

CaixaBank net income of €996 million (+57.3% year on year) supported by core revenues and steep-change in cost of risk

- **Gradual bottom line improvement:** Net interest income was up 7.6% to €3,308 million and gross income came in at €6,316 million (+15.1%). Recurring pre-impairment income rose 22.2% to €3,250 million.
- **NPL ratio drop to 8.7%** underpinned by decline in non-performing loans (€3,191 million the year to date; €964 million in the third quarter).

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- **Core operating income** (net interest income + fees and commissions - recurring expenses) rose by 8.9% to €1,766 million.
 - **17.3%** year-on-year reduction in **loss loan charges** (€1,375 million). **Steep quarterly decline in loan loss charges** (-46.4%), reflects the efforts made in the first half of the year to ensure adequate provisioning of the loan portfolio.
 - **Recurring expenses** fell by 0.6% on a like-for-like basis, while increasing by **8.5% to €3,066 million** once the impact of Barclays Bank, SAU is accounted for. Total expenses **included the recognition of €259 million in extraordinary operating expenses in 1Q due to the restructuring of Barclays Bank, SAU and €284 million in connection with the voluntary collective dismissal agreement in the second quarter.**
 - **Early delivery of cost-saving plans supports gradual efficiency improvement: cost-to-income ratio, excluding extraordinary costs at 51.7%** (-5.1pp over the last 12 months),
 - **Customer funds reached €289,460 million (+6.5%) and loans totalled €209,055 million (+6%),** on the back of the Barclays Bank, SAU acquisition and tapering off of the deleveraging process. New lending growth led by mortgage loans (+64% year on year), consumer loans (up 48% year on year) and loans to corporates (+49% year on year).
 - **Capital ratios continue to grow as retained profits lead to organic build-up, with the fully loaded Common Equity Tier 1 (CET1) ratio reaching 11.6%, 12.8% under the regulatory CET1. The total capital ratio stands at 15.8%, the highest among the main Spanish financial institutions. Ample liquidity is improved further to €50,952 million.**
 - The “**la Caixa**” Group makes affordable housing available to **31,448** low-income families and individuals through both charity-assisted renting and social renting.

Barcelona, 23 October 2015.- CaixaBank, the number one retail bank in Spain with Isidro Fainé as Chairman and Gonzalo Gortázar as CEO, reported net attributable profit of €996 million for the first nine months of the year, a year-on-year increase of 57.3%.

The improvement was supported by core revenues, cost control and steep decline in loan loss charges.

Steady market share growth has enabled the Bank to boost its income generating capacity, with gross income reaching €6,316 million, up +15.1%). This increase in commercial activity, coupled with the integration of Barclays Bank, SAU, has driven net interest income up by +7.6%; fee and commission income by +11%; customer lending by +6%; and customer funds by +6.5%.

Fast pace of NPL reduction was maintained in a seasonal quarter, with the NPL ratio coming down to 8.7%. The stock of loan loss provisions reached €10,584 million, equivalent to a coverage ratio of 55%.

Loan provisioning (€1,375 million) was down 17.3% year on year. The step quarterly decline in loan loss charges (- 46.4%), reflects the efforts made in the first half of the year to ensure adequate provisioning of the coverage of risks inherent to the loan portfolio.

Consolidated income statement

In Million Euros	9M15	9M14	YoY(%)
Net interest income	3,308	3,074	7.6%
Net fees and commissions	1,524	1,374	11.0%
Income from investment	614	367	67.3%
Gains on financial assets and exchange rate d.	748	576	29.7%
Other operating income and expenses	122	94	30.0%
Gross income	6,316	5,485	15.1%
Recurring expenses	(3,066)	(2,826)	8.5%
Pre-impairment income, without extraord.	3,250	2,659	22.2%
Extraordinary operating expenses	(543)	-	-
Pre-impairment income	2,707	2,659	1.8%
Impairment losses and others	(1,762)	(1,799)	(2.1%)
Gains/losses on assets disposals and others	(40)	(156)	(74.2%)
Pre-tax income	905	704	28.5%
Income tax, minority interest and others	91	(71)	-
Profit attributable to the Group	996	633	57.3%

Note: The 2014 income statement has been restated following the application of IFRIC 21 Barclays Spain consolidated from 1st January 2015

1. Increased revenues: +15.1%

- Improved banking income
- Major income from investments (BPI and Erste)
- Good performance in trading gains

2. Cost control: -0.6%, in a like-for-like basis

3. Decline in impairment losses

Core revenue strength, cost control and cost of risk improvement underpin improvements in pre-impairment income. Recurring costs continue to decline as synergies from the integration of Barclays Bank, SAU continue to feed in: €102 million during 2015 and €163 million from 2016 onwards.

CaixaBank remains one of the most solvent banks operating within the Spanish and European financial sectors, with a Common Equity Tier 1 (CET1) ratio fully loaded of 11.6%. Under phase-in criteria, regulatory CET1 stood at 12.8%.

Increased banking income and cost discipline

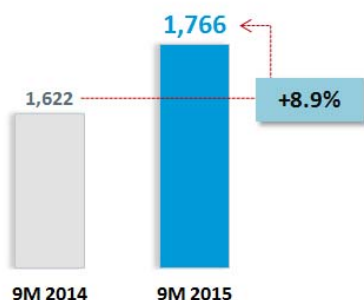
Changes in income and expenses brought gross income to €6,316 million (+15.1%), with pre-impairment income of €2,707 million (+1.8%). Recurring pre-impairment income rose 22.2% to €3,250 million.

This strong performance lifted core income from the banking business (interest income + fees and commissions - recurring expenses) to €1,766 million (+8.9%).

Core operating income

(NII + fees – recurring expenses)

In Million Euros



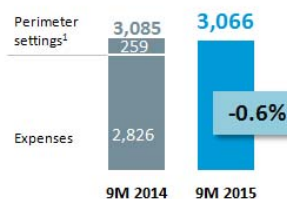
► Revenue generation

8.6%
YoY

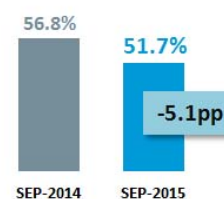
Core income
(NII + fees)

► Cost discipline and contribution of synergies

Operating cost
(on like basis) In Million Euros



Cost-to-income ratio excluding
extraord. expenses (12 months)



¹ Barclays Spain in 9M14

Net interest income totalled €3,308 million (up +7.6% on the first nine months of 2014). The solid performance illustrates the Bank's approach to retail banking activity, with a sharp drop in the cost of maturity deposits, which, coupled with the acquisition of Barclays Bank, SAU, helped cushion the impact of the lower returns on loans as interest rates continue to fall and the fixed income portfolio continues to shrink.

Fees and commissions amounted to €1,524 million (+11%) due to the increase in sales of off-balance sheet products and the integration of Barclays Bank, SAU.

Recurring expenses on a like-for-like basis (pro-forma including Barclays Bank, SAU in the first nine months of 2014) shed 0.6%. Factoring in the integration of Barclays Bank, SAU, recurring operating expenses were up 8.5%. Total expenses included the recognition of €259 million in non-recurring costs associated with Barclays Bank, SAU and €284 million in connection with the labour agreement signed in the second quarter.

The cost-to-income ratio, stripping out non-recurring costs, was 51.7% (down 5.1pp over the last 12 months).

Reduction in insolvency allowances

Impairment losses on financial assets and others stood at €1,762 million, down 2.1% year on year. Strong reduction in insolvency allowances (€1,375 million), down 17.3% year on year. Cost of risk down 36 basis points in the past 12 months to 0.82%.

The quarter-on-quarter trend in NPL allowances, down 46.4%, reflects the efforts made in the first half of the year to ensure coverage of risks inherent to the loan portfolio.

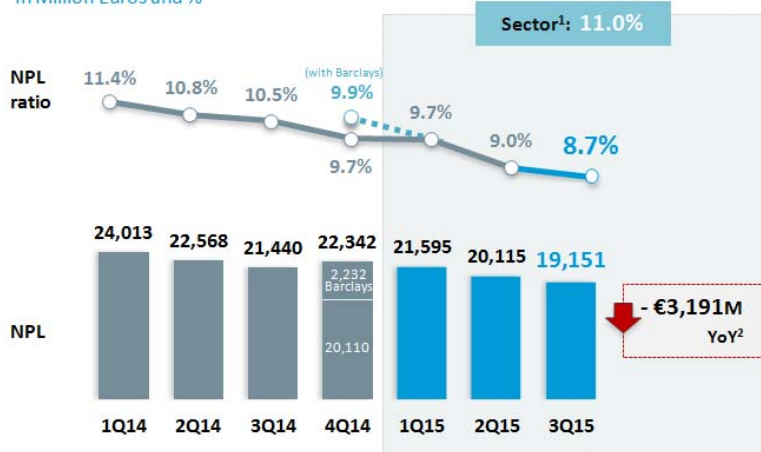
NPLs fall further to 8.7%

The drop in the NPL ratio picked up pace to rest at 8.7% at the end of the period after shedding 96 basis points in the year to date, despite the integration of Barclays Bank, SAU. The annual change can be explained by the organic decline drop in NPLs (-141bp), which helped offset the integration of Barclays Bank, SAU (+21bp) and the impact of the deleveraging process (+24bp). The NPL ratio stripping out real estate developers was 6.5%.

Non-performing loans decreased to €19,151 million on the back of the strong organic reduction in all risk segments (- €3,191 million in the year to date, of which €964 million correspond to the third quarter).

NPL stock and ratio

In Million Euros and %



¹ Figures as of August 2015

² Organic variation

Continued NPL reduction

6.5% NPL ratio (ex RE)

8.7% NPL ratio

High NPL coverage ratio level

55% NPL coverage ratio

€10,584 M Provisions

The intense activity of BuildingCenter, CaixaBank's real estate subsidiary, generated sales and rentals of real estate assets for a total of €2,210 million in the past 12 months, with 19,484 properties either sold or rented.

The net portfolio of foreclosed real estate available for sale amounted to €7,070 million and is starting to stabilise (€7,009 million at 30 June 2015), with coverage of 57.1%.

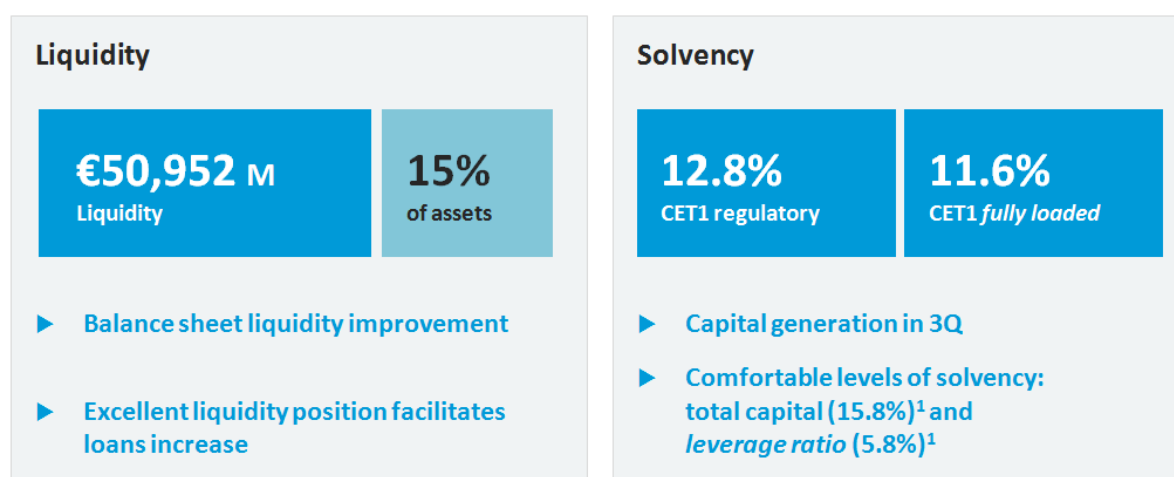
At 30 September 2015, the Group's real estate assets held for rent stood at €3,140 million, net of provisions. The occupancy ratio for the portfolio is 88%.

Capital strength and excellent liquidity

At 30 September 2015, CaixaBank's Common Equity Tier 1 (CET1) ratio fully loaded stood at 11.6%, applying the criteria envisaged for the end of the phase-in period. Under the phase-in criteria in force this year, CaixaBank has a regulatory CET1 ratio of 12.8%, while the total capital ratio stands at 15.8%, the highest among the main Spanish financial institutions.

Bank liquidity was €50,952 million at 30 September 2015, impacted by changes in the loan-deposit gap, the integration of Barclays Bank, SAU, the drop in institutional financing and the increase in financing secured from the ECB. The Bank has drawn down €16,319 million under the ECB facility, consisting entirely of TLTRO.

The loan-to-deposits ratio stood at 109.5%, reflecting the solid structure of retail financing.



¹ Regulatory ratios

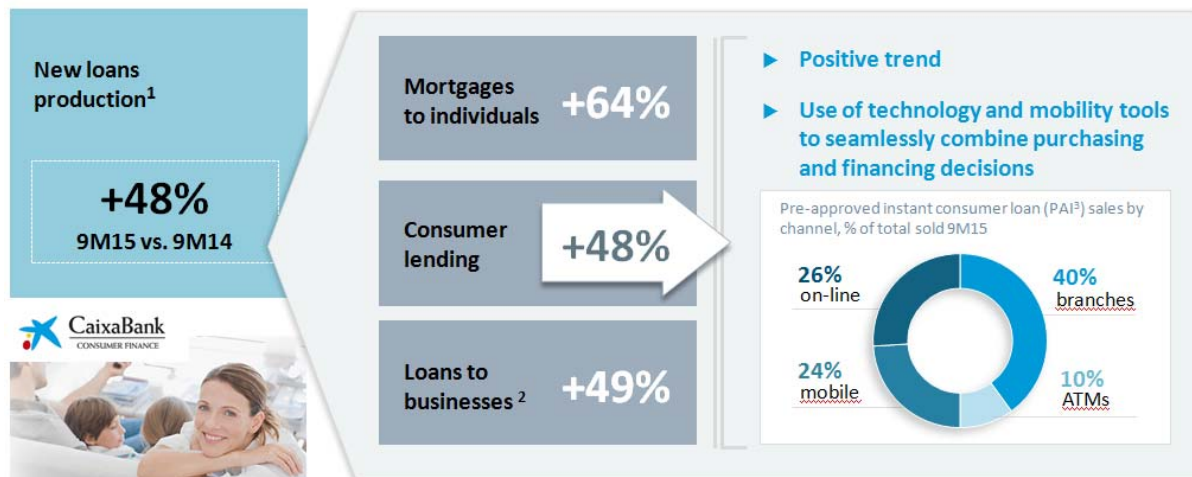
694,500 new payroll deposits secured in the first nine months

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. Furthermore, Euromoney has named CaixaBank "Best Bank in Spain 2015", while Forrester Research has awarded it the title of world's best bank when it comes to mobile banking services.

On the commercial front, the Bank continues to focus efforts on attracting and retaining customers, as shown by the 694,500 payrolls secured in the first nine months (up +35% year on year), pushing up the Bank's payroll market share to 24.9% (+1.8pp in the year to date), with a total of 3,200,000 payrolls.

Customer loans and advances, gross, stood at €209,005 million (+6%) following the integration of Barclays Bank, SAU and the drop in debt deleveraging. The performing loan portfolio ex-real estate developers grew by 8% (+€13,766 million), marking a stable performance stripping out Barclays Bank, SAU (-0.9%). The total portfolio was impacted by the significant reduction in organic exposure to the real estate development sector (-25.5% in the year to date) and seasonal factors during the quarter.

Further, new loans increased by 48% compared to 3Q14: with mortgage loans gaining 64%, consumer loans up 48% and loans to companies rising 49%.



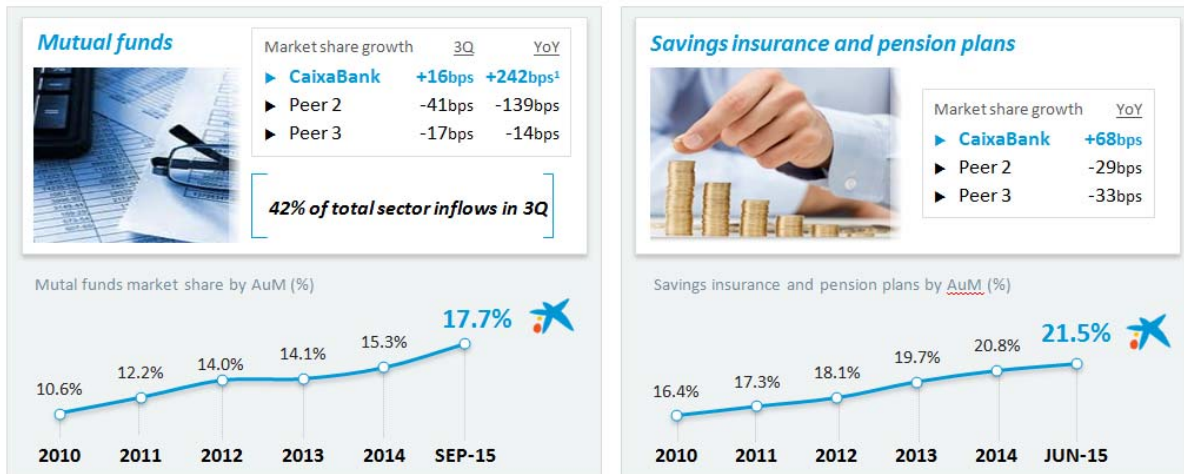
¹ Including commercial banking operations (CaixaBank, MicroBank and CaixaBank Consumer Finance) and wholesale activity (large companies and public sector)

² Excluding large companies

³ PAI represent 16% of total personal loans sold through CaixaBank network

CaixaBank's strong market shares for working capital financing products (18.9% for factoring and reverse factoring and 15% for commercial loans) illustrate its commitment to providing credit for the productive system. The total loan market share was 16.4%.

Total customer funds stood at €289,460 million, up €17,702 million (+6.5% in 2015 to date with a +0.7% organic change). As in previous quarters, the performance of customer funds was driven by channelling savings towards off-balance sheet products through a broad and diversified product range. Market conditions and seasonal factors also had a significant impact during the quarter. The market share for customer deposits was 15.1%.



Source: INVERCO and ICEA ¹ Barclays acquisition contribute +120bps

CaixaBank remains a market leader when it comes to assets under management in investment and pension products. On the subject of investment funds, InverCaixa boasts a market share of 17.7% and is a leader in assets under management (€49,803 million including portfolios and SICAVs) and in the number of fund investors (1.1 million). In the third quarter, InverCaixa secured 42% of net contributions in the sector.

In relation to pension plans and savings insurance, it also remains the market leader in assets under management, with a market share of 21.5%.



Mejor Banco
de España 2015



Welfare Projects, responding to the main challenges of our time

The “la Caixa” Banking Foundation, which directly oversees Welfare Projects and **pools all of the “la Caixa” Group’s shareholding, including CaixaBank, in Criteria CaixaHolding**, has reaffirmed its commitment to continuing the Entity’s most strategic programmes and developing the social, educational, scientific, environmental and cultural initiatives promoted in the third quarter of 2015.

Social projects and support work are one of the “la Caixa” Banking Foundation’s priorities, for which it has earmarked **€336 million of the €500 million budgeted for “la Caixa” Welfare Projects** in 2015, in line with the preceding seven years. **Cultural activities** will receive 13.5% (€67 million); **science and environmental initiatives** will absorb 11.2% (€56 million); while support for **education and research** will take 8.2% (€41 million).

The Entity’s social commitment is predicated on three main pillars: the **promotion of employment, combating poverty and social exclusion, and access to housing**. A prime example of this is the **Incorpora programme**, created in 2006 to promote the inclusion of people at risk of social exclusion into the job market. During the third quarter this year, the total number of **jobs facilitated under the Incorpora programme** since it was first launched **topped 100,000**. The year-on-year figure also increased: 17,016 between January and September compared to 13,446 in the first nine months of 2014.

Initiatives to boost employment were supplemented this quarter by **196 projects promoting social and labour market inclusion across Spain**, with the Foundation investing €4.5 million.

Helping the most vulnerable households

In the fight against exclusion, and aimed particularly households with vulnerable young members, CaixaProinfancia **helped 51,280 children between January and September this year**, putting the total number helped since the programme was first started in 2007 at over 249,000.

“la Caixa” Welfare Projects and the **Spanish federation of food banks (FESBAL) have collected more than a million litres of milk for the most vulnerable families**. The charity of the general public will enable 60,000 children at risk to consume the recommended minimum quantity of milk - one litre per person a week - until the end of the year.

Furthermore, the Foundation has extended its **care programme** for people with advanced diseases to 104 healthcare centres. A total of **13,705 patients received psychological and social care and support during the third quarter of 2015**, while more than 79,000 have benefited from the scheme since it was inaugurated in 2009.

Another strategic initiative run by the Foundation is its **programme for the Elderly**, which this year celebrates its 100th edition. In the year to date, **more than 500,000 people have taken part in more than 9,900 social, cultural, health and technological initiatives** aimed primarily at encouraging healthy ageing and social involvement and securing respect and dignity for the elderly.

The various programmes rolled out to **provide access to social housing (affordable housing through both charity-assisted renting and social renting) currently have 31,448 homes**. These homes, with monthly rents starting from €85, are available all over Spain for people with very low incomes.

Training remains a key concern for the Bank. Specifically, **students from 6,024 Spanish schools** had access to the **eduCaixa programme** to September. This initiative encompasses a series of innovative, practical and easy-to-access educational resources, with programmes designed to hone entrepreneurial skills, boost careers in science, disseminate art and culture and promote personal growth through the development of healthy habits, values and social awareness.

Support for research and culture

As part of the Bank's commitment to research, **Caixalmpulse, a joint venture created by the Banking Foundation and Caixa Capital Risc, has selected 15 initiatives** from the 41 projects presented at different research centres, hospitals and universities. This is the **first comprehensive programme to be set up in Spain for creating biotechnology companies** in a bid to help transform scientific knowledge in companies, and life sciences and healthcare products that generate value within society.

This consistent and rigorous support for scientific advancement is also reflected in the **development of research projects in areas such as** Alzheimer's, Parkinson's disease, neuro-degenerative diseases, AIDS and cardio vascular disorders.

In the **cultural arena**, the third quarter saw the presentation of partnerships with two renowned international institutions: the **Prado Museum and the British Museum**. As a result of these agreements, exclusive exhibitions will be organised jointly at the different CaixaForum centres. These venues are currently hosting a wide variety of displays, including: Alvar Aalto 1898-1976. Organic architecture, art and design (CaixaForum Madrid); Animals and Pharaohs. The animal kingdom in Ancient Egypt" (CaixaForum Barcelona); Sorolla. Drawings in the sand (CaixaForum Lleida); and George Méliès. The magic of cinema (CaixaForum Tarragona). This quarter, the Welfare Projects' cultural initiatives included the 500th anniversary celebration of the birth of Saint Teresa with various activities.

Internationally, during the third quarter the **collaboration between "la Caixa" and the Bill & Melinda Gates Foundation to promote child vaccination in developing nations** was strengthened. Thanks to this project, the two entities will quadruple the financial contributions from the public to vaccinate children in poorer countries.

Key indicators for the CaixaBank Group

€ million	January - September		Change	3Q15	2Q15
	2015	2014			
INCOME STATEMENT HEADINGS					
Net interest income	3,308	3,074	7.6%	1,038	1,132
Gross income	6,316	5,485	15.1%	1,752	2,611
Pre-impairment income	2,707	2,659	1.8%	737	1,291
Profit attributable to the Group	996	633	57.3%	288	333
€ million	September '15	June '15	December'14	Quarterly Change	Annual Change
BALANCE SHEET					
Total assets	343,454	343,967	338,623	(0.1%)	1.4%
Equity	25,575	25,754	25,232	(0.7%)	1.4%
Customer funds	289,460	296,412	271,758	(2.3%)	6.5%
Customer loans, gross	209,005	211,559	197,185	(1.2%)	6.0%
EFFICIENCY AND PROFITABILITY (last 12 months)					
Cost-to-income ratio (Total operating expenses/ gross income)	58.6%	57.8%	54.4%	0.8	4.2
Cost-to-income ratio stripping out non-recurring costs	51.7%	50.8%	54.4%	0.9	(2.7)
ROE (profit attributable to the Group/ average equity)	4.1%	3.9%	2.7%	0.2	1.4
ROTE (attributable profit / average tangible equity)	5.2%	4.9%	3.4%	0.3	1.8
ROA (net profit / average total assets)	0.3%	0.3%	0.2%	0.0	0.1
RORWA (net profit / risk-weighted assets)	0.8%	0.7%	0.5%	0.1	0.3
RISK MANAGEMENT					
Non-performing loans (NPL)	19,151	20,115	20,110	(964)	(959)
Non-performing loan ratio	8.7%	9.0%	9.7%	(0.3)	(1.0)
Non-performing loan ratio stripping out real estate developers	6.5%	6.7%	6.4%	(0.2)	0.1
Provisions for non-performing loans	10,584	10,897	11,120	(313)	(536)
NPL coverage ratio	55%	54%	55%	1	0
NPL coverage ratio including collateral	130%	130%	132%	0	(2)
NPL coverage ratio stripping out real estate developers	55%	53%	54%	2	1
Net foreclosed available for sale real estate assets	7,070	7,009	6,719	61	351
Foreclosed available for sale real estate assets coverage ratio	57%	57%	55%	0	2
of which: land coverage	67%	67%	65%	0	2
LIQUIDITY					
Liquidity	50,952	54,015	56,665	(3,063)	(5,713)
Loan to deposits	109.5%	108.6%	104.3%	0.9	5.2
CAPITAL ADEQUACY					
Common Equity Tier 1 (CET1)	12.8%	12.8%	13.0%	0	(0.2)
Total Capital	15.8%	15.7%	16.1%	0.1	(0.3)
RWAs	146,291	147,634	139,729	(1,343)	6,562
Leverage ratio	5.8%	5.7%	5.7%	0.1	0
Common Equity Tier 1 (CET1) fully loaded	11.6%	11.5%	12.1%	0	(0.5)
SHARE INFORMATION					
Share price (€/share)	3.445	4.156	4.361	(0.711)	(0.916)
Market capitalization	20,047	23,961	24,911	(3,914)	(4,864)
Book value per share - fully diluted (€/share)	4.40	4.47	4.42	(0.07)	(0.02)
Tangible book value per share - fully diluted (€/share)	3.54	3.60	3.54	(0.06)	0.00
Number of shares - fully diluted (millions)	5,819	5,765	5,712	54	107
Net income attributable per share (EPS) (€/share) (12 months)	0.17	0.16	0.11	0.01	0.06
Average number of shares - fully diluted (millions)	5,821	5,765	5,712	56	109
PER (Price/ Profit)	20.40	25.96	39.65	(5.56)	(19.25)
Tangible PBV (Market value/ book value of tangible assets)	0.97	1.15	1.23	(0.18)	(0.26)
BANKING BUSINESS AND RESOURCES (Units)					
Customers (millions)	13.8	13.8	13.4	0	0.4
CaixaBank Group Employees	32,372	33,157	31,210	(785)	1,162
Branches in Spain	5,253	5,345	5,251	(92)	2
ATMs	9,661	9,724	9,544	(63)	117

NOTE: The 2015 income statement includes the earnings of Barclays Bank, SAU as from 1 January 2015. CaixaBank's consolidated balance sheet shows the assets and liabilities of Barclays Bank, SAU at fair value from 1 January 2015. Past financial information has been restated following the application of IFRIC 21 and IAS 8.

Income statement of CaixaBank Group

€ million	January-September		Change %
	2015	2014	
Financial income	6,407	6,568	(2.4)
Financial expenses	(3,099)	(3,494)	(11.3)
Net interest income	3,308	3,074	7.6
Dividends	112	104	7.9
Share of profit (loss) of entities accounted for using the equity method	502	263	90.7
Net fees and commissions	1,524	1,374	11.0
Gains on financial assets and exchange rate differences	748	576	29.7
Other operating income and expenses	122	94	30.0
Gross income	6,316	5,485	15.1
Recurring expenses	(3,066)	(2,826)	8.5
Extraordinary expenses	(543)	0	
Pre-impairment income	2,707	2,659	1.8
Impairment losses on financial assets and others	(1,762)	(1,799)	(2.1)
Gains/(losses) on disposal of assets and others	(40)	(156)	(74.2)
Pre-tax income	905	704	28.5
Income tax	94	(70)	
Profit for the period	999	634	57.6
Minority interest and others	3	1	
Profit attributable to the Group	996	633	57.3

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