions) increased by 4.5% to €4,448 million in the first nine months of 2014.

NII evolution

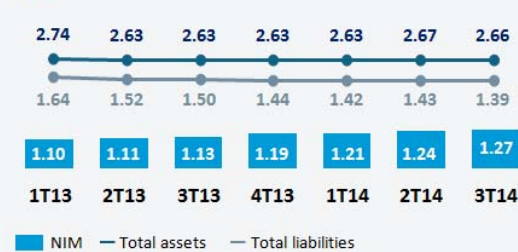
In Million Euros



Customer spread



NIM



Recurring operating expenses were down 6.1% year on year to €2,824 million thanks to synergies and cost streamlining.

The trend in income and expenses allowed pre-impairment income to reach €2,420 million, up by 6.7% excluding non-recurring costs in 2013 (€832 million).

Impairment losses on financial and other assets stood at €1,799 million, down 47.8% versus 9M 2013, when provisions of €902 million were recognised to fully comply with Royal Decree Law 18/2012, and €375 million when adopting the new refinancing criteria.

Retail funds up €8,756 million (+3.4%)

CaixaBank closed September with total assets of €333,699 million and a very solid balance sheet, with total loans standing at 102.4% of total deposits (loan to deposit ratio), down 7.5 percentage points year to date.

It defended its position as the leader of the Spanish market, with 13.5 million clients and 5,685 branches. Customer penetration stands at 27.6%, and for 23.5%, CaixaBank is their preferred bank.

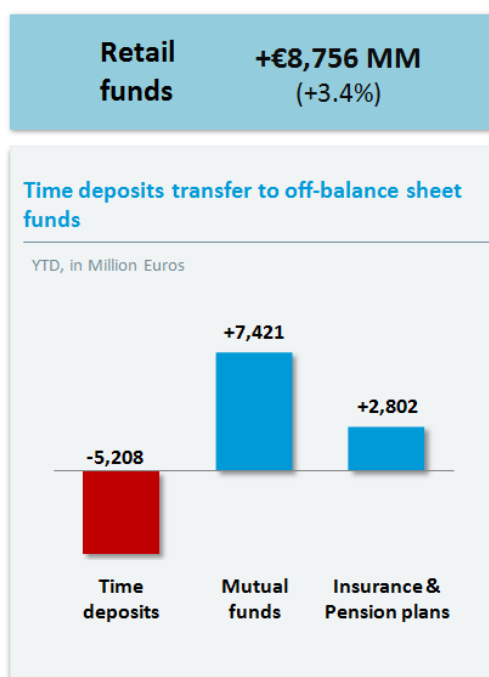
Commercially, the Group continues to focus its efforts on attracting and forging links with clients, as demonstrated by the over 500,000 payroll deposits secured in 2014 to date, providing for a 23% market share in the segment (+137bp). A total of €4,690 million were also secured in insurance and pension plan premiums and gross contributions, up 7% on September 2013.

Total funds grew by 1.2% or €3,668 million year to date to €307,272 million. Retail funds registered noteworthy growth of 3.4% or €8,756 million to reach €268,000 million, with a hefty increase of 10.2% or €5,725 million in off-balance sheet resources (mutual funds and pension plans, among others).

Growth in retail funds with client savings mix shifting to more value-added products

Total funds breakdown

In Million Euros	30 th Sep. 2014	YTD
I. Funds on balance sheet	245,578	(0.8%)
Demand deposits	89,055	10.7%
Time deposits	76,008	(6.4%)
Retail debt securities	2,991	(2.7%)
Subordinated liabilities	3,365	(6.6%)
Institutional issuance	39,272	(11.5%)
Insurance	31,791	3.1%
Other funds	3,096	(23.9%)
II. Off-balance sheet funds	61,694	10.2%
Mutual funds, managed portfolios & SICAVs	35,373	26.5%
Pension plans	18,639	11.0%
Other managed resources ¹	7,682	(31.5%)
Total funds	307,272	1.2%
o.w. Retail funds	268,000	3.4%



¹ Primarily includes regional govt. Securities and "la Caixa" Banking Foundation sub debt

Total approved loans stand at 51.6 billion euro

CaixaBank defended its leading market shares in the main financing products: 15% total loans, 15.8% mortgages and 17.9% factoring and reverse factoring, evidence of its firm commitment to backing its clients' projects and reinforcing Spain's productive system. The bank has driven up its loan operations in 2014 by 14% to 51.6 billion euro.

New lending picks up pace: committed to financing individuals and businesses

		Market share ⁽¹⁾	Change, in bps ⁽²⁾
€15,500 MM Pre-approved loans for individuals, self-employed and companies	Consumer +23% concession <i>9M13 vs. 9M14</i>	Consumer loans 14.3%	+26 <i>bps</i>
	Mortgages +29% concession <i>9M13 vs. 9M14</i>	Mortgage loans 15.8%	+20 <i>bps</i>
	Self-employed <i>CaixaNegocios</i> +15% concession ⁽³⁾ <i>3Q13 vs. 3Q14</i>	Self-employed penetration 31.2%	+135 <i>bps</i>
	SMEs +21% concession <i>9M13 vs. 9M14</i>	Factoring and confirming 17.9% CABK: +4% Market: -6%	+48 <i>bps</i>

¹ Last available data. Consumer and mortgage loans, market share in July; factoring and confirming in August, and self-employed in September
² Market share change: consumer, quarterly; mortgage loans, factoring and confirming and self-employed: 12 months
³ Launch of CaixaNegocios in March 2014.
 Sources: BdE, SS and AEF

Gross customer lending was €194,447 million, down 6.2% year to date at the end of September 2014, or 4.3% for the performing loan portfolio, ex-real estate developers. This trend continued to be impacted mainly by the sector-wide deleveraging process and reduced exposure to the real estate developer sector (-21.9%, -€4,370 million).

In early March, CaixaBank launched its CaixaNegocios commercial strategy, which seeks to strengthen links with businesses, the self-employed, professionals and micro-enterprises; as at September, the strategy has secured 214,046 new clients. September also saw the launch of AgroBank, a new business line designed to underpin growth in this segment with 400 specialist branches in place and a new credit line comprising €2,600 million in pre-approved loans.

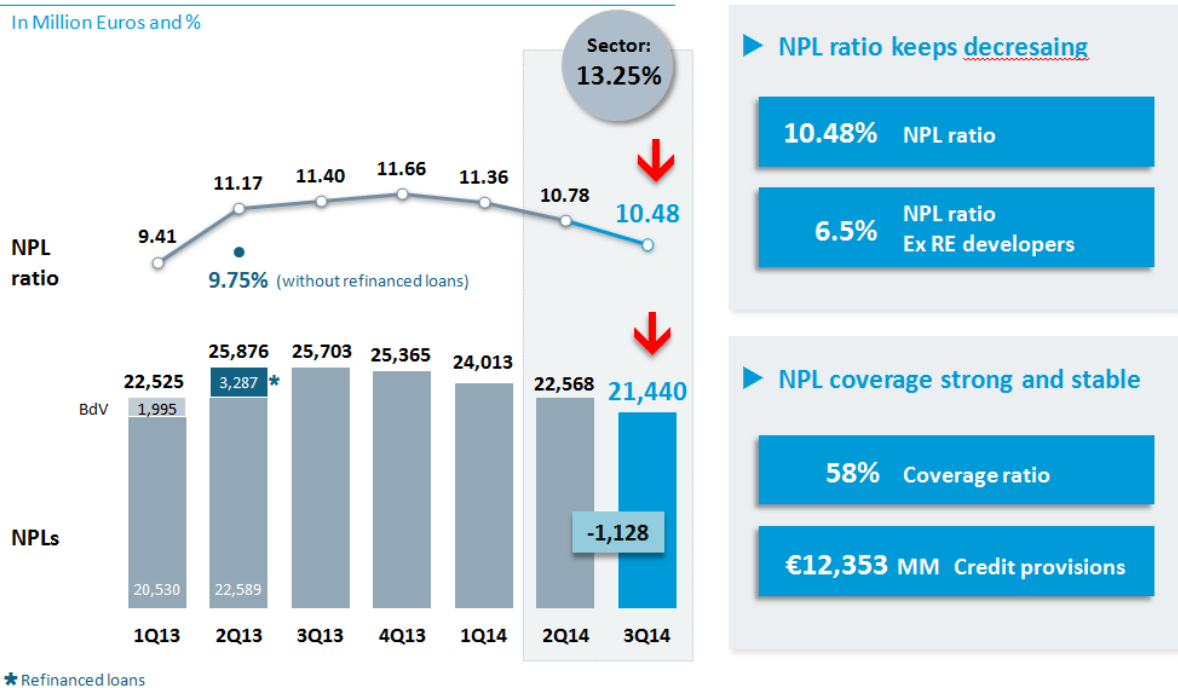
NPL ratio falls for third consecutive quarter

The NPL ratio fell for the third consecutive quarter, with a total drop of 118bp year to date to 10.48% – below the sector average in August of 13.25% – and a coverage ratio of 58%. This reduction was largely thanks to the substantial drop in NPLs (€3,925 million), which helped offset the impact of the deleveraging process. Stripping out the real estate business, the NPL ratio was 6.5% (down 13bp).

NPL stock falls for the fifth consecutive quarter, down 17% from peak

NPL ratio and NPLs evolution

In Million Euros and %



Real estate sales and rentals by BuildingCenter up 10%

The intense activity of BuildingCenter, CaixaBank's real estate subsidiary, enabled sales and rentals of real estate assets for a total of €1,706 million in 9M14, up 10% year on year. The total number of properties sold or rented was 16,367. The bank has sold or rented real estate with a value of 3.96 billion euro, based on original investment value, selling or renting 26,447 properties.

In addition, CaixaBank's rental portfolio stood at €2,479 million net of provisions at 30 September 2014. The net carrying amount of foreclosed real estate assets available for sale stood at €6,956 million, with a coverage ratio of 53.1%

Strong capital and outstanding liquidity position

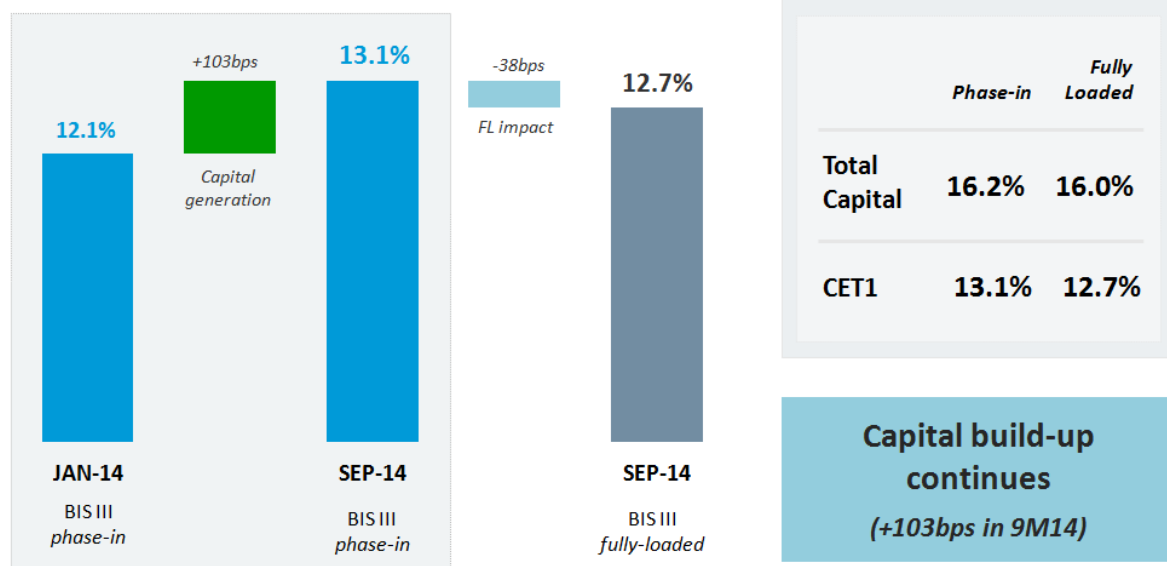
On 30 September 2014, CaixaBank's Common Equity Tier 1 (CET1) under Basel III stood at 13.1%, in line with the progressive implementation criteria for this year, up 103bp year to date. Total eligible equity (Tier Total) was 16.2%, up 137bp since the end of 2013.

On a fully-loaded Basel III basis, CaixaBank has a CET1 ratio of 12.7%, which is €8,061 million higher than the fully loaded minimum requirement of 7%.

Best-in-class capital metrics

CET1 ratio evolution – BIS III

In %



Additionally, CaixaBank's comfortable liquidity position of €61,172 million has allowed it to pay down ECB funding by €8,880 million net year to date. Since the beginning of 2013, taking into account the incorporation of Banco de Valencia, ECB funding has been reduced by €27,484 million. On 30 September, balance sheet liquidity (€26,414 million) was over four times higher than the amount drawn on the ECB facility (€6,600 million).

“la Caixa” Welfare Projects: new phase, same mission

In October, the "la Caixa" Foundation was successfully integrated into the "la Caixa" Banking Foundation, a landmark change which will reinforce the Foundation's commitment to people and to social progress.

The process involved the conversion of "la Caixa" into a Banking Foundation in accordance with **Law 26/2013 on Savings Banks and Banking Foundations**, and the transfer to the Banking Foundation of all assets and liabilities of the former Fundació Caixa d'Estalvis i Pensions de Barcelona. This integration will enhance the operational capacity of the Foundation's Welfare Projects, as these will now be managed directly by the Banking Foundation, wholly owned by Criteria CaixaHolding, which holds a 58.91% stake in CaixaBank.

In 2014, for the seventh year running, the **“la Caixa” Foundation has been allocated a budget of €500 million**, making it, once again, Spain's top private foundation and one of the largest in the world.

As a response to the current climate, the bulk of the investment - **67% or €334.9 million - is allocated to social and welfare programmes**. Science, research and environment programmes account for 13.2% (€66.1 million); cultural programmes will receive 12.9% of the investment (€64.3 million) and support for education and training will account for 6.9% (€34.7 million).

From January to September, the social programme **Incorpora** helped secure a total of **13,446 jobs at 3,242 companies** across Spain. Since 2006, it has facilitated a total of 81,000 incorporations at 30,000 companies.

CaixaProinfancia, the programme aimed at combating child poverty, has provided support to 48,000 children in situations of vulnerability, nearly 50% of whom are children of single parent families. This quarter, the programme shored up actions to help families with the back to school period, handing out basic school material kits, in addition to the educational reinforcement aids to be provided throughout the school year.

Healthcare promotion is also a key priority within the Welfare Projects. In the field of hospital care, support has been offered to over **10,000 patients** in the final stages of life, as part of a project that also seeks to help the families of patients in the advanced stages of diseases. The Foundation recently announced an extension of this project which will allow it to be rolled out to 100 hospitals and five new provinces.

The Foundation's conviction that health and development go hand in hand was demonstrated once again by the presentation of the far-reaching **“la Caixa” against malaria programme**, which aims to eradicate the disease in Sub-Saharan Africa. The Foundation will allocate **€5 million** to the project over the next five years, and the Bill & Melinda Gates Foundation has committed to at least matching this contribution. The initiative will be headed up by Doctor Pedro Alonso, Director of the World Health Organisation's Global Malaria Programme.

CaixaBank remains true to its roots as the savings and pensions bank *Caja de Pensiones para la Vejez y de Ahorros*, and the elderly remain a clear priority group. Over 500,000 people have taken part in initiatives included in the "la Caixa" active aging programme, offered at 609 centres across Spain.

The various programmes dedicated to helping people **access social housing** now comprise **over 23,000 flats** with prices substantially lower than the market average, available through various different rental formats (the affordable, solidarity and social housing programmes).

The Foundation continues to believe that education is a driver of progress at both the individual and group level. This belief is inherent to all the programmes undertaken, and lies at the heart of **edu-Caixa**, an initiative which evidences the company's firm support for the education of students aged 3 to 18 and for the work of teachers and parents' associations. **Over 1.3 million students from 5,800 schools** participated in the educational initiatives provided by the Foundation in the first nine months of the year. Another major milestone was the delivery of 120 new student grants to fund postgraduate studies at some of the world's most prestigious universities.

In the field of science awareness, **CosmoCaixa Barcelona** is celebrating **its 10th anniversary**, having received over **eight million visitors**. To mark the anniversary, the "la Caixa" Foundation Science Museum has reinforced its commitment to sharing scientific knowledge with audiences of all kinds. To this end, and to promote science as a fun family activity, a broad range of **activities** has been planned to celebrate the centre's first decade.

The Foundation also **maintains its firm support for research**, and continues to foster advances in knowledge at the university level through the RecerCaixa programme. It has continued to support research into AIDS (irsiCaixa), cancer (the "la Caixa" Molecular Therapy Unit at the Hospital Vall d'Hebron), endoscopic gastrointestinal surgery (Centro Wider), neurodegenerative diseases (in cooperation with CSIC and in the framework of the BarcelonaBeta Project) and cardiovascular diseases, among others.

The recently-inaugurated **CaixaForum Zaragoza** has become a social and cultural reference point for the city, with almost 100,000 visitors in just four months. These visitor figures are attributable to the outstanding success of exhibitions like *Pixar. 25 years of animation* and *The Egyptian Mummies*. These features form part of the broad range of exhibitions offered by the CaixaForum network, which currently includes *Mediterráneo. From Myth to Reason* (Madrid), *Captive Beauty. Small Treasures from the Prado Museum* (Barcelona), *Sorolla: The Colour of the Sea* (Palma) and *Objects speak. Collections from the Prado Museum* (Tarragona), to name but a few.

The "la Caixa" Foundation, recently integrated into the "la Caixa" Banking Foundation, remains thoroughly committed to serving society, through both local social activities and far-reaching partnerships.

