



INTEGRATED
CORPORATE
REPORT

[2013]

***Being true to
your values is
what makes you big***



[CaixaBank in 2013]

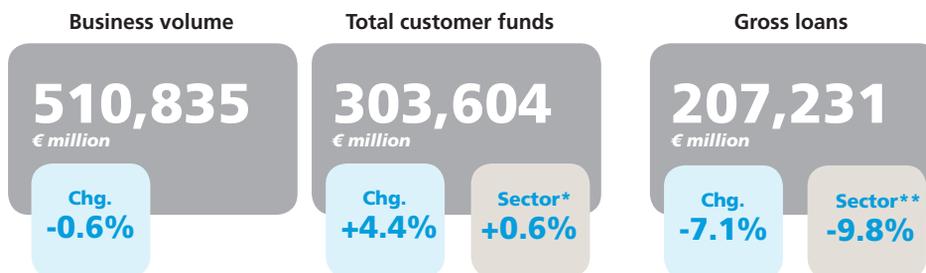
Proven commercial strength, with a leading multichannel strategy

First-choice bank for almost 1 in 4 households in Spain



Consolidating our leadership: wide-reaching gains in market shares

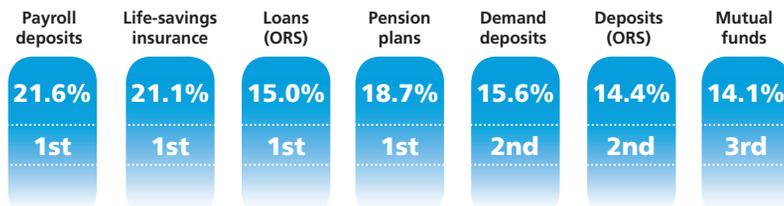
Integrations of Banca Cívica and Banco de Valencia completed



**"la Caixa" Research estimate, based on Bank of Spain data

**In-house figures. Source: Bank of Spain

Market shares and ranking



Sustained capacity to generate earnings and cut costs

Net interest income

3,955

€ million

Chg.
+2.1%

Net fees and
commission income

1,760

€ million

Chg.
+3.5%

Operating expenses
(stripping out non-recurring costs)

3,947

€ million

Chg.
-6.4%*

Profit attributable
to the Group

503

€ million

Chg.
+118.9%

*Pro-forma, including Banca Cívica and Banco de Valencia as of January 1, 2012.

Risk management

Allowances and write-downs

7,501

€ million

High coverage ratios

61% for NPLs
54%

for foreclosed real estate assets

Increased financial strength

Liquidity

60,762

€ million

(+€7,670 million)

Capital adequacy

Core Capital Basel II
12.9%

(+197 basis points)

CaixaBank share

Increase in
share price

43.6%

throughout 2013*

3.788€

closing share price as of
December 31, 2013

Shareholder
remuneration

20

euro cents per share

Quarterly payments,
through Scrip Dividend
Program

Dividend
yield

5.3%

considering share price at
December 31, 2013

6.9%

considering average share price
in 2013

*21.4% of IBEX 35, 17.9% of EURO STOXX 50

Sustainability and commitment



MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



INTEGRATED
CORPORATE REPORT **[2013]**



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**Isidro Fainé Casas**

[Letter from the Chairman]

2013 has once again been a year of growth. After the takeover of Banco de Valencia, we now serve 13.6 million customers: 27 of every 100 Spaniards are CaixaBank customers, and for almost one in four, we are their main bank. We are therefore making further progress in consolidating our leading position in retail banking and achieving a balance across regions, in line with the objectives defined in our 2011-2014 Strategic Plan.

We have been able to maintain business volume despite the profound restructuring of the financial sector and marked deleveraging. In fact, it has seen an increase in funds, outstripping that of the market, while the decline in lending has been less pronounced than in the market as a whole. We have brought in 6.9% more retail funds: an excellent indication of our customers' faith in our bank.

Our healthy performance is also the fruit of prudent, forward-looking and meticulous management. Despite historically low interest rates, we have managed to boost net interest income, while also significantly containing costs.

Off the back of our banking activity and also our ability to generate non-recurring gains, CaixaBank achieved a net profit of €503 million in 2013, even after shoring up the balance sheet through allowances and write-downs of €7,501 million.

CaixaBank's financial activity has enabled its core shareholder, "la Caixa", to add to the funds generated by its subsidiary Criteria CaixaHolding and provide the "la Caixa" Foundation (the leading private foundation in Spain and one of the most important in the world) with a budget of €500 million for 2014, for the seventh year running. Our willingness and endeavor to open up opportunities for the most disadvantaged members of society remain the same as they did on day one.

To close, I would like to extend my sincerest thanks to everyone who has placed their trust in us, and once again contributed to CaixaBank retaining its position as Spain's top bank and made it possible for us to fulfill our underlying mission: our commitment to society.



Juan María Nin Génova

[Letter from the Deputy Chairman and C.E.O.]

2013 was marked by an upturn in confidence and improved economic forecasts, although pressures on the financial system persisted. In this climate, CaixaBank improved its competitive position and further strengthened its already healthy balance sheet; thereby laying the foundations for efficient, profitable and solvent growth.

The outstanding sales drive resulted in very solid results in a year in which the integration of the technological infrastructures of Banca Cívica and Banco de Valencia was also completed. All this has enabled the bank to reach its Strategic Plan growth targets ahead of schedule and continue to offer shareholders attractive payouts.

CaixaBank is Spain's leading retail bank, boasting a market share of 14.6% by business volume. It is a priority for the bank to continue to offer an excellent service. We can achieve this through our workforce of over 31,000 professionals and the largest network of branches, ATMs and POS terminals in the Spanish market, offering a flagship electronic, mobile and online banking service, which is at the cutting edge.

During the year, we gained ground in the market for most retail banking products. We also strengthened capital (Core Capital ratio under Basel II of 12.9%) and liquidity (€60,762 million, €7,670 million more than in 2012) and we maintained our focus on proactive and efficient risk management (NPL coverage ratio of 61%).

Once again, the bank demonstrated its capacity to generate earnings: gross income climbed to €6,632 million off the back of the banking business's first-rate performance. The Group's structure was also streamlined and further synergies tapped, contributing to efficient cost controls. This enabled us to recognize significant write-downs and provisions.

The combination of these factors –service quality, innovation, commercial and financial strength and ability to generate income– is clearly the best way of guaranteeing our business' long-term future.

We will continue working to generate value for our stakeholders and grow while remaining true to our values of leadership, trust and social commitment.



[About us]

CaixaBank is the leading financial group in the Spanish market. It is engaged in banking, insurance and investment activities and holds stakes in international banks and in leading service sector companies, standing alone among its peers for its involvement in and unwavering commitment to society.

Everyone at CaixaBank is dedicated to reinforcing our leadership through a unique management model based on a forward-looking, prudent approach, great commercial prowess and service excellence. We are guided by our values of **leadership, trust and social commitment**, with the goal of contributing to the socio-economic development of the people and regions we serve.



We are not just a bank. We are CaixaBank

A flagship business model

- **Specialized management:** individual banking, personal banking, private banking, SME banking, business banking and corporate banking
- **Multi-channel management:** leaders in online and mobile payments and banking
- **Earnings and market diversification:** banking and industrial investments
- **Great commercial prowess,** with substantial gains in market shares
- **Competitive position reinforced** through acquisitions (Banca Cívica and Banco de Valencia)
- **13.6 million customers:** 27% of the Spanish population
- **A benchmark for liquidity** (€60,762 million) and **solvency** (Core Capital Basel II ratio of 12.9%)

Corporate culture rooted in its founding values

- **Excellence:** conscientious management and high-quality service
 - EFQM Gold Seal of Excellence
- **Innovation:** substantial technological capability and ability to stay ahead of the wave and adapt to change
 - “Most innovative bank in the world” as voted by Bank Administration Institute and Finacle
- **Stakeholder proximity:** wide reach and dedication to local communities
 - Largest branch network (5,730 offices and 9,597 ATMs)
- **Talent:** a well-trained, committed and motivated workforce
 - 8.4 out of 10, level of satisfaction reported by employees in the Opinion Survey

Committed and sustainable

- Listed on the top **sustainability indices** worldwide: DJSI, ASPI and FTSE4Good. Also ranked on the CDP Leadership Index since 2013
- With a **community-focused bank** specialized in microcredits (MicroBank)
- Over 5,400 participants in the **Corporate Volunteering Program**
- Signatory of the **Equator Principles and the United Nations Global Compact**
- Driver of the **“la Caixa” Foundation**-allocated a budget of €500 million for the seventh year running



Shareholder structure

CaixaBank controlling shareholder is Caja de Ahorros y Pensiones de Barcelona, "la Caixa", which held a 64.37% stake at December 31.

Meanwhile, its free float (the portion of share capital not held by the majority shareholder and members of the Board of Directors) is distributed among more than 735,000 shareholders.

At year end, CaixaBank's share capital was represented by 5,027,610,282 shares.

[Over 735,000 shareholders]

"la Caixa", core shareholder

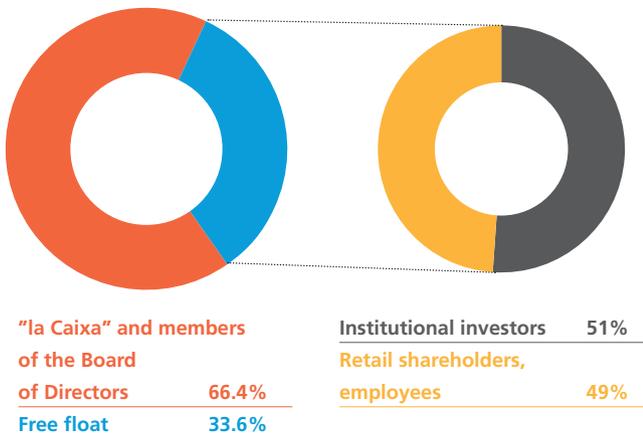
"la Caixa" is a century-old financial institution that was founded with the purpose of fostering savings and investment and making a decisive contribution to society and thus meeting basic social needs.

It is presently the parent of a group with three main branches of activity:

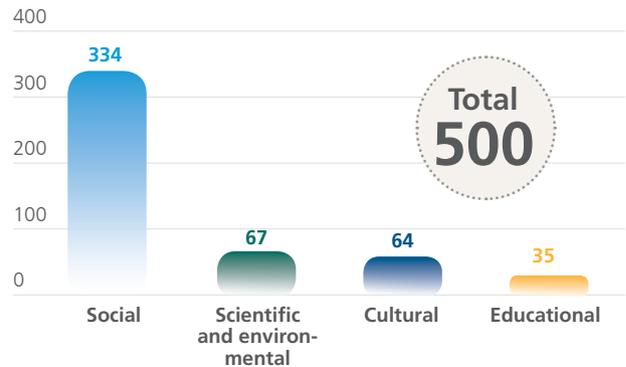
- **financial**, through CaixaBank
- **investment**, through Criteria CaixaHolding
- **social**, through the "la Caixa" Foundation

In accordance with Law 26/2013, it will be transformed into a banking foundation during 2014.

[Shareholder structure]



["la Caixa" Foundation: distribution of budget for welfare programs]
(€ million)





Retail shareholders

CaixaBank's commitment to its retail shareholders is one its top priorities. This commitment is borne out both by the strong remuneration and the educational initiatives, information services, and other benefits extended to these shareholders.

Foro de Buen Gobierno award for best shareholder service initiatives in 2013

- Over 5,000 exchanges through the Shareholder Information Service
- Launch of the Shareholder Office Roadshow
- More than 20 face-to-face information sessions
- Get To Know CaixaBank Program, with visits to the corporate headquarters
- The CaixaBank Advisory Committee comprises 17 members representing the bank's shareholder base

Personalized service

- Launch of the Aula, training for shareholders, featuring face-to-face and online courses, conferences and resources
- CaixaBank Shareholders' Circle of conferences

Knowledge-building and sharing

Accionistas

Exclusive advantages

- Financial benefits such as the CaixaBank Share Investment Account or the CaixaBank Shareholder Card
- Regular offers and promotions
- Cultural and sporting events and informative sessions

Transparency and dialog

- Over 220,000 visits to the Shareholder Services area on the website
- 600,000 copies of the *Shareholder Magazine* – a quarterly publication offering corporate information
- *CaixaBank Shareholder Handbook* for new shareholders
- Daily, weekly and monthly reports; free subscription on line
- Three million e-mails and text updates sent



[Corporate governance]

One of CaixaBank's priorities is to guarantee the transparency, independence and good governance of the company, with a view to safeguarding the interests of all stakeholders and maintaining the confidence of investors. It therefore develops and applies all the policies and rules necessary to ensure good corporate governance.

CaixaBank's management and control structure and hierarchy is split into the following bodies: the Annual General Meeting, the Board of Directors and the Board Committees (the Executive Committee, Audit and Control Committee and Appointments and Remuneration Committee).

The Annual General Meeting is CaixaBank's highest governing body. The Board of Directors is the bank's representative and senior decision-making body, except in some matters reserved for the highest decision-making authority, the Annual General Meeting.

Business ethics

CaixaBank considers that it is fundamental to ensure its conduct and values are in synch. Its Code of Business Conduct and Ethics sets out the rules governing the actions of all employees, executives and officers of its governing bodies. The Code establishes the values of leadership, trust and social commitment.

The bank is also a signatory to the United Nations Global Compact and strives to promote its ten principles based on human and labor rights, respect for the environment and combating corruption.

In 2013, CaixaBank approved an anti-corruption policy regulating its relations with public administrations, political parties, authorities and civil servants; and conduct regarding, inter alia, accepting and giving gifts, sponsorships and donations to non-governmental organizations.

Best governance practices

- One share, one vote
- Separation of duties between Chairman and C.E.O.
- All stakeholders represented on the Board
- Minority shareholders protected
- 26.3% of Board members, female*
- 26.3% of Board members, independent directors**
- Majority of the members of the Audit and Control Committee and the Appointments and Remuneration Committee are external directors, while the chairpersons of both committees are independent directors

*22.2% as from December 12, 2013

**22.2% between December 12, 2013 and February 27, 2014





Board of Directors

Directors at December 31, 2013



Isidro Fainé Casas
Chairman
Proprietary director



Juan María Nin Génova
Deputy Chairman and C.E.O.
Executive/Proprietary director



Eva Aurín Pardo
Proprietary director



**María Teresa Bassons
Boncompte**
Proprietary director



Fundación Caja Navarra
Proprietary director
represented by
Juan Franco Pueyo



Salvador Gabarró Serra
Proprietary director



**Susana Gallardo
Torrededía**
Independent director



Javier Godó Muntañola
Proprietary director



Javier Ibarz Alegría
Proprietary director



**Maria Dolors Llobet
Maria**
Proprietary director



Juan Rosell Lastortras
Other external director



Alejandro García-Bragado Dalmau
Secretary (non-director)



David K.P. Li
Other external director



Alain Minc
Independent director



John S. Reed
Independent director



Óscar Calderón de Oya
First Deputy Secretary
(non-director)



Juan José López Burniol
Proprietary director



Leopoldo Rodés Castañé
Proprietary director



Fundación de Carácter especial
Monte San Fernando
Proprietary director
represented by
Guillermo Sierra Molina



Adolfo Feijóo Rey
Second Deputy Secretary
(non-director)



Xavier Vives Torrents
Independent director



Management Committee

At December 31, 2013



Isidro Fainé Casas
Chairman



Juan María Nin Génova
Deputy Chairman and C.E.O.

General Managers



Antonio Massanell Lavilla
Chief Resources Officer



Tomás Muniesa Arantegui
Chief Insurance and Asset Management Officer



Juan Antonio Alcaraz García
Chief Business Officer



Joaquim Vilar Barrabeig
Head of Audit, Internal Control and Regulatory Compliance



Xavier Coll Escursell
Head of Human Resources



Jaume Giró Ribas
Head of Communication, Institutional Relations, Brand and CSR

Deputy General Managers



Gonzalo Gortázar Rotaeché
Chief Finance Officer

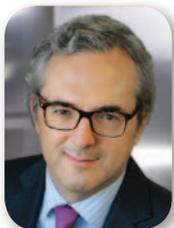


Pablo Forero Calderón
Chief Risk Officer

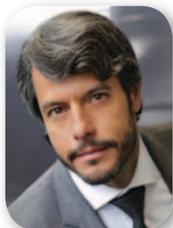


Ignacio Álvarez-Rendueles Villar
Head of International Division

Executive Directors



Javier Pano Riera
Head of Treasury and Capital Markets



Ignacio Redondo Andreu
Head of Legal Advisory



Alejandro García-Bragado Dalmau
General Secretary

[Key strategies]

Three years after the launch of the 2011-2014 Strategic Plan, the bulk of the targets for the period have been met, thanks to careful management, the workforce's ongoing efforts and the Banca Cívica and Banco de Valencia mergers.

The financial system reform has redrawn the map of the banking sector in which CaixaBank holds a strong leading position. During 2013, the bank made significant write-downs, improving its already high solvency and liquidity, despite the challenging macroeconomic, competitive and regulatory environment.

As envisaged when it was initially approved, the Group updated the Strategic Plan at the beginning of 2013, setting out nine strategies and transversal projects, managed by teams from various areas, which will help to achieve the challenges set.

The same sustainable growth principles that define CaixaBank continue to feature in the updated Strategic Plan, in response to the new environment:

- Placing great priority on safeguarding its reputation and service quality, drawing from sound values and business principles.
- Focusing on risk-adjusted return.
- Continuing to diversify through business banking, internationalization and innovation.

Strategies and transversal projects

Key strategies

1 Quality	•		•			•			
2 Reputation			•			•	•		
3 Marketing leadership	•	•		•		•			
4 Focus on corporate customers				•				•	•
5 Financial strength		•		•	•			•	
6 Profitability		•	•	•	•				
7 Managerial leadership			•				•		
8 Innovation			•		•				
9 International expansion			•		•				•

Transversal projects

Branches
Valora
Cultural reinforcement
Measuring profitability
Business ideas
Advocacy Network
Risk map
Customer default
Expansion





Key strategies

1

Provide the best possible customer service

Service excellence is CaixaBank's highest priority, as it is the pillar on which both its leadership and growth potential rest. CaixaBank sees customer relations as a long-term endeavor that must create mutual value, and therefore we strive not only to achieve customer satisfaction but also to act on their suggestions to improve our business.

The **Cultural Reinforcement Program** ensures the continuity of our corporate culture in line with our principles and values.

2

Conduct business in accordance with the highest ethical and good governance standards

CaixaBank reiterates its commitment to apply the best ethical and good governance principles in all its business dealings, with transparent external communication and a commitment to society at the heart of all our business and social activities.

Our **Advocacy Network** Project reinforces our social commitment and our unique way of operating in the market.

3

Maintain status as Spain's leading retail bank

CaixaBank remains committed to locking in its leading position in the Spanish retail market, offering the best possible service to customers, striving to create long-standing relationships and working toward a balance in business across all regions.

Our **Branch Measurement** Project reinforces the corporate strategy by driving up service excellence and identifying synergies.

4

Diversifying by supporting businesses

CaixaBank is gearing up in response to the new economic and lending climate by strengthening the corporate business and ties with these customers. To achieve this, the bank remains committed to diversifying revenue streams and further supporting growth of the Spanish business sector, all in response to our commitment to socioeconomic development in Spain.

Our **Measuring Profitability** Project contributes to establishing the criteria used to correctly interpret risk-adjusted returns.

5

Prioritize financial strength

Heavy regulatory pressures as well as growing customer defaults mean that liquidity and solvency management are essential features of the business. The bank is therefore continuing with its prudent and exacting management approach, making it one of the most robust banks in the Spanish financial system.

Our **Customer Default Management** Project introduces best practices to enhance productivity.



6 Improve risk-adjusted return

Banks have faced heavy pressures on the income statements in recent years. Against this backdrop and in order to address these market challenges, CaixaBank works to optimize all its business lines in order to maximize their profitability without compromising the bank's service quality hallmark.

Our **Valora** Project is intended to drive up productivity by streamlining processes where there is room to make improvements.

7 Cultivate managerial leadership

CaixaBank's focus on constant improvement and adaptation translates into proactive communication, cooperation and internal collaboration in order to continue growing in an ever-changing financial environment.

Our **Risk Map** Project fosters collaboration between the various control areas to provide a more accurate and pin-point insight into the Group's risks.

8 Remain at the forefront of innovation

The shifts occurring in recent years in the financial sector require the Group to develop its capacity to innovate and create new forms of business adapted to customer needs and the changing face of market competition. CaixaBank is well aware of the changes occurring in society, and therefore continually works to adapt its business approach as needed.

Our **Business Ideas** Project introduces new business models and revenue streams.

9 Continue building on international expansion

Markets, businesses and customer needs are all being redefined in an increasingly globalized world. To respond to the new shape of the economy, CaixaBank focuses on internationalization of the business toward economies with high growth potential, closely collaborating with international partners and facilitating the expansion of our customers.

Our **Expansion** Project fosters collaboration with international partners to share best practices and launch joint projects.



[Financial reporting and results]

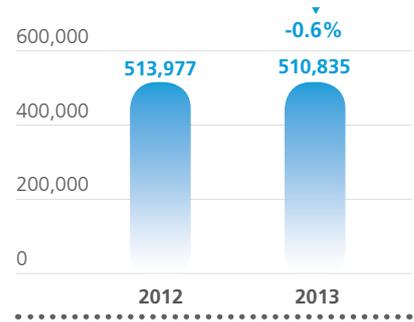
The foundations were laid in 2013 for a gradual improvement in profitability. CaixaBank has shored up its financial strong points: raising liquidity through the enhanced finance structure, generating high levels of capital, and meeting the Basel III targets early.

CaixaBank provides services to 13.6 million customers, with total assets of €340,190 million. The strength of the branch network and completion of the integration of Banca Cívica and Banco de Valencia helped to bolster CaixaBank's market presence and resulted in growth targets being hit ahead of schedule. Consequently, gains in market share in all the main retail banking products and services were achieved.

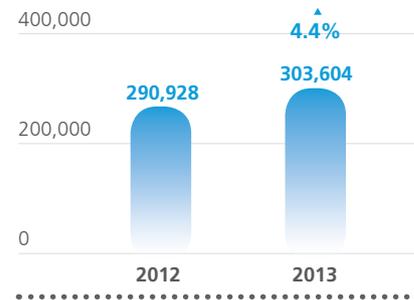
Business volume stood at €510,835 million: total customer funds of €303,604 million (+4.4% in 2013) and a lending portfolio of €207,231 million (-7.1% in 2013). The 6.9% growth in customer funds is a highlight, and significantly diversified among the different savings products. The change in the loan portfolio is mainly due to widespread deleveraging and a reduction in exposure to the real estate development sector.



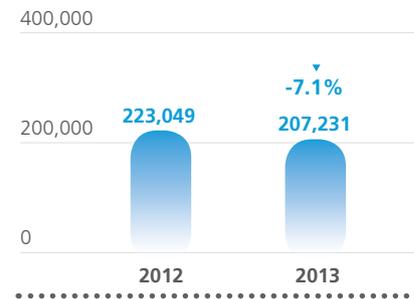
[Banking business volume] (€ million)



[Total funds] (€ million)



[Loans and advances to customers] (€ million)



Financial strengths

Excellent liquidity

At December 31, 2013, the Group's liquidity amounted to €60,762 million (17.9% of total assets), all of which is immediately available. Liquidity increased by €7,670 million, by optimizing liquid assets and generating organic on-balance sheet liquidity.

In 2013, the loan-to-deposit ratio fell 18.2 percentage points to 109.9% - a reflection of a narrowing of the loan-deposit differential and an enhanced financing structure.

The success of CaixaBank's securities issues in international markets stands out in a year of difficult access to wholesale markets. In 2013, €5,344 million of issues were placed with institutional investors, primarily, outside Spain.

Solid capital base

One of the bank's priorities during the year was to boost capital. In this regard, its ability to generate capital saw the core capital ratio climb by 193 basis points over the year. At December 31, the Basel II core capital ratio stood at 12.9%.

- CaixaBank's total eligible equity in December 2013 amounted to €18,754 million, up €113 million (+0.6%) on December 2012.
- Risk Weighted Assets (RWA) totaled €129,110 million. The reduction during the year (of €32,090 million) was driven by lower lending activity, as well as the optimization of Group capital, including the application of internal models to portfolios assumed from Banca Cívica.

The total capital ratio stands at 14.5%, while eligible capital exceeded the minimum regulatory requirement by 81.6%, €8,425 million.

In June 2013, an agreement was reached to transpose Basel III regulations to national law. These new standards set a minimum Common Equity Tier 1 (CET1) ratio of 7% for the end of the transitional period (in 2019). At December 31, 2013, CaixaBank's fully-loaded (i.e., without applying the transitional period) CET1 Basel III ratio was 11.7%. Including the transition period, CaixaBank's CET1 is 11.2%.

Liquidity

€60,762
million
(+€7,670 million vs 2012)

Loan-to-deposit ratio

109.9%
(-18.2 percentage points
vs 2012)

Capital adequacy

Core Capital
12.9%
(+197 basis points
vs 2012)

11.7%
CET1-fully loaded (Basel III)
11.2%
CET1-phase in (Basel III)



Risk management

Change in trend of distressed assets

- Non-performing assets fell €511 million during the second half of the year.
- The NPL ratio (11.66% at December 31, 2013) has primarily been affected by deleveraging, application of new criteria for classifying refinanced transactions, and the integration of Banco de Valencia. Stripping out the effect of the real estate development sector, the NPL ratio stands at 6.83%.
- The portfolio of foreclosed real estate assets available for sale stands at €6,169 million, having fallen €158 million in the fourth quarter.
- The major marketing drive pushed up the number of properties sold or leased to €2,180 million (+119.1% vs 2012).

Balance sheet write-downs with appropriate coverage

- In 2013, CaixaBank recognized allowances and write-downs totaling €7,501 million.
- Loan loss provisions reached €15,478 million (+€2,807 million vs 2012), with a coverage ratio of 61%.
- The coverage of foreclosed real estate assets available for sale was 54%, 9 percentage points higher than in 2012 following major write-downs.



Adequate cover

€15,478
million in NPL provisions
(+€2,807 million vs 2012)

61%
NPL coverage ratio

Real estate portfolio management

54%
coverage ratio for foreclosed
real estate assets available for sale
(+9 percentage points vs 2012)

€2,180
million in property sales
and leases

Profit/loss

Net profit for the Group stood at €503 million (+118.9% vs 2012), affected by high levels of recurring banking income, the major provisioning and write-down effort, and gains on corporate events.

Earnings were also affected by the mergers of Banca Cívica (as from July 1, 2012) and Banco de Valencia (as from January 1, 2013).

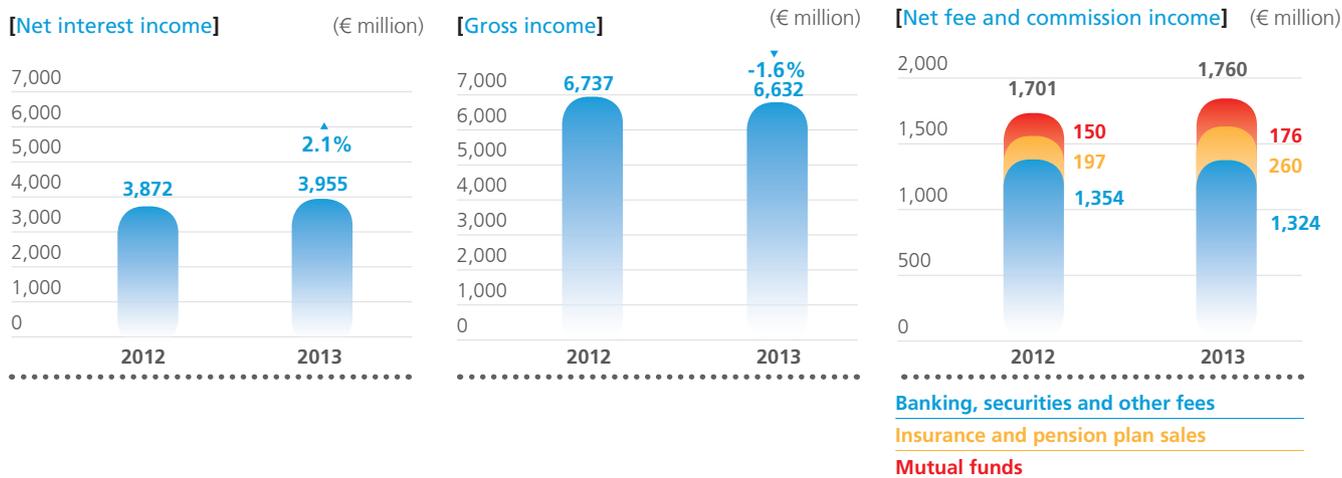
Significant recurring banking income

- Net interest income is up 2.1% to €3,955 million. Performance was characterized by higher margins on new transactions and active management to reduce financing costs, which offset the impact of repricing of the mortgage portfolio, deleveraging and customer arrears.

- Fee and commission income was sustained, totaling €1,760 million (+3.5% in 2013), underpinned by higher business volume managed and the bank's commercial strength. The increase in fee and commission income resulting from the management of off-balance-sheet funds is most noteworthy.

- Lower contribution from investees: decreased dividends and attributable results.

- Gains on financial assets and liabilities and exchange rate gains totaling €679 million in 2013.





Faster pace of harnessing synergies

- On a like-to-like basis*, recurring operating expenses declined by 6.4%, as a consequence of the intense efforts to optimize the Group's structure and the completion of the key milestones in the integration of Banca Cívica and Banco de Valencia.
- Work is being stepped up to unlock synergies that guarantee cost savings: synergies totaling €436 million were captured, 156% of the target announced for 2013.
- Total operating expenses also reflect the recognition in 2013 of non-recurring costs of €839 million, primarily derived from the CaixaBank personnel restructuring agreement. Stripping out non-recurring costs, pre-impairment income was €2,685 million (down 16.6%).

High write-downs and gains on corporate transactions

- Impairment losses on financial assets and other increased by +9.8% to €4,329 million in 2013. These included major write-downs to comply with additional regulatory requirements: application of new criteria for refinanced transactions, and full compliance with the provisioning requirements for loans to the real estate sector as set out under Royal Decree Law 18/2012.
- Significant write-downs to cover foreclosed assets, €665 million.
- Gains on corporate actions: acquisition of Banco de Valencia, and sale of 51% of the real estate business; sale of the non-life insurance business of Banca Cívica and Banco de Valencia to SegurCaixa Adeslas; and sale of part of the stake in Grupo Financiero Inbursa.

*Pro-forma, including Banca Cívica and Banco de Valencia as of January 1, 2012.

Ratings

CaixaBank is one of only three Spanish financial institutions to be rated investment grade by the four rating agencies at December 31, 2013.

Agency	Long-term	Short-term
Standard&Poor's	BBB-	A-3
Fitch	BBB	F2
Moody's	Baa3	P-3
DBRS	A (low)	R-1 (low)

Outlook: stable for S&P, negative for the other three agencies.



[Active risk management]

The bank adopts a global, proactive and cautious approach to managing business risks using internal control and oversight systems that conform to leading international standards. Its objective is to optimize the risk/return ratio, all in support of its aim to offer the best customer service quality and gain a stronger foothold as one of the soundest entities on the Spanish market.

Risk identification, measurement and assessment is constantly taken into account in the decision-making processes at CaixaBank. These risks include:

- **Credit risk**, with procedures for approval, monitoring, measurement and valuation of risk, composed of:
 - A system of powers for approving transactions to ensure effective delegation of risks (rating, scoring).
 - Pricing tools to achieve appropriate coverage of the risk premium (RAR).
 - Use of advanced internal rating and scoring models (89.38% of total exposure).
 - Prevention and early management of NPLs.
- **On-balance sheet risk** includes balance sheet interest rate risk inherent in all banking activity. This latter risk is controlled for two reasons: to reduce the sensitivity of net interest income to interest rate fluctuations and to preserve the economic value of the balance sheet.

Any potential loss in value of the bank's financial assets as a result of adverse fluctuations in market rates or prices is also measured and controlled on a day-to-day basis.

- **Liquidity risk**, maintaining diversified sources of finance, low reliance on wholesale markets and major stability through customer deposits.
- **Operational risk**, mitigated by employing an expert workforce and using procedures, systems and controls in place. This risk, which is inherent to banking business, is managed where possible, and occasionally protected through insurance.

- **Reputational risk**, controlled by monitoring potential risks, developing preventive measures and assessing the effectiveness thereof. Stakeholder opinions and expectations are also regularly analyzed.

CaixaBank also uses a **risk control** model offering three lines of defense, which is managed and overseen by areas that are separate from those managing risks. The aim is to have the necessary controls in place to manage risks, establish second-tier controls and obtain independent expert opinions on the areas reviewed.





[Business model]

CaixaBank is dedicated to a universal banking model which is accessible, innovative and of a high quality and offers tailor-made value proposals, supported by a flagship multichannel distribution system. The bank also focuses on international diversification by taking up positions directly abroad and through strategic partnerships with investee banks.

A leading bank

2013 saw CaixaBank consolidate its position as the leading bank in the Spanish market, off the back of an intensive commercial campaign and the integration of the businesses of Banca Cívica and Banco de Valencia, bolstering its presence in these regions.

It has an enviable customer base including one in four Spaniards, and occupies to the top position in the main retail product rankings; achieving widespread and sustained gains in market share.

Through VidaCaixa, it is at the helm of the Spanish life insurance and pensions market, boasting 3.6 million customers and handling over €50,000 million in funds.

First-choice bank for almost 1 in 4 households in Spain

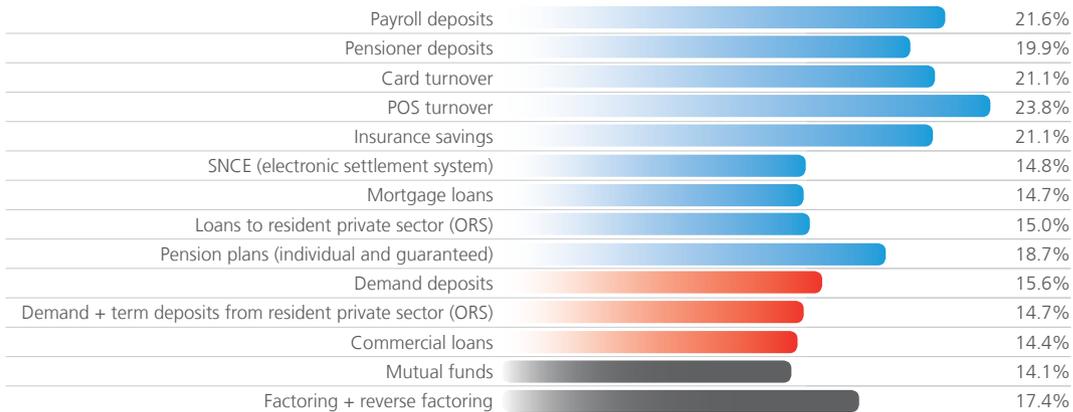
Market share of customers

27% of individuals aged 18 and over

31% of businesses

[Clear leadership in the majority of retail products]

Market shares and ranking (December 2013)

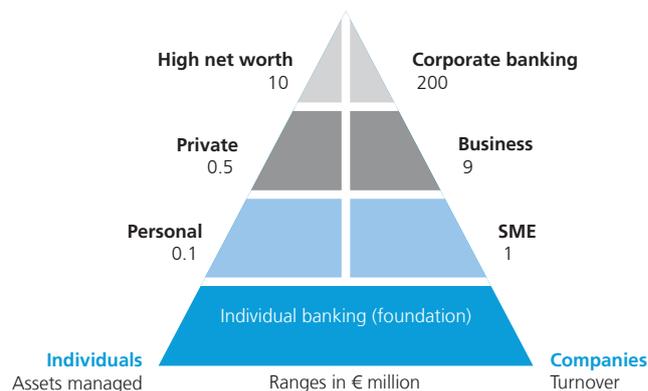


First Second Third

Specialized management

In order to adapt to the varying profiles and needs of its **more than 13.6 million customers**, CaixaBank structures its value proposition around six business segments, tailoring its product and service offering for each, thanks to a specific catalog of financial and non-financial solutions and dedicated teams of expert professionals.

It likewise segments its branch network as warranted.



Individual banking

Over **5,700** branches

Targeted at individuals with a net worth of up to €100,000 and at businesses (retail establishments, self-employed and freelance professionals, micro-companies and farmers) with annual turnover of up to €1 million. This forms the bedrock of the rest of its specialized value proposals.

Personal banking

1,250 specialist managers

Tailored solutions for customers with a net worth of between €100,000 and €500,000. The value proposition is based on the ability to tailor solutions to each customer, leverage the multi-channel platform and ensure homogenous advisory standards.

Private banking

379 exclusively-dedicated professionals

Services customers with a net worth of over €500,000 through 34 exclusive centers. For high net worth individuals (over €10 million), the dedicated Altium team offers a more sophisticated wealth management service.

SME banking

361 specialized offices

This service is targeted at companies with annual turnover of between €1 and €9 million and is coordinated by the general-purpose and specialized branches, which include SME banking specialists among their staff. Both teams are supported by a group of experts (financing and services, cash management, trade financing and corporate financing).

Business banking

85 business centers

Five years ago CaixaBank set up a specialist network of business banking centers targeted at companies with annual turnover of over €9 million.

Corporate banking

137 exclusively-dedicated professionals

The banking business of corporate groups with annual turnover in excess of €200 million is managed from several specific centers located in Madrid and Barcelona. These accounts are managed by specialized relationship managers who coordinate with the other business units.



Multi-channel management

In order to expand its customer base and bring it even closer to customers, CaixaBank's specialized management model is underpinned by a leading multi-channel distribution platform nourished by the bank's entrenched culture of innovation and uninterrupted investment in technology to improve services. In 2013, it invested €154 million in technology development, €35.5 million of which was earmarked to R&D and innovation work.

• Internet banking

In 2013, CaixaBank was once again the leading player in online banking in Spain. It ranked #1 in terms of its share of the home market (32% in December 2013, Comscore) and #2 in the international playing field. For the fourth year running, Aqmetrix rated the bank #1 in terms of service quality.

• Mobile banking

Mobile devices have become the second most popular banking channel, accounting for 942 million transactions. CaixaBank remains a front runner in this sector in Spain and is also an international benchmark. According to Forrester Research, CaixaBank is Europe's best mobile banking provider and the second best in the world.

• ATMs

CaixaBank has been a pioneer in rolling out contactless technology, with over 1,719 ATMs offering this service. Its network is also known for being barrier-free, with 62% of its ATMs fully adapted for disabled users.

• Payment methods

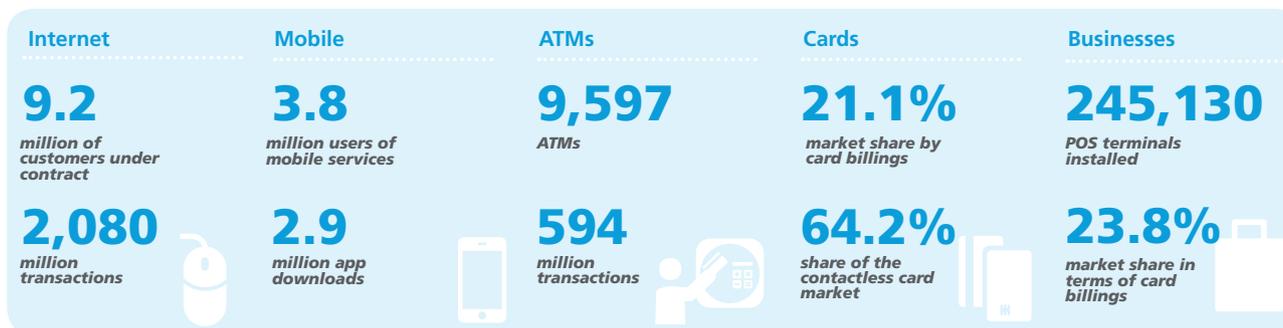
CaixaBank leads the way in payment methods with 13 million cards in circulation and over 245,000 POS terminals installed. It has set the trend in issuing contactless cards: a technology that makes it easier to pay for certain transactions for small amounts which were previously made in cash. This option is now readily available in the main cities around the country.

• Social networks

With in excess of 100,000 active users, CaixaBank is dedicated to developing its own virtual communities revolving around financial services. In 2013, it launched Stocktactics, a community for sharing stock market investment strategies.

Leading presence in electronic channels

52% of transactions over the internet or using a mobile device





Internationalization

International diversification is one of CaixaBank's core strategic targets. This strategy is being articulated around a direct presence in the form of banking branches and representative offices; and strategic alliances with leading investee banks and long-term relationships with multilateral agencies and central banks.

CaixaBank has strategic investments in five major banking groups in Europe, China and Mexico in order to offer shareholders and investors preferential access to new business opportunities in high-growth regions with a balanced risk profile. These financial groups, with combined assets of over €335,000 million, also help CaixaBank customers with their business interests abroad.

Moreover, CaixaBank maintains a proprietary branch network in different countries, through which it provides specialized support for customers with trade dealings outside Spain. In 2013, it opened representative offices in Chile (Santiago de Chile) and Colombia (Bogotá). Where it does not have a direct presence or indirect presence through partner banks, CaixaBank has a network of over 2,900 correspondent banks.

Diversification of revenue

In order to diversify its sources of income, CaixaBank holds equity interests in Repsol (12.02%) and Telefónica (5.37%), both leading companies in their respective sectors, which offer growth and value stories as well as a strong international presence.

[CaixaBank's international presence]





[Corporate culture]

CaixaBank has nurtured its own corporate culture which is underpinned by its founding values - the basic tenets that guide everything we do. The bank's entire management approach is aimed at forging close relationships with customers and achieving service excellence through innovation and managing talent.

Excellence

One of CaixaBank's top strategic priorities is the provision of excellent customer service. To this end, it bases its banking model on personalized customer service, a broad spectrum of financial products and services, credibility in the eyes of its customers, transparency and financial strength.

Seal of Excellence for management approach

In 2013, CaixaBank applied for the renewal of the European Seal of Excellence awarded by the European Foundation for Quality Management (EFQM). This seal was certified by AENOR in 2012: CaixaBank scored over 500 points, the highest score obtained in Spain.



[Quality Satisfaction Index (QSI) in 2013]



The bank has devised an internal service quality indicator for the branch network, coined the Quality Satisfaction Index (QSI), which draws on the feedback of over 420,000 annual customer surveys. It also measures service quality using tools such as the mystery shopper, in order to draw up continuous improvement plans.

The official communication channels offered by CaixaBank include the Customer Service Office, which handles customers' requests, comments and enquiries. The complaint resolution process was redefined in 2013 to improve how complaints are handled, response times, and customer satisfaction.

Responsible sales and marketing communication

CaixaBank has a Transparency Committee charged with ensuring products and services are designed and marketed in a transparent manner. The bank has a commercial communication policy based on respect for society, customers and corporate values.



Proximity

CaixaBank has been working for over a century to earn the trust of all its stakeholders by leveraging professionalism and proximity, the latter in both the physical and emotional sense. To this end, it strives to remain accessible and close at all times through an extensive branch network, by showing empathy, listening carefully and displaying respect for and engagement with our communities.

CaixaBank's network is nationwide and boasts tremendous reach. With its 5,730 branches, the bank is present in 100% of Spanish towns with more than 10,000 inhabitants and in 84% of those with over 5,000 inhabitants.

In 2013, CaixaBank absorbed the retail networks of Banca Cívica and Banco de Valencia. By absorbing some of these entities' smaller or overlapping branches, the Institution made progress on streamlining its network without abandoning any market or withdrawing service in any rural towns.

CaixaBank works to ensure that its branches, ATMs and online platforms are accessible. 85% of the network has been adapted pursuant to a "ground-level" policy, which eliminates any height differences or, falling short of this, remedying them with ramps or elevators.

Close to communities

Thanks to the reach of its branch network, CaixaBank sponsors a wide range of local events and activities, such as cultural and sporting traditions, and collaborates with the "la Caixa" Foundation to meet the social needs detected in local communities in partnership with charitable and other community organizations.

***Presence in all towns with over
10,000 inhabitants***

As a show of its commitment to the local communities it serves, CaixaBank decided to preserve the original Banca Cívica and Banco de Valencia trademarks alongside its own during the integration process, on account of their deep roots, history, significance, contribution and penetration in their respective regions of influence.

It also adopts a policy of respecting different linguistic preferences. In order to strengthen ties with its customers, CaixaBank's ATMs and websites and written documentation are available in a number of languages.

With the aim of fostering transparent communication and dialog, CaixaBank maintains close ties with the media and is very active on the main social networks.





Innovation

CaixaBank views innovation as the means to raising customer service standards and generating new sources of income by anticipating changes in society and emerging technologies.

The following is crucial to delivery of this dual objective:

- Analysis of external trends: study of changes emerging in society and on the technology front enables the early detection of new business opportunities and trends that will ultimately shape new business models.
- Feedback from employees and customers: their ideas and suggestions help to continually improve processes and products and, by extension, the service standards offered.



How CaixaBank innovates

OPEN

In close collaboration with cutting-edge companies, institutes, universities and organizations from different sectors.

Immersion in the trends that will materialize in new business to identify emerging technologies and test new concepts. In a nutshell, the ability to tap into disruptive innovation models.

PARTICIPATORY

A model that leverages customer and employee ideas.

Encouragement of active customer and employee involvement in the generation and evaluation of initiatives via the bank's virtual platforms such as Inspíranos and Innova.

This interaction enables CaixaBank to pinpoint the ideas that are most likely to translate into growth.

ACKNOWLEDGED

By multiple national and international prizes and accolades.

These acknowledgements include: "Best Retail Bank for Technology Innovation" from *Euromoney*; "Bank of the year in Spain 2013" from *The Banker* and "Global Innovator Winner", awarded by Accenture and Efma.

BAI-FINACLE
GLOBAL BANKING
INNOVATION
AWARDS 2013

Most Innovative Bank
in the World 2013
Best Product and
Service Innovation 2013



Open-architecture innovation model

CaixaBank partners with other organizations and entities to identify emerging technologies, trends that are of interest to the financial sector, allowing it to develop new business models.

In 2013, attention turned to customer and employee mobility, social networking technologies, data management to improve decision-making, process digitalization and automation, and shifts in customer relations.

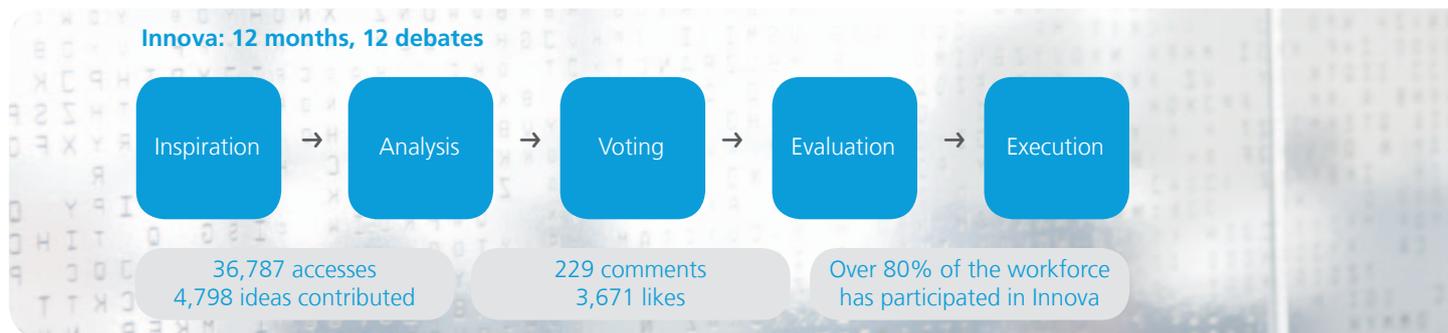
The “la Caixa” - IBM Digital Innovation Center works on the latest technologies, research capabilities and business process developments with a view to increasing the value of CaixaBank’s business. CaixaBank also partners with Oracle in the Big Data field to streamline the decision-making process and develop new products and services through mass data management.

The third edition of FinAppsParty was hosted, during which awards were given to the best ideas for mobile phone apps in the areas proposed by CaixaBank. 37 projects were submitted by 46 teams, involving 122 participants.

Ideas as a source of innovation

CaixaBank’s innovation model encourages collective intelligence and co-creation. Customer and employee involvement is therefore critical.

- **Inspiranos** [Inspire us] for customers: an innovation community based on Web 2.0 technology that is open to all internet banking users. Customers can send CaixaBank their proposals for new products and services, and evaluate other users’ contributions. There were over 140,000 visits in 2013, with 1,275 contributions submitted.
- **Innova**, for employees: an in-house portal providing tools and instruments for staff to share ideas and knowledge. The portal has several sections:
 - Tus ideas suman [Your ideas count], where proposals on a specific theme are collated. Staff can work in a team to execute a project (Challenges area) or trial and comment on new products before they are launched (Product-testing section).
 - Suggestions Box collects ideas for how to do better, sent in spontaneously by employees. In 2013, 6,632 ideas were received, 533 of which have been slated for implementation.





Talent: people at the heart of the business

CaixaBank has a satisfied, well-trained, motivated and loyal workforce, thanks to a people-centric management model.

The reference framework for this model consists of human resource management policies and principles, around which a battery of development processes and systems have been designed. All this aims to ensure everyone at the bank is satisfied and committed. In addition, a raft of evaluation techniques are in place to ensure this model is continuously improved, such as in-house opinion surveys and external and independent monitors.

Management policies and principles

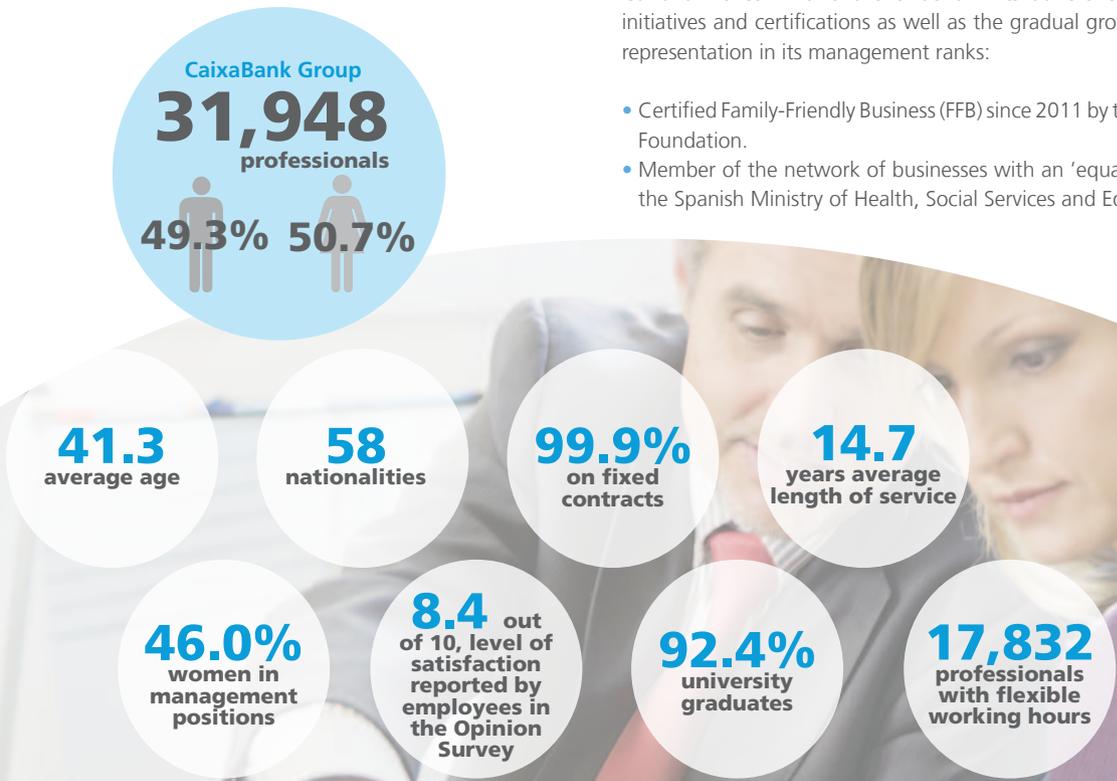
The bank has defined the following HR management policies and principles:

- Gender quality and work/life balance
- Promotion of career development
- Merit-based promotion
- Performance-based pay directly related to delivery of individual and team targets
- Occupational health and safety
- Job stability
- An optimal internal communication effort

Equality and work-life balance

CaixaBank’s commitment is evident in its adherence to different initiatives and certifications as well as the gradual growth in female representation in its management ranks:

- Certified Family-Friendly Business (FFB) since 2011 by the Másfamilia Foundation.
- Member of the network of businesses with an ‘equality seal’ from the Spanish Ministry of Health, Social Services and Equality.



Internal communications

At CaixaBank, internal communications are built upon transparency, proximity and active listening. The bank strives to keep employees informed of the business's priorities at all times, disseminate internal policies which affect them, and find out about their expectations and concerns so that it can effectively liaise with them.

Career development

In addition to its HR management policies and principles, CaixaBank has defined a series of career development systems and processes with a view to ensuring the development, satisfaction and commitment of all its people.

Training and knowledge management

Its professionals' store of knowledge is a hugely valuable intangible asset. CaixaBank works to structure and transmit this knowledge by different means, including internal trainers and knowledge leaders, technology such as the Virtaula platform and the in-house social networks such as Valora, Conecta and Innova, which facilitate the sharing of information, ideas, opinions and experiences.

Performance evaluation and talent management

The performance evaluation system ensures the work of each professional is geared towards achieving their objectives, and commensurate with their innate skills and talent; recognizing achievements both qualitatively and quantitatively. The Executive Development Center (EDC) helps to reinforce the key role played by CaixaBank's executives in terms of its business model and leadership by honing their skills, providing support for the deployment of strategic initiatives, and reinforcing their sense of belonging at the bank and their identification with its values and culture.

Recognition systems

CaixaBank uses a recognition system that is aligned with the bank's strategy to foster its professionals' involvement in and commitment to its mission and efforts to meet the challenges set. Service excellence, fulfilment of individual and team goals, and stand-out attitudes and skills are therefore rewarded through incentives and performance awards.

Social commitment

In keeping with its pledge to society, CaixaBank invites all its professionals to participate in the Corporate Volunteering and Espacio Solidario [Charity Corner] programs, through which they can give their time or donate to a variety of charity projects.

Training in 2013

€10.2

million, investment in training

51.4

training hours per employee per annum

99.5%

employees received training

86.3%

of training provided online

Evaluation and talent management programs

267

directors involved in EDC

17,274

people in the skills assessment program

1,131

evaluators involved in the 180° assessment program

799

persons in the executive track program



[Commitment to people and society]

CaixaBank marries its leadership ambitions with a commitment to the socio-economic development of the people and regions in which it does business. To achieve this, the bank attempts to drive economic growth and help increase private sector productivity, create jobs and raise living standards for individuals and families.

Impact of our activity

By providing financial services, CaixaBank contributes 0.73% directly to Spain's GDP (17.5% of the value added by the entire financial sector). Factoring in the value added by its suppliers via the bank's purchases, CaixaBank's contribution to Spanish GDP rises to 0.95%. It also generates value indirectly by granting loans or through the purchases made by its workforce and suppliers.

CaixaBank creates jobs through direct employment, with the Group boasting a workforce of 31,948 professionals (99.8% on permanent contract). It also generates employment through the multiplier effect of procurements made by its suppliers, and indirect employment through the loans extended to its customers to carry out productive activity.



2013: Contribution to the Spanish economy

€7,976
million in value added by the Group's business activities* **→** **0.95%**
Total contribution to Spanish GDP*

Other impacts

€83,400 million awarded through 1.5 million lending transactions
+€16,673 million increase in retail funds handled (excluding institutional issues)
€1,661 million in procurements from suppliers (99% national)

Jobs

35,086 jobs created indirectly through contracting of suppliers*

101,199 jobs generated since 2007 through awarding of microcredits to entrepreneurs**

67,771 work opportunities created through the Incorpora program since 2006

*Source: "la Caixa" Research estimates; the direct contribution to Spanish GDP is estimated at 0.73% and the indirect contribution at 0.22%.

**See Report on the social impact of microcredits on MicroBank's website

Alongside entrepreneurs and industry

Retaining a powerful business base is one of the keys to the economic development of any country. 31% of small to medium-sized enterprises and major corporations in Spain are CaixaBank customers.

In 2013, CaixaBank approved over 1.5 million loans in total for an aggregate of €83,400 million. CaixaBank's loan book primarily consists of loans to individuals and SMEs. It also helps businesses to expand internationally (22.8% share of the export market).

MicroBank

MicroBank, the Group's community-focused bank, offers financial products and services that are especially adapted to entrepreneurs, micro-businesses, individuals and families, in order to boost production, job creation, self employment, personal and family development, and financial inclusion.

Throughout 2013, it awarded 55,773 microcredits totaling €313.2 million, 15,678 of which were granted to entrepreneurs (+45% vs 2012), who received €169.2 million. At the end of the year, the outstanding microcredit book stood at €514.3 million.

Since it was established in 2007, this bank has granted over 225,000 microcredits (valued at €1,358 million).

Encouraging innovative ideas

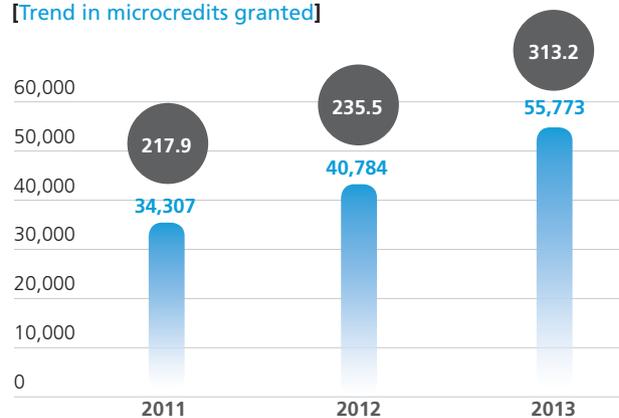
Caixa Capital Risc manages four private equity companies with a total of €73 million under management; most of this equity has been put in by CaixaBank. These investment vehicles specialize in taking stakes in innovative Spanish companies: micro-business start-ups, SMEs with a significant technological component and which are expanding internationally, and companies in the life sciences and digital technology sectors.

CaixaBank runs business start-up programs in emerging sectors

Since 2010, Caixa Capital Risc and several partners have hosted a cycle of business start-up programs at Spanish universities and research centers. The programs focus on life sciences (BioEmprendedorXXI), clean technologies (EcoEmprendedorXXI) and digital technologies (EmprendedorXXIDigital).

CaixaBank has been awarding these EmprendedorXXI prizes since 2007 with the goal of identifying, acknowledging and accompanying innovative Spanish start-up growth stories. 665 companies from all over Spain participated in the seventh edition of these prizes.

Trend in microcredits granted



Number

Amount (€ million)



Giving back to the community

CaixaBank collaborates with the “la Caixa” Foundation to disseminate and roll out the latter’s programs. These include the Integration into Work program to help people who have specific difficulties in entering the job market and at risk social exclusion find a foothold in the job market. Since 2006, 67,771 job opportunities have been created through 26,781 partnerships with companies.

It also participates in schemes to help young people, the elderly and families find housing (Affordable Housing Program), promote the Corporate Volunteering Program, and vaccinate more children in poor countries (in collaboration with GAVI Alliance). In 2013, the contributions by the Group, its customers and CaixaBank’s staff will enable 160,000 children in Honduras and Nicaragua to be vaccinated against pneumonia.

Towards a sustainable economy

CaixaBank has been a signatory of the Equator Principles since 2007, incorporating social and environmental criteria into its finance activity. It also encourages the financing of projects that help boost energy efficiency. In 2013, it expanded its commercial offering with a new ecoFinanciación [ecoFinancing] line for the farming sector, and has earmarked a total of €4.7 million to finance sustainable projects.

CaixaRenting also promotes the use of fuel-efficient vehicles. 57% of the vehicles sold under special promotions during the year were low-emission cars. With over 24,000 Cuentas Verdes [Green Accounts] open, MicroBank is also helping reforest the Doñana National Park, a UNESCO World Heritage Site.

Since 2009, VidaCaixa has managed all its investments in accordance with the United Nations Principles for Responsible Investment (UNPRI). So too has the pension fund for “la Caixa” Group employees since 2007, with assets of €3,691 million.

CaixaBank alongside the “la Caixa” Foundation

In 2013

14,638 people helped into work
(67% at risk of social exclusion)

More than **5,300** solidarity rented housing units for people whose income has been hit by the crisis

More than **10,300** subsidized rented housing units delivered



5,460 participants in the Corporate Volunteering Program



Socially-responsible products and services

More than **€4.7** million awarded in ecoLoans, ecoMicrocredits and ecoFinancing to the farming sector

24,000 MicroBank Green Accounts

€14.9 million invested through the MicroBank Ecological Fund and MicroBank Ethical Fund

