

CaixaBank posts profit of €375 million, with an 8% increase in lending and funds following the acquisition of Barclays Bank, SAU

Net interest income was €1,138 million, up 14.6% year-on-year. Customer funds went up by 7.8% in the quarter (with a 25.9% increase in off-balance sheet funds), while the loan book increased by 7.6%.

InverCaixa, CaixaBank's fund management arm, became the number one ranked with funds of €37,700 million, 1.1 million clients and a market share of 17.5%.

CaixaBank strengthened its position as Spanish market leader with a market share of 28.2% among retail customers, 14 million clients, 5,438 branches and total assets of €355,557 million.

- **Core operating income rose by 22.7%** to reach €616 million. **Net interest income** grew by 14.6%, to €1,138 million, **fee and commission income** stood at €513 million (+12.9%) and **recurring expenses** rose 9.5%, to €1,035 million, although remaining stable on a like-for-like basis (+0.3% pro forma including Barclays Bank, SAU in the first quarter of 2014).
- **The NPL ratio remained at 9.7%** following the acquisition of Barclays Bank, SAU, with a €747 million reduction in non-performing assets (-3.3%), stripping out the €2,232 million contributed by Barclays Bank, SAU at 31 December 2014.
- **Excellent liquidity** of €50,015 million. During the quarter, CaixaBank secured €7,070 million in long-term financing from the European Central Bank (TLTRO) and €5,069 million of ECB financing obtained by Barclays Bank, SAU was repaid on maturity.
- **As for capital adequacy under Basel III, the Bank** reached Common Equity Tier 1 (CET1) ratio of 12.1% (-84 basis points in the quarter due to the acquisition of Barclays Banks, SAU), meaning it has surplus capital of €11,647 million over the minimum requirement and a fully-loaded ratio of 11.5%.
- In the first quarter of 2015, **CaixaBank acquired Barclays Bank, SAU** and approved the **merger by absorption project of the two entities(*)**. As a result of this acquisition, the Bank will obtain **€15,609 million of customer funds** and **€17,782 million in gross customer lending**. **Additionally, non-recurring costs and write-downs of €303 million** were recognised in association with the acquisition of Barclays Bank, SAU. **Synergies of €93 million are expected for 2015.**

(*) The merger is subject to and conditional on approval by the Spanish Ministry of the Economy and Competitiveness.

Barcelona, 23 April 2015.- CaixaBank, the financial institution headed and run by Isidro Fainé (chairman) and Gonzalo Gortázar (CEO), reported net attributable profit of €375 million for 1Q15, a year-on-year increase of 99.1%.

The Bank's performance in the first quarter was impacted by the acquisition of the retail banking, asset management and corporate banking arms of Barclays Bank, SAU, in Spain. The acquisition was closed on 2 January and the merger by absorption of the two entities approved on 30 March. As a result of this acquisition, CaixaBank customer base increased with 550,000 new customers and added €15,609 million of customer funds and €17,782 million in gross customer lending.

The strong commercial activity, which enables the Bank to boost its income generating capacity (gross margin of €1,953 million, +7%), has been shored up by the acquisition of Barclays Bank, SAU, which has bolstered net interest income by 14.6%, fee and commission income by 12.9%, customer lending by 7.6% and customer funds by 7.8%. Further, thanks to a more streamlined cost structure, recurring expenses remained stable on a like-for-like basis (+0.3% pro forma including Barclays Bank, SAU in the first quarter of 2014).

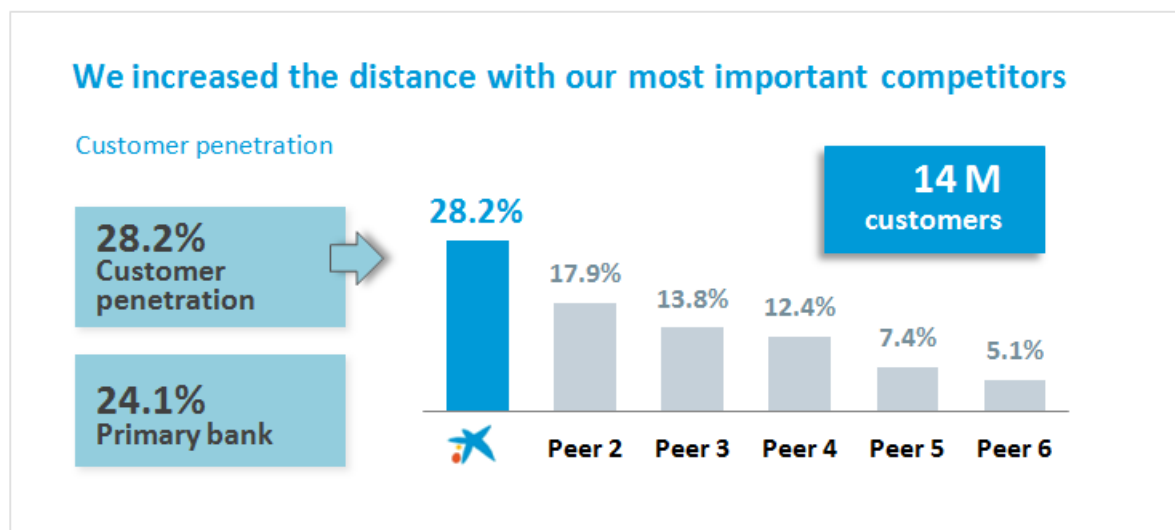
With regard to corporate income tax, double taxation avoidance principles are applied to income contributed by investees (as these companies have already paid income tax at source, this income is deducted to avoid paying twice) with a significantly notable impact in the first quarter of 2015 following the recognition of the negative goodwill of Barclays Bank, SAU (€602 million).

Consolidated income statement

In Million Euros	1Q15	1Q14	YoY
Net interest income	1,138	993	14.6%
Net fees	513	454	12.9%
Income from investments	180	150	19.5%
Gains on financial assets and exchange rate d.	129	221	(41.2%)
Other operating income & expenses	(7)	7	-
Gross income	1,953	1,825	7.0%
Recurrent expenses	(1,035)	(945)	9.5%
Extraordinary expenses	(239)	-	-
Recurrent pre-impairment income	918	880	4.3%
Impairment losses & others	(748)	(650)	15.2%
Gains/losses on disposal of assets and others	280	(53)	-
Pre-tax income	211	177	19.1%
Tax	164	11	-
Profit attributable to the Group	375	188	99.1%

CaixaBank strengthens its leadership of the Spanish market

The acquisition of Barclays Bank, SAU has strengthened CaixaBank's position as leader in the Spanish market with 14 million clients, 5,438 branches and total assets of €355,557 million. Market penetration for retail customers increased to 28.2% (with 24.1% of customers having CaixaBank as their preferred bank).



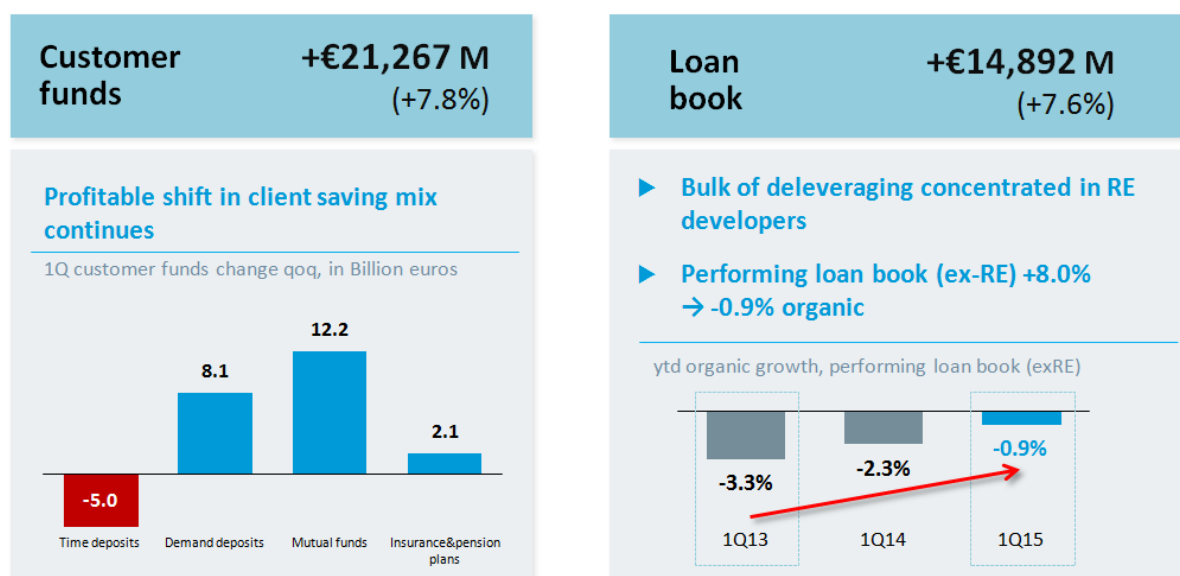
The commercial strength of the CaixaBank Group and the acquisition of Barclays Bank, SAU have enabled sustained growth to be achieved in market shares for the main financial products and services. Further, on the commercial front, the Bank continues to focus efforts on attracting and retaining customers, as shown by the 306,861 payrolls secured in the first quarter pushing up the Bank's payroll market share to 24.3% (+215 basis points in the last 12 months), with a total of 23 million payroll deposits.

In March 2015, CaixaBank launched HolaBank, its new business line for international customers with the aim of becoming the first port of call in the sector for this group. The new service will have 100 branches with managers specialised in international banking and offering high-value financial guidance.

There has also been an increase in customers from the agricultural and business sectors, due to the strong performance of AgroBank and CaixaNegocios, respectively. Since the launch of AgroBank customers have been increased by 27,200. In the first quarter of the year CaixaNegocios secured 73,500 new business customers and the business segment now totals funds of €45,000 million and credits of €43,000 million.

Customer funds and lending up 8%

Total customer funds stood at €293,025 million, up +7.8% or €21,267 million over the first quarter. This represents organic growth of 2% in 1Q15, stripping out the impact of the acquisition of Barclays Bank, SAU (€15,609 million). Market share for customer deposits was 15.3%. Further highlights included a significant 25.9% (+13.5% organic) jump (€16,696 million) in off-balance sheet funds (investment funds, pension plans and others). Market share of 17.5% in investment funds and leadership position in assets under management (€37,700 million, or €49,724 million including portfolios and SICAVs) and the number of fund members (1.1 million), savings insurance (21.7%) and pension plans (19.9%).



Gross customer loans and advances totalled €212,077 million (+7.6%). Stripping out the €17,782 million impact of the gross customer loans of Barclays Bank, SAU, the change would be -1.3%. The organic drop would be limited to 1.4% for the performing loan portfolio (ex-real estate developers). The decline in lending seen in the first quarter is 51% less than in the same period in 2014

Performance is shaped mainly by the deleveraging process and a reduction in exposure to the organic real-estate development sector (-11.9%, -€1,772 million). The weight of financing for the development sector fell by 96 basis points to 6.2% of the total loan portfolio.

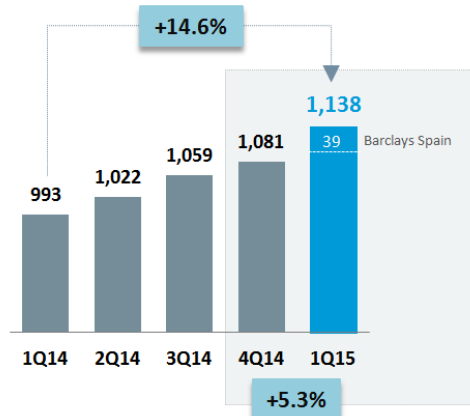
CaixaBank remains the market leader for the main financing products: total loans (16.5%), mortgages (17.8%) and factoring and reverse factoring (19.6%). Further, new loans increased by 72% compared to 1Q14: with mortgage loans gaining 40%, consumer loans up 27% and loans to companies rising 99%.

Net interest income reaches to €1,138 million (+14.6%)

In a macro environment of very low interest rates, net interest income stood at €1,138 million, up +14.6% 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, cushioned the impact of the lower returns on loans as interest rates continue to fall.

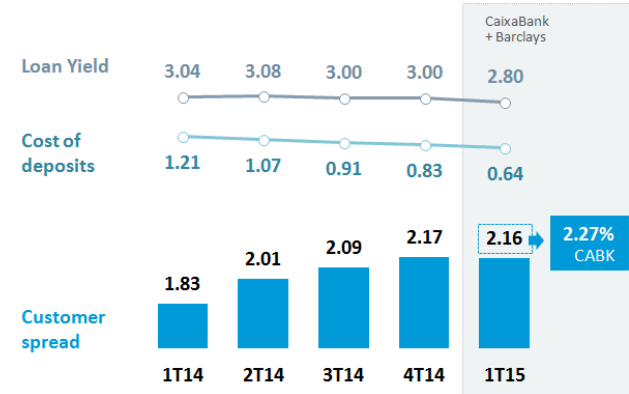
Net interest income

In Million Euros



Customer spread

In %



Fees and commissions totalled €513 million (+12.9%) due to increased sales of off-balance sheet products and the acquisition of Barclays Bank, SAU while recurring expenses grew by 9.5% to €1,035 million although remaining stable on a like-for-like basis (+0.3% pro forma including Barclays Bank, SAU in the first quarter of 2014).

Additionally, non-recurring costs and write-downs of €303 million were recognised in association with the acquisition of Barclays Bank, SAU. Synergies of €93 million are envisioned for 2015.

Changes in income and expenses brought pre-impairment income to €1,953 million, up 7% year-on-year, with recurring pre-impairment income of €918 million (+4.3%).

This strong performance lifted net income from the banking business (interest income + fees and commissions - recurring expenses) to €616 million (+22.7%).

NPL ratio stable at 9.7%

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The NPL ratio remains unchanged at 9.7% despite the acquisition of Barclays Bank, SAU, in a scenario marked by the organic reduction in non-performing loans (-33 basis points), the acquisition of Barclays Bank, SAU (+21 basis points) and the deleveraging process (+10 basis points). Excluding the development sector, the NPL ratio would have declined to 7%.

Non-performing assets stood at €21,595 million. Stripping out the €2,232 million in NPLs from Barclays Bank, SAU, NPLs at 31 December 2014 were down €747 million, or 3.3% (organic change).

High sales and rentals of foreclosed assets

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The intense activity of BuildingCenter, CaixaBank's real estate subsidiary, enabled sales and rentals of real estate assets for a total of €2,380 million in the past 12 months (22,132 properties). Sales and rentals of real estate assets, including real estate developers and factoring in the value of the original investment, stood at €5,027 million, with 32,979 properties sold or rented.

At 31 March 2015, the Group's real estate assets held for rent stood at €2,833 million, net of provisions. The net carrying amount of foreclosed real estate assets available for sale amounted to €6,998 million, with coverage of 57%.

Capital strength and excellent liquidity

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At 31 March 2015, CaixaBank has a CET1 (Common Equity Tier 1) ratio of 12.1%, according to the current phase-in criteria for the year, down 84 basis points in the quarter due mainly to the acquisition of Barclays Bank, SAU, meaning a surplus of €11,647 million over the regulatory minimum, and a fully loaded ratio of 11.5%.

Bank liquidity stood at €50,015 million at 31 March 2015 (-€6,650 million in the first quarter of 2015), impacted by the loan-deposit gap, the acquisition of Barclays Bank, SAU and the reduction in institutional funding. In the quarter longer-term financing was arranged with the Central European Bank (TLTRO) for €7,070 million and and €5,069 million of ECB financing obtained by Barclays Bank, SAU was repaid on maturity (€3,525 million LTRO and €1,544 million of short-term financing) of a total of €5,450 million.

Banking business contributes €813 million in 1Q15

Profit attributable to the banking and insurance business, excluding real estate activity and investees, stood at €813 million. Profitability (ROTE) stood at 12.5% excluding one-off impacts related to the acquisition of Barclays Bank, SAU and the NPL ratio at 6.7%, with a coverage ratio of 54%, while the real estate business generated a net loss of €557 million for the period. Net loans managed by the real estate business totalled €4,192 million at 31 March and the NPL ratio stood at 86.3%, with a coverage ratio of 55%.

Profit attributable to the investees business amounted to €119 million in the first quarter of 2015.

New CaixaBank Strategic Plan 2015-2018

In early March, CaixaBank unveiled its 2015-2018 Strategic Plan with the main lines of action centred on leading the way in quality, trust and reputation, as well as focusing on its customers, obtaining profitability (ROTE) of between 12% and 14% from 2017 and bringing its cost-to-income ratio below 45%.

The new Strategic Plan reflects the entity's aspirations to boost its leadership in the Spanish market and to stand out from its peers based on five key action lines:

- To become the leading bank in terms of quality and reputation and one that focuses on its customers;
- To obtain recurring returns in excess of the cost of capital from 2017 while pledging to distribute high and stable dividends;
- To continue to actively manage capital, focusing on international banking alliances and reducing its exposure to non-strategic assets and unproductive assets;
- To boost its leadership in digital banking by continuing to promote its multi-channel platform and mobility, as well as rolling out its Big Data infrastructure as a commercial and management tool;
- To make CaixaBank's employees a prominent strategic element.



Welfare Projects: hallmark of the “la Caixa” Group

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In the first quarter of 2015, the **“la Caixa” Banking Foundation**, which directly manages welfare projects and groups together in Criteria CaixaHolding all the “la Caixa” Group's stakes including its stake in CaixaBank, further cemented its very reason for existing: its Welfare Projects. Under the chairmanship of Isidro Fainé and the general management of Jaume Giró, **the “la Caixa” Banking Foundation has a Welfare Projects budget of €500 million for 2015**, the same figure as for the last seven years. This allowance makes “la Caixa” Banking Foundation Spain's leading private foundation and one of the most important in the world.

The bulk of the investment made by the foundation will focus on the development of **social programmes, geared towards pressing social issues**, such as unemployment, the fight against social exclusion and access to housing (**67.1% of the budget or €336 million**), while **cultural works will account for 13.5% of the total budget (€67 million)**, **science and environmental programmes 11.2% (€56 million)** and support for **education and research 8.2% (€41 million)**. In 2014, more than 9.5 million people took part in and benefited from the Welfare Projects carried out by the “la Caixa” Group.

In the first quarter of 2015, **Incorpora, the job creation programme, provided 3,525 jobs for people at risk of social exclusion**. For the first time this quarter **123 training points were set up throughout Spain** for people with difficulties finding employment. Further, the Foundation has opened an application period **offering 10,000 young entrepreneurs the chance to have their social security contribution paid for**, an initiative to which it has allocated €5 million and developed in collaboration with the Ministry of Employment.

The **CaixaProinfancia programme set up to combat child poverty** handed out aid to **32,526 socially excluded children**. Since this project was launched in 2007, it has had 242,065 beneficiaries. Also during the first quarter, the new **Casal dels Infants del Raval headquarters was opened in Badalona** (La Betsaida school).

With regard to hospital care, the Foundation has extended its **programme to help people with advanced illnesses to 104 health centres and 130 home care support units** throughout Spain. 4,084 patients received psychological and social assistance during the quarter, and more than 67,800 have benefited since this project was inaugurated in 2009.

The elderly, housing and education: key priorities

Since its inception, “la Caixa” has always strived to foster **active and healthy ageing**. Elderly people remain a priority for the entity (more than 700,000 take part in this programme each year). Along these lines, the 100 year anniversary of the first **Homenaje a la Vejez (Homage to the elderly) event held in Sant Sadurní d'Anoia in 1915** promoted by the entity's founder **Francesc de Morgas** was celebrated recently.

In addition, the various **programmes to provide access to social housing** (affordable housing through both charity-assisted renting and social renting) currently have **upwards of 26,000 flats available to low-income members of society**.

The Foundation continues to view education as the best driver of individual and social progress. More than 2 million students take part in the **eduCaixa platform's learning initiatives**. Further, more than 1,000 schools throughout Spain have joined the Jóvenes Emprendores project for young entrepreneurs, three times as many as last year.

Support for knowledge, research and culture

On the subject of **science outreach**, **CosmoCaixa Barcelona** has recently opened the exhibitions Sputnik: The Odyssey of Soyuz 2 and Experiment 2100: a visit to our cities of the future. In addition to this commitment to science outreach, we have the Banking Foundation's tireless support for research: into AIDS (**IrsiCaixa**), cancer (**"la Caixa" Molecular Therapy Unit at Hospital Vall d'Hebron**), Alzheimer's, Parkinson's and neurodegenerative diseases (working alongside **CSIC** and, within the framework of the **BarcelonaBeta project**, with Fundación Pasqual Maragall), cardiovascular diseases (with **CNIC** as partner) and genetic diseases (with **IDIBGI** as partner), among others. More specifically, and heralded as one of the major scientific discoveries of the quarter, the **study submitted by the IBEC** (Institut for Bioengineering de Catalunya) revealing a mechanism of cellular communication that enables metastasis in cancer stands out.

Cultural initiatives in the quarter included the inauguration of several **prominent exhibitions** such as "Animals and Pharaohs. The animal kingdom in Ancient Egypt" (CaixaForum Madrid), "Pixar. 25 years of animation" or "Mochican Art in ancient Peru" (CaixaForum Barcelona), "Sorolla. The colour of the sea" (CaixaForum Zaragoza) and "Sebastiao Salgado: Genesis".

In sum, a busy quarter culminating in the celebration in April of the emblematic awarding of **"la Caixa" scholarships to 120 university students**, presided over for the first time by **King Felipe VI and Queen Letizia**.

Key indicators for the CaixaBank Group

€ million	January - March		Annual Change	4Q14	Quarterly Change
	2015	2014			
INCOME STATEMENT HEADINGS					
Net interest income	1,138	993	14.6%	1,081	5.3%
Gross income	1,953	1,825	7.0%	1,454	34.3%
Recurring pre-impairment income ⁽¹⁾	918	880	4.3%	800	14.8%
Pre-impairment income	679	880	(22.9%)	507	33.9%
Profit attributable to the Group	375	188	99.1%	(15)	-
€ million	March'15	December'14		Change	
BALANCE SHEET					
Total assets	355,557	338,623			5.0%
Equity	26,449	25,232			4.8%
Customer funds	293,025	271,758			7.8%
Customer loans, gross	212,077	197,185			7.6%
EFFICIENCY AND PROFITABILITY (last 12 months)					
Cost-to-income ratio (Total operating expenses/ gross income)	58.0%	54.4%			3.6
Recurring cost-to-income ratio	54.7%	54.4%			0.3
ROE (profit attributable to the Group/ average equity)	3.4%	2.7%			0.7
ROA (net profit / average total assets)	0.2%	0.2%			-
RORWA (net profit / risk-weighted assets)	0.6%	0.5%			0.1
ROTE (attributable profit / average tangible equity)	4.4%	3.4%			1.0
RISK MANAGEMENT					
Non-performing loans	21,595	20,110			1,485
Non-performing loan (NPL) ratio	9.7%	9.7%			-
Non-performing loan (NPL) ratio stripping out real estate developers	7.0%	6.4%			0.6
Provisions for non-performing loans	11,723	11,120			603
NPL coverage ratio	54%	55%			(1)
NPL coverage ratio including collateral	130%	132%			(2)
NPL coverage ratio stripping out real estate developers	53%	54%			(1)
Foreclosed available for sale real estate assets	6,998	6,719			279
Foreclosed available for sale real estate assets coverage ratio	57%	55%			2
<i>of which: land coverage</i>	67%	65%			2
LIQUIDITY					
Liquidity	50,015	56,665			(6,650)
Loan to deposits	110.9%	104.3%			6.6
CAPITAL ADEQUACY - BIS III					
Common Equity Tier 1 (CET1)	12.1%	13.0%			(0.9)
Tier Total	14.9%	16.1%			(1.2)
RWAs	153,120	139,729			13,391
Surplus CET1	11,647	11,807			(160)
Surplus Tier Total	10,544	11,272			(728)
Leverage ratio	5.6%	5.7%			(0.1)
Common Equity Tier 1 (CET1) fully loaded	11.5%	12.1%			(0.6)
SHARE INFORMATION					
Share price (€/share)	4.415	4.361			0.054
Market capitalization	25,457	24,911			546
Book value per share - fully diluted (€/share)	4.59	4.42			0.17
Tangible book value per share - fully diluted (€/share)	3.70	3.54			0.16
Number of shares - fully diluted (<i>millions</i>)	5,766	5,712			54
Net income attributable per share (EPS) (€/share) (<i>12 months</i>)	0.15	0.11			0.04
Average number of shares - fully diluted (<i>millions</i>)	5,765	5,712			53
PER (Price/ Profit)	29.43	39.65			(10.22)
Tangible PBV (Market value/ book value of tangible assets)	1.19	1.23			(0.04)
BANKING BUSINESS AND RESOURCES (Units)					
Customers (<i>millions</i>)	14.0	13.4			0.6
CaixaBank Group Employees	33,598	31,210			2,388
Branches in Spain	5,438	5,251			187
ATMs	9,683	9,544			139

Note: The 2015 income statement includes the earnings of Barclays Bank, SAU as from 1 January 2015. CaixaBank's consolidated balance sheet at 31 March 2015 shows the assets and liabilities of Barclays Bank, SAU.

Past financial information has been restated following the application of IFRIC 21 and IAS 8.

(¹) Does not include contribution in 4Q14 of €-293 million to the Spanish Deposit Guarantee Fund for 2015.

Consolidated Profit & Loss Account, CaixaBank Group

€ million	January-March		Change %
	2015	2014	
Financial income	2,360	2,151	9.7
Financial expenses	(1,222)	(1,158)	5.5
Net interest income	1,138	993	14.6
Dividends	2	1	26.5
Share of profit (loss) of entities accounted for using the equity method	178	149	19.4
Net fees and commissions	513	454	12.9
Gains on financial assets and exchange rate differences	129	221	(41.2)
Other operating income and expenses	(7)	7	
Gross income	1,953	1,825	7.0
Recurring expenses	(1,035)	(945)	9.5
Extraordinary expenses	(239)		
Pre-impairment income	679	880	(22.9)
Recurring pre-impairment income	918	880	4.3
Impairment losses on financial assets and others	(748)	(650)	15.2
Gains/(losses) on disposal of assets and others	280	(53)	
Pre-tax income	211	177	19.1
Income tax	164	11	
Profit for the period	375	188	99.1
Minority interest			
Profit attributable to the Group	375	188	99.1

Note: The 2014 income statement has been restated following the application of IFRIC 21.