



## 9M 2016 Results

28<sup>th</sup> October, 2016

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## Improvement in operating performance reiterated during 3Q

1

### Core income growth and lower RE losses improve profitability

- NII growing as guided (+1.8% qoq)
- Fees grow despite adverse seasonality (+2.7% qoq)
- Lower recurrent costs (-0.4% qoq) with further restructuring in 3Q (€121M extraordinary)
- LLPs down 14.2% qoq reduce CoR to 0.42%<sup>(1)</sup>
- Higher bancassurance earnings (+8.0% qoq) and lower non-core RE segment losses (-23.2% qoq)
- RoTE from bancassurance segment increases to 11% (10% in 1H16)

2

### Better business mix and margins

- A seasonal quarter: client funds (+1.0% ytd/-1.6% qoq); performing loans (+0.3% ytd/-1.3% qoq)
- Continuing good performance in insurance and AuM (+6.7% ytd/+4.7% qoq)
- Production of consumer loans (+44% 9M16 yoy) supports higher loan spreads
- Margin discipline: deposit FB yields at 6 bps (-3bps qoq); loan FB yields at 320 bps<sup>(2)</sup> (+7bps qoq)

3

### Faster pace in NPA reduction

- NPL reduction accelerates (-11.1% ytd/-5.6% qoq) with ratio down to 7.1%
- OREO stock trending down (-2.6% ytd/-1.0% qoq)
- Profits on RE sales continue (2% over sale price in 3Q)

4

### BPI pre-funding and organic capital grow solvency metrics

- Growing capital organically (15 bps qoq/36 bps ytd)
- Sale of treasury stock reinforces capital ratios (CET1 FL at 12.6%/Total Capital FL at 15.8%) to maintain CET1 within target post BPI takeover
- Capital strength underscored by 2016 stress test exercise

(1) Trailing 12 months.

(2) Loans to the private sector

## 9M 2016 Results

- **BPI update**
- Commercial activity
- Financial results
- Asset quality
- Liquidity & Solvency
- Final remarks

## BPI takeover bid on track and pre-funded

### Taking control of BPI



#### Transaction details:

- Mandatory tender offer
- For 100% of BPI shares in cash
- Price 1.134€/sh = 6 months VWAP
- 0.70x P/TBV<sup>(1)</sup>

Alignment of economic and political rights

In the process of obtaining regulatory approvals

- Most approvals already obtained, including authorisation from the ECB
- Swift prospectus registration expected upon receipt of remaining approvals

#### Attractive franchise delivering sizeable synergies and generating an attractive ROIC<sup>(2)</sup>

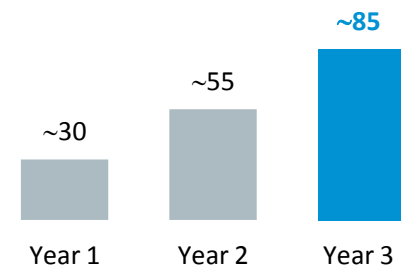
9M16 data

€39Bn assets **11.0%** CET1 FL

#5 by assets #3 by client funds

#3 by assets **31.9%** C/I ratio

Estimated gross cost synergies, € M



#### Placement of treasury shares shows commitment to 11-12% CET1 FL target

€1,322 M  
Deal size

585 M  
Treasury shares

2.26 €/sh  
Offer price

- Strong and geographically diversified demand
- Reinforces regulatory capital to absorb impacts of tender offer

**Closing expected in 4Q16 or 1Q17**

(1) Tangible book value as of 30 September 2016

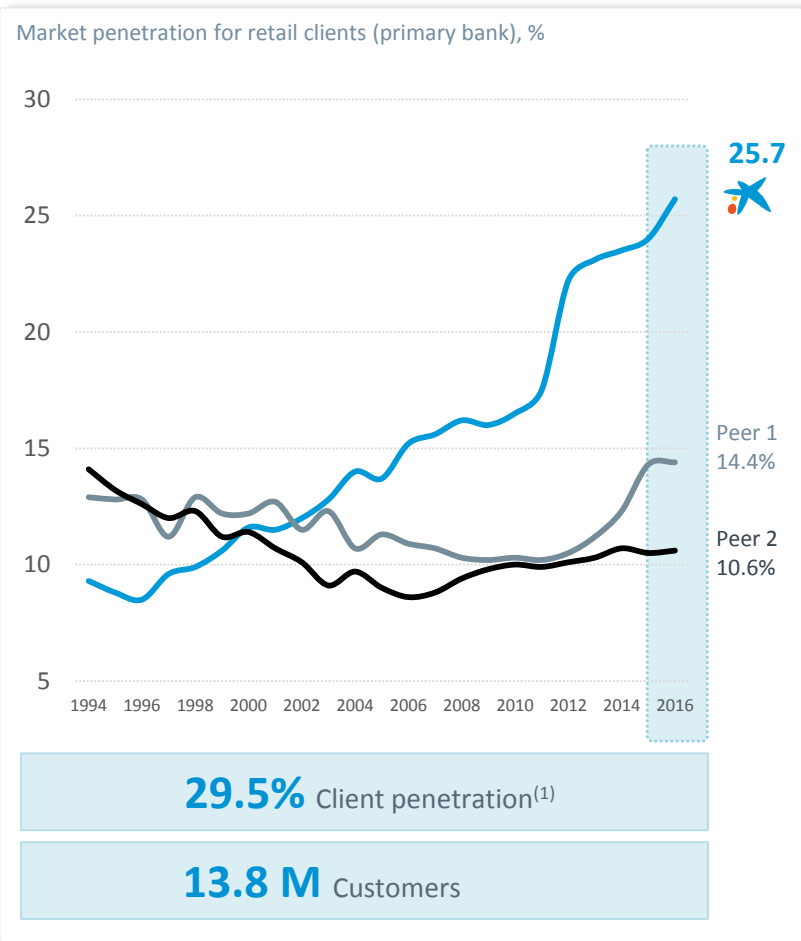
(2) Estimated ROIC of 13% by Year 3 with synergies at full run-rate and assuming a 70% resulting stake in BPI. ROIC estimates do not account for the prospective sale of a 2% stake in BFA that BPI has proposed to Unitel, as announced to the market on 20 September 2016

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- BPI update
- **Commercial activity**
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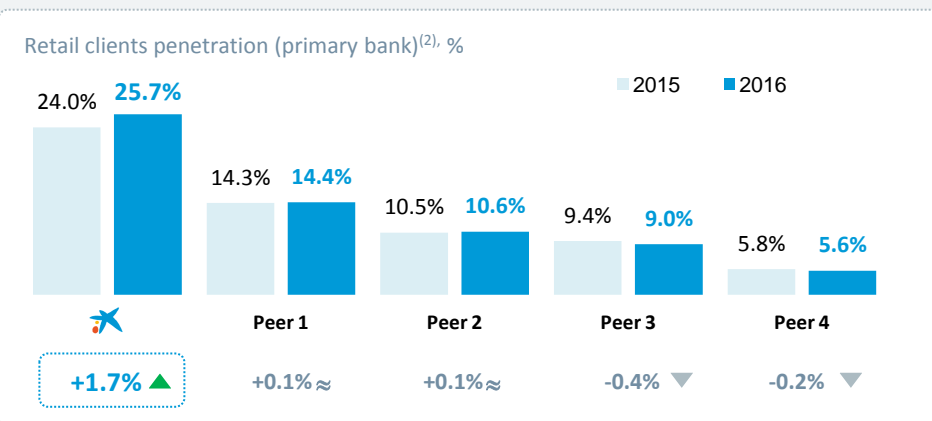
# The “bank of choice” for a growing number of Spanish retail customers

## Undisputed leadership in Spanish retail banking...

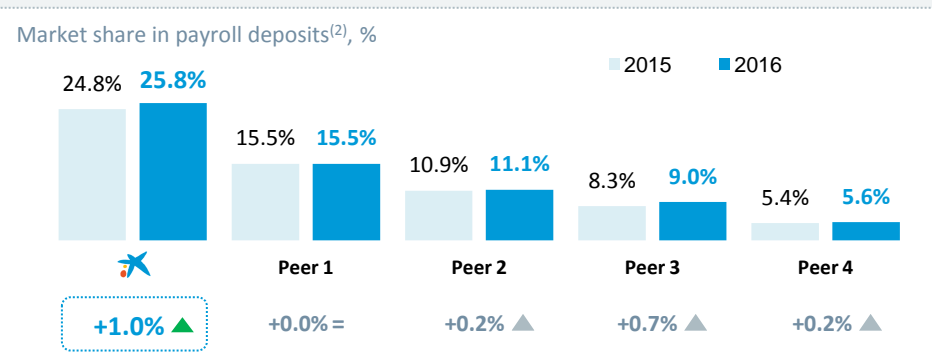


## ... and still growing

### Organic growth reflects franchise strength



### Growing leadership in key client income flows



**Successful business model and solid value proposition**

(1) Retail customers 18 year-old or older

(2) Peers include Banco Sabadell, Banco Santander, Bankia, BBVA

## Transitioning to ultra low cost client funding

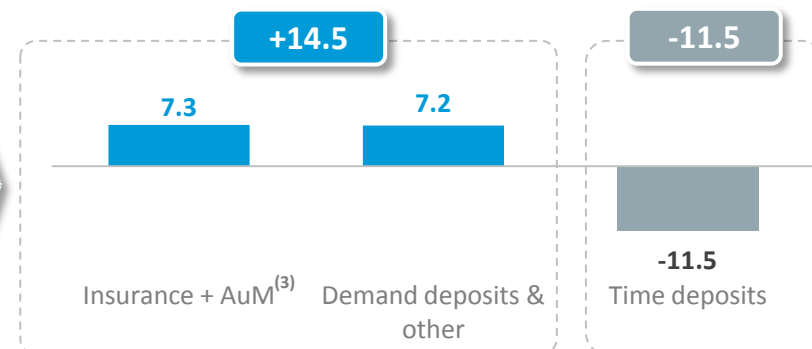
### Customer funds break-down

In €Bn

	30 <sup>th</sup> Sep.	YTD	qoq
<b>I. On-balance-sheet funds</b>	<b>215.9</b>	<b>(0.4%)</b>	<b>(4.1%)</b>
Demand deposits	123.9	6.0%	(2.2%)
Time deposits	49.5	(18.8%)	(13.0%)
Subordinated liabilities	3.3	0.0%	0.0%
Insurance	38.3	11.3%	2.6%
Other funds	0.9	(29.3%)	8.9%
<b>II. Off-balance-sheet funds</b>	<b>83.8</b>	<b>5.0%</b>	<b>5.5%</b>
Mutual funds <sup>(1)</sup>	53.5	4.3%	7.4%
Pension plans	24.4	5.3%	2.2%
Other managed resources <sup>(2)</sup>	5.9	11.1%	2.2%
<b>Total customer funds</b>	<b>299.7</b>	<b>1.0%</b>	<b>(1.6%)</b>

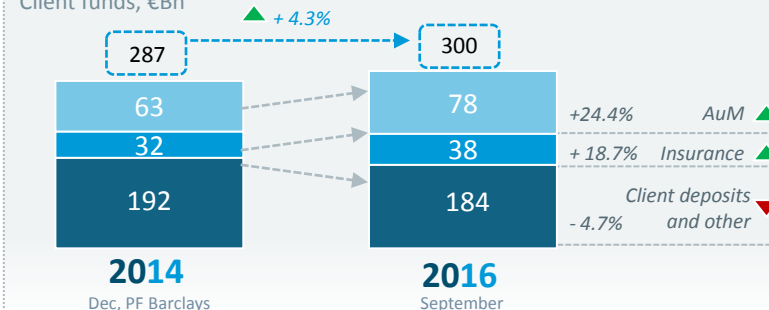
### Growing client funds while moving to zero-cost deposits

Customer funds evolution ytd, in €Bn



#### Mix shift reflects search for returns

Client funds, €Bn



- Overall growth in client funds (+1.0% ytd) while trend towards higher yielding alternatives continues
- On-B/S funds stable (-0.4% ytd) as insurance (+11.3% ytd) offsets migration to off-B/S, quarterly seasonality and cleansing of expensive wholesale deposits
- Off-B/S funds (+5.0% ytd) return to strong growth with an outstanding quarter in mutual funds

(1) Includes SICAVs and managed portfolios

(2) Includes, among other things, a subordinated bond issued by "la Caixa" (currently Criteria Caixa) as well as insurance contracts from Barclays

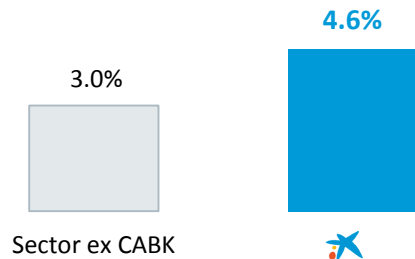
(3) Mutual funds and pension plans



# Consistently outperforming the sector in AuM and life-insurance

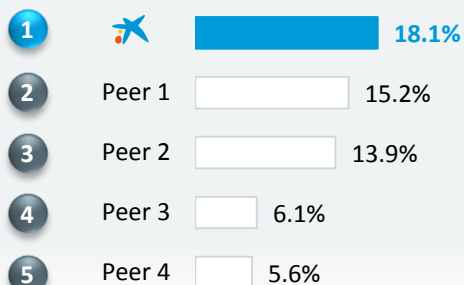
## Mutual funds

AuM growth, % ytd


**€2.6Bn**

Net inflows 3Q16

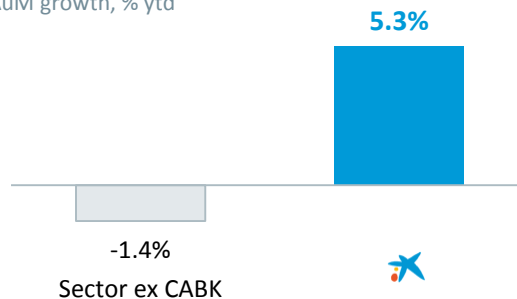

**42%** of  
sector total

 Market share in mutual funds by AuM<sup>(1)</sup>, %

**+23 bps**  
YTD

**+748 bps**  
since 2010

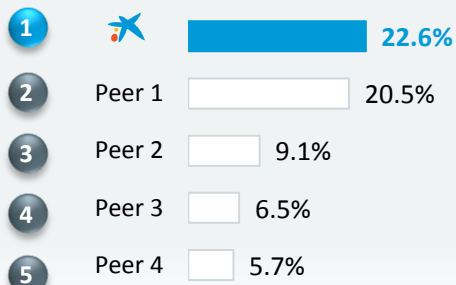

## Pension plans

AuM growth, % ytd


**€1.5Bn**

Net inflows 9M16

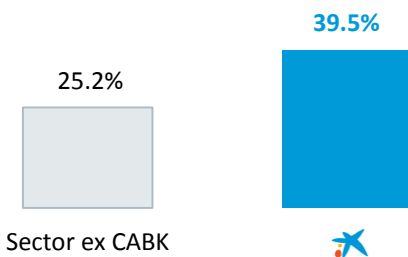

**+32%**  
yoy

 Market share in pension plans by AuM<sup>(2)</sup>, %

**+111 bps**  
YTD

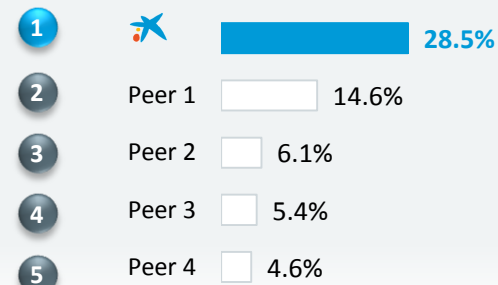
**+642 bps**  
since 2010


## Life-insurance

Growth in premia, % yoy


**€5.8Bn** Net inflows  
life-saving insurance 9M16

**+47%**  
yoy

 Market share in life-insurance<sup>(3)</sup>, %

**+49 bps**  
YTD

**+1,409 bps**  
since 2010


(1) Peers include Santander, BBVA, Banco Sabadell, Bankia  
 (2) Peers include Bankia, BBVA, Ibercaja, Santander  
 (3) By premia. Peers include BBVA, Ibercaja, Mapfre, Zurich

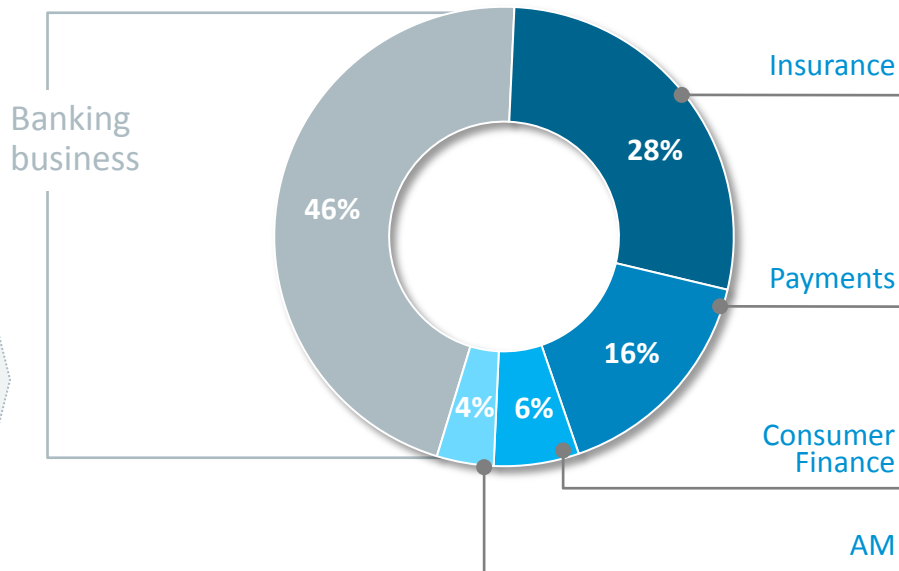
**Reinforcing the message that non-banking businesses are key contributors to results**

**Large and profitable businesses...**

**...with a significant contribution to net income**

Net income from bancassurance segment reporting<sup>(1)</sup> breakdown, as of 30/9/16 (trailing 12 months)



<p><b>11.0%</b></p> <p>Bancassurance RoTE<sup>(1)</sup></p>	<p><b>~5.5 pp</b></p> <p>Contribution from non- banking businesses to bancassurance RoTE<sup>(1)</sup></p>
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**A resilient model for a low rate environment**

(1) Trailing 12 months excluding €121M extraordinary operating expenses in 3Q16 and SRF contribution in 4Q15.

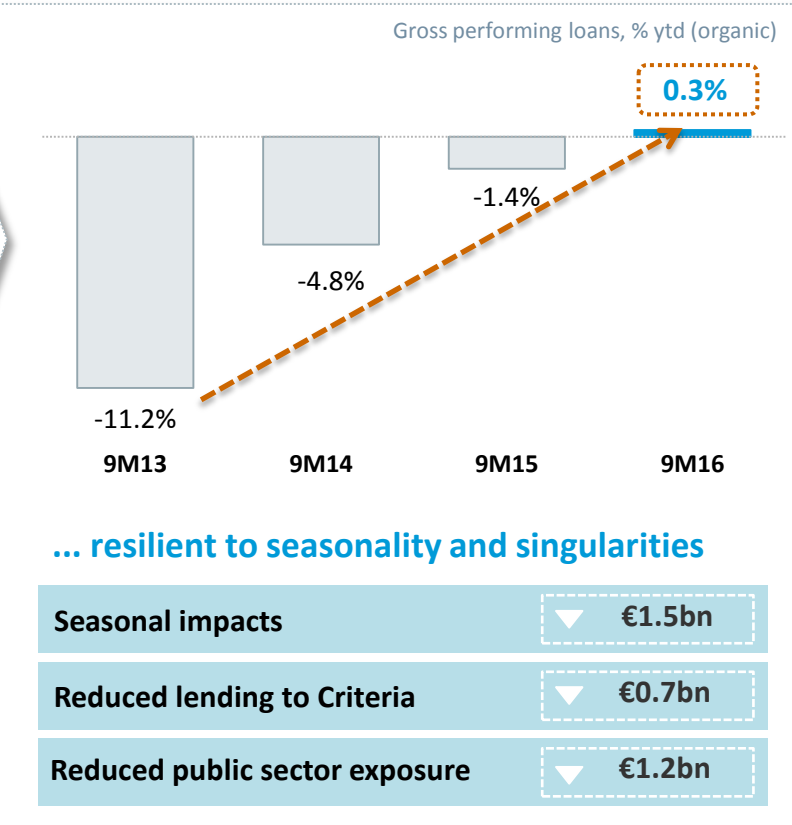
## Performing loan volumes impacted by seasonality and selective approach

### Loan-book break-down

€Bn, gross amounts

	30 <sup>th</sup> Sep.	YTD	qoq
<b>I. Loans to individuals</b>	<b>119.2</b>	<b>(1.5%)</b>	<b>(1.7%)</b>
Residential mortgages – home purchases	87.5	(2.1%)	(0.8%)
Other <sup>(1)</sup>	31.7	0.3%	(4.2%)
<b>II. Loans to businesses</b>	<b>73.0</b>	<b>2.0%</b>	<b>(0.2%)</b>
Corporates and SMEs	63.8	6.5%	2.4%
Real Estate developers	8.1	(17.9%)	(10.2%)
Criteria Caixa	1.2	(37.4%)	(36.6%)
<b>Loans to individuals &amp; businesses</b>	<b>192.2</b>	<b>(0.2%)</b>	<b>(1.1%)</b>
<b>III. Public sector</b>	<b>12.8</b>	<b>(6.9%)</b>	<b>(8.3%)</b>
<b>Total loans</b>	<b>205.1</b>	<b>(0.6%)</b>	<b>(1.6%)</b>
<b>Performing loans</b>	<b>190.3</b>	<b>0.3%</b>	<b>(1.3%)</b>

### Performing-loan book growth...



- Performing loan book up 0.3% ytd while quarter affected by adverse seasonality
- Corporates & SMEs growth (+6.5% ytd) offset RE developers, public sector and Criteria selective declines
- Improved quality of the portfolio with NPLs down further from portfolio sale<sup>(2)</sup> of RE NPLs

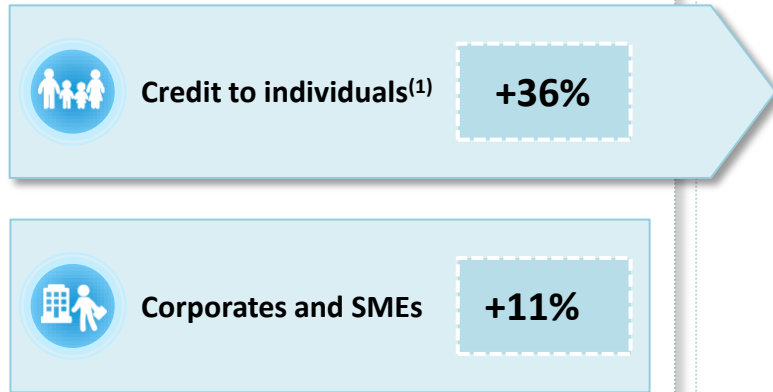
(1) The "other loans to individuals" category includes pension advances which were seasonally higher by €1.5Bn in 2Q

(2) Portfolio sale in 3Q of NPLs (€484M) and write-offs (€229M)

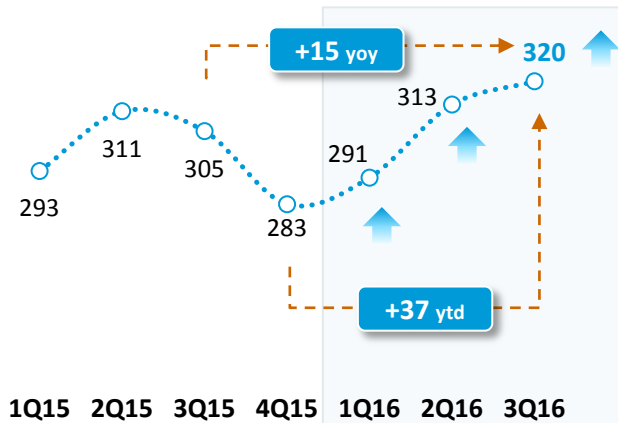
# Positive production dynamics with strict discipline in margins

## Growing new lending and margins

New lending growth, % 9M16 vs. 9M15

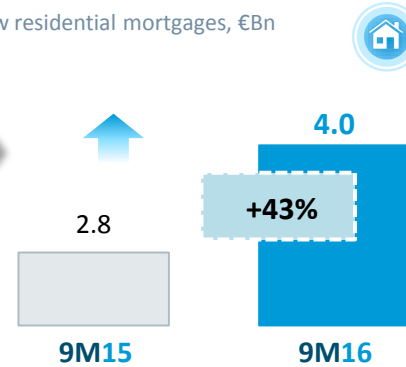


Private sector FB yield in bps



## Supported by positive trends in mortgages and high-yielding segments

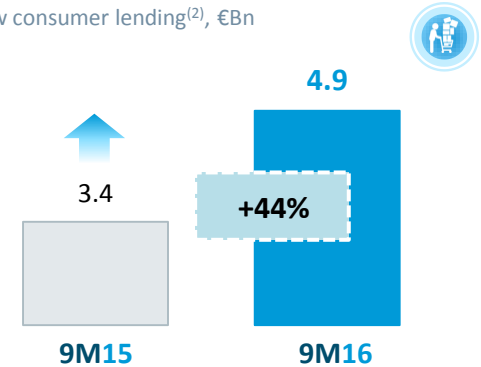
New residential mortgages, €Bn



% of new mortgages at fixed rate

69%  
vs. 26% in 1Q

New consumer lending<sup>(2)</sup>, €Bn

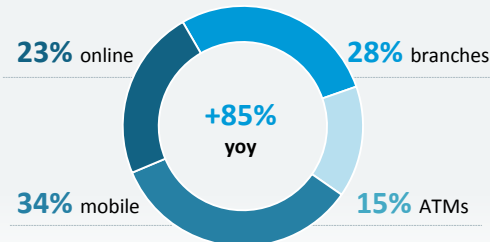


Consumer Loan Portfolio<sup>(2)</sup>

+7% qoq

## ... Leveraging powerful technological infrastructure

Pre-approved instant consumer loan ("Click & Go" loans<sup>(3)</sup>) sales by channel, % of total sold 9M16



### Client insights from Big Data

- ▶ Credit scoring
- ▶ Commercial targeting



(1) Credit to individuals includes: residential mortgages, consumer lending and other credit to individuals

(2) CaixaBank and MicroBank personal loans plus new lending by CaixaBank Consumer Finance (excluding CaixaBank Equipment) and revolving credit by CaixaBank payments

(3) "Click & Go" loans represent 20% of total personal loans (amount) sold through CaixaBank network (9M16)

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## Core revenue growth and lower impairments drive improvement in a seasonal quarter

### Consolidated income statement<sup>(1)</sup>

in €M	Q3 2016	Q2 2016	Q3 2015	% qoq	% yoy
<b>Net interest income</b>	<b>1,039</b>	<b>1,021</b>	<b>1,038</b>	<b>1.8</b>	<b>0.2</b>
Net fees and commissions	536	522	524	2.7	2.3
Income from investments & associates	150	263	122	(42.9)	23.2
Trading income	125	325	65	(62.2)	88.7
Income and exp. from insurance	74	76	52	(2.6)	42.1
Other operating income & exp.	(34)	(80)	(9)	(58.5)	274.1
<b>Gross income</b>	<b>1,890</b>	<b>2,127</b>	<b>1,792</b>	<b>(11.2)</b>	<b>5.5</b>
Recurring expenses	(995)	(999)	(1,013)	(0.4)	(1.7)
Extraordinary operating expenses	(121)	0	(2)		
<b>Pre-impairment income</b>	<b>774</b>	<b>1,128</b>	<b>777</b>	<b>(31.4)</b>	<b>(0.5)</b>
Impairment losses & others	(265)	(502)	(323)	(47.3)	(18.3)
Gains/losses on assets disposals & others	(83)	(114)	(106)	(27.2)	(21.4)
<b>Pre-tax income</b>	<b>426</b>	<b>512</b>	<b>348</b>	<b>(16.8)</b>	<b>22.4</b>
Income tax	(90)	(142)	(58)	(36.2)	54.5
<b>Profit for the period</b>	<b>336</b>	<b>370</b>	<b>290</b>	<b>(9.4)</b>	<b>16.0</b>
Minority interests & other	(4)	(5)	(2)	(30.5)	136.2
<b>Profit attributable to the Group</b>	<b>332</b>	<b>365</b>	<b>288</b>	<b>(9.1)</b>	<b>15.3</b>

### Sustained growth in core operating income

- NII growing as guided for (+1.8% qoq)
- Fees firmly back on track (+2.7% qoq)
- Insurance continues to contribute strongly
- Cost discipline brings recurrent cost base -0.4% qoq with further restructuring in 3Q

### Impairment decline gathers pace

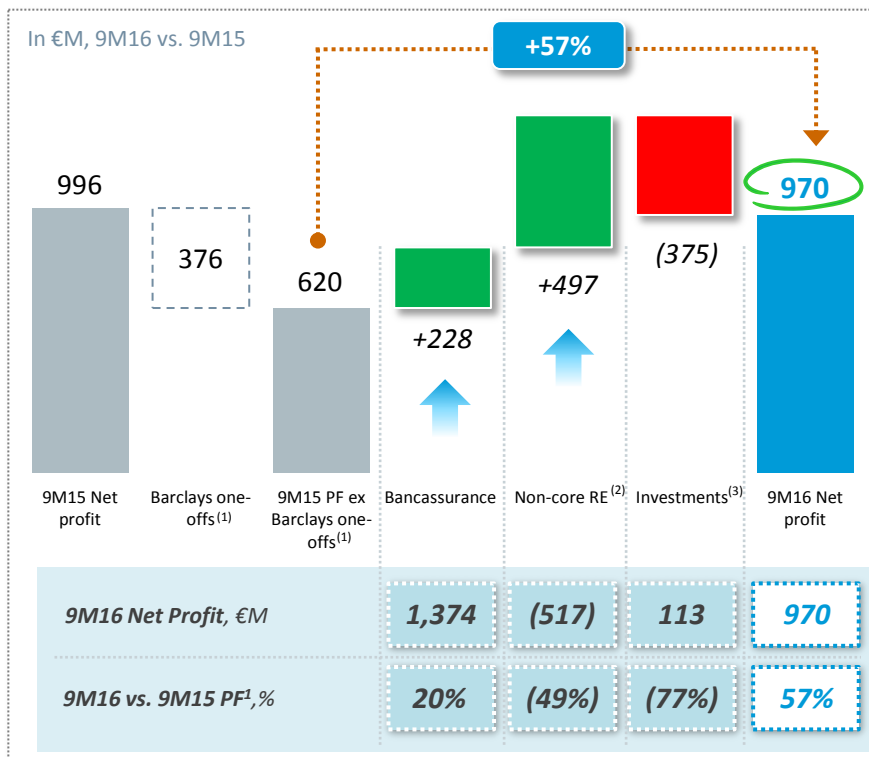
- Total impairment charges halve in the quarter, with CoR at 42 bps (-40 bps yoy)
- Gains/losses on disposals continue to improve on profit from RE sales and lower RE provisions

Bottom line growth of **15%** yoy underlines positive trend

(1) Q3 2015 figures have been restated to reflect changes introduced by BoS Circular 5/2014 that resulted in the reclassification of gains and losses on the purchase and sale of foreign currency from Gains/(losses) on financial assets and liabilities and others to Net fee and commission income and of gains and losses on sales of strategic holdings from Gains/(losses) on disposal of assets and other to Gains/(losses) on financial assets and liabilities and other

## Underlying improvement increasingly supported by bancassurance business

### Bottom line evolution of Group P&L



### P&L for bancassurance segment

In €M

	9M16	9M15PF ex Barclays one-offs <sup>(1)</sup>	9M % yoy
<b>Net interest income</b>	3,257	3,537	(7.9)
Net fees	1,545	1,597	(3.2)
Other income	1,071	1,045	2.7
<b>Gross income</b>	<b>5,873</b>	<b>6,179</b>	<b>(4.9)</b>
Expenses – recurring	(2,908)	(2,987)	(2.6)
Expenses – extraordinary <sup>(1)</sup>	(121)	(284)	
<b>Pre-impairment income</b>	<b>2,844</b>	<b>2,908</b>	<b>2.2</b>
Impairment losses & other provisions	(845)	(1,147)	(26.4)
Gains/losses on asset disposals & other <sup>(1)</sup>	11	(121)	
<b>Profit before tax</b>	<b>2,010</b>	<b>1,640</b>	<b>22.6</b>
Income tax, minority interests & others	(636)	(494)	28.7
<b>Net profit<sup>(4)</sup></b>	<b>1,374</b>	<b>1,146</b>	<b>19.9</b>
<b>Adjusted RoTE<sup>(5)</sup> (%)</b>	<b>11.0%</b>		

- Earnings improvement (+57% yoy adj.) driven by better trends in bancassurance and non-core RE
- Bancassurance net income up 20% yoy (adj.) with quarterly evolution underlining growth in key metrics
- Sustainably declining non-core RE losses (-49% yoy in 9M16) more than compensate for lower income from stakes
- Double-digit bancassurance RoTE up in the quarter to 11%

(1) Adjusted for Barclays acquisition extraordinaries, including €602M badwill and €226M extraordinary costs, both after tax. Not adjusted for floors or SRF contribution.

(2) Non-core RE segment primarily includes non-core lending to RE developers and foreclosed RE assets

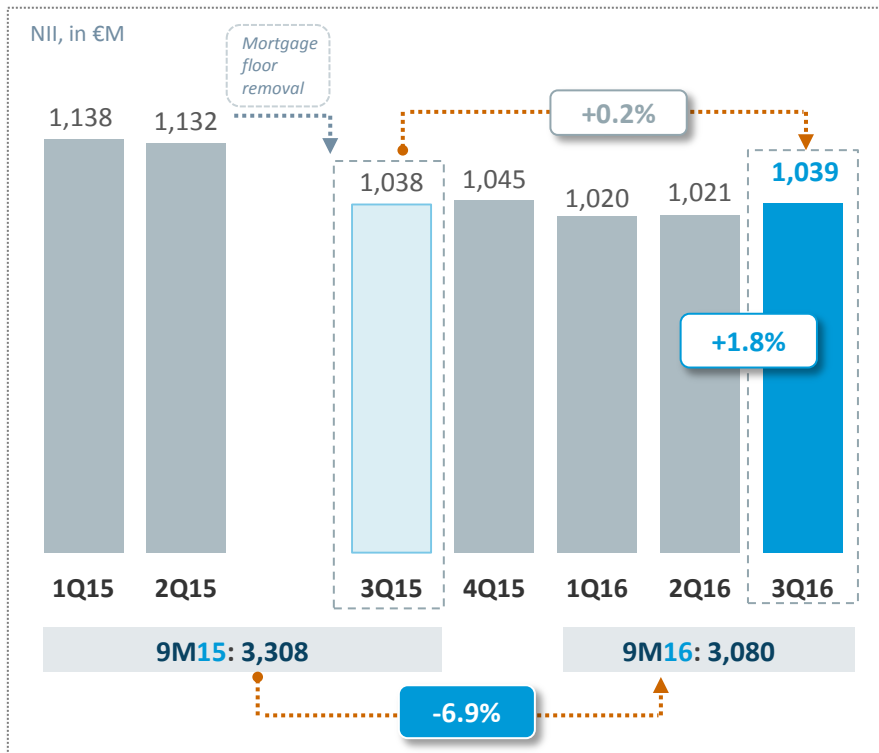
(3) Impacts in 1Q16 related to early redemption of the exchangeable bond for Repsol shares and extraordinary write-downs of non-listed investee companies (Isolux) and impact in 2Q16 and 3Q16 of GFI and BEA disposal

(4) Profit attributable to the Group. The impact of minority interests & others was -€4M in 3Q16, -€5M in 2Q16 and -€2M in 1Q16

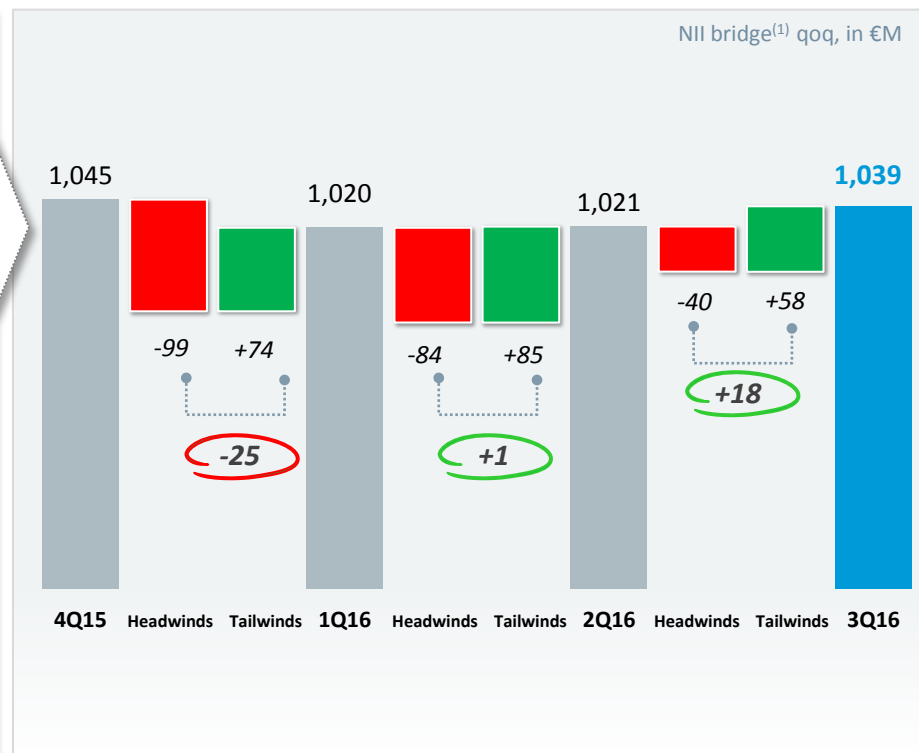
(5) RoTE trailing 12 months excluding extraordinary expenses and adjusting for double counting of SRF contribution in 4Q15/2Q16

## NII improves as expected

### NII grows as guided



### Headwinds gradually fading



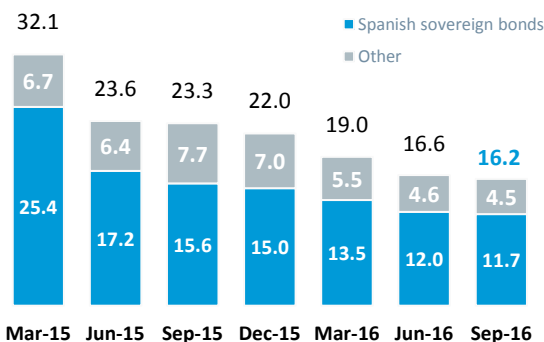
- NII grows as lower funding costs, TLTRO2 and positive FB dynamics offset Euribor resets and lower ALCO contribution
- Low and falling funding costs continue to be the main contributor
- Positive loan volume trends gradually begin to support NII with asset yield compression expected to fade in coming quarters
- 9M yoy evolution reflects negative impact of floor removal (c.-€125M)

(1) Headwinds mainly include the net (volume and yield) impact related to the loan and ALCO books. Tailwinds mainly include the impact from funding



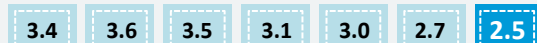
## NII headwinds on a receding trend

### ALCO book stable at low levels

 ALCO portfolio<sup>(1)</sup>, in €Bn


### Lower yields reflect high-yielding maturities

Yield, %



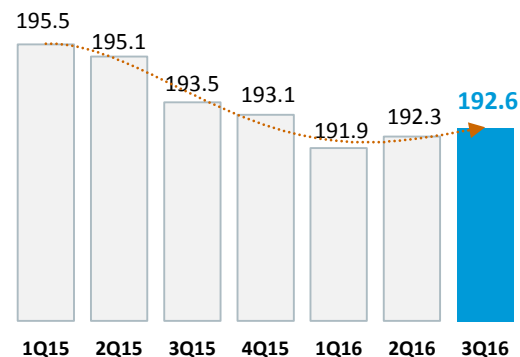
Average life, yrs



- Active management of ALCO book open to seize market opportunities
- Lower risk relative to peers: 4.7% ALCO/total assets (vs. 10.5% peer avg.<sup>(2)</sup>)
- Lower average life of the portfolio due to tactical risk reduction

### Modestly higher loan balances

Average loan balance (net), in €Bn



### Aided by positive new lending dynamics

New lending growth, 9M16 vs. 9M15

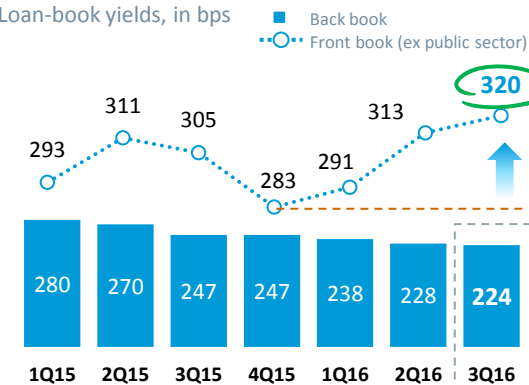
**Total loans** +14%

**Consumer credit** +44%

- Gradual but favourable loan-book trends
- Average loan balances up for second consecutive quarter (+0.2% qoq)

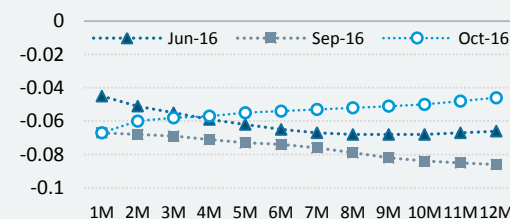
### Loan-book FB yields expand

Loan-book yields, in bps



### Interest rates stabilising

12 Month Euribor forward rates, %



- FB up and accretive to BB on mix-shift to higher-yielding segments
- Lower drag from Euribor resets on BB yields (-4 bps vs. -10 bps in 2Q)
- Spread pressure expected to weaken

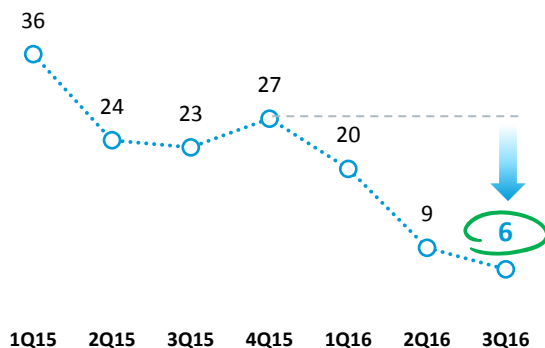
(1) Banking book fixed-income securities portfolio, excluding trading book assets and liquidity management portfolio of €3.9 Bn, as of the end of the quarter.

(2) Peers include Bankia, Bankinter, BBVA Spain + RE business, Popular, Sabadell (ex TSB), Santander Spain + RE business. Latest available data: CaixaBank, Bankia, Bankinter, BBVA Spain + RE business, Santander Spain + RE business as of September 2016; other peers as of June 2016. Sources: Based on company information

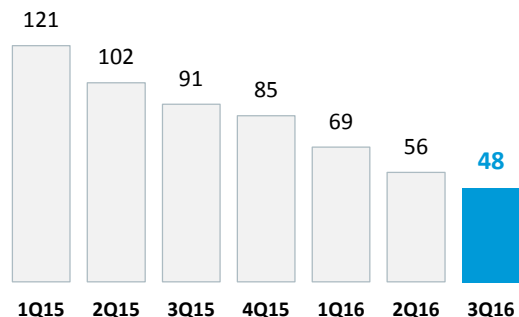
## Steady decline in interest expense stabilises margins

### Deposit pricing at mid-single digit

Term deposits: front book (bps)

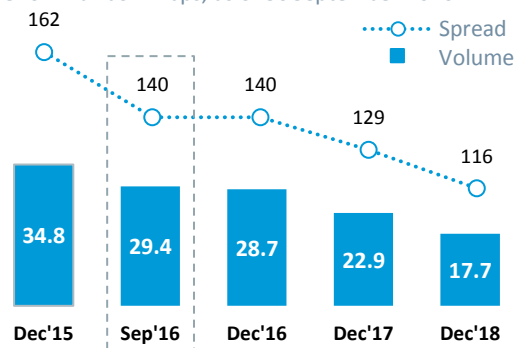
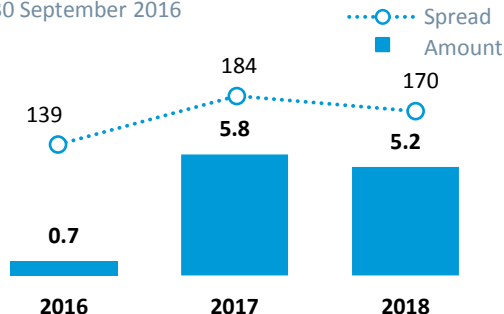


Term deposits: back book (bps)



- Significant potential for liability re-pricing albeit at lower pace (new deposits priced 42 bps below BB)
- Mix-shift into sight deposits enables further funding-cost reduction

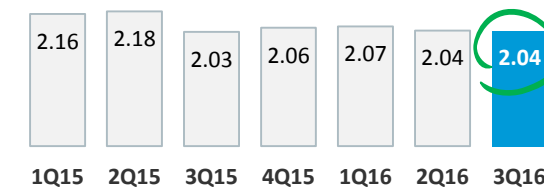
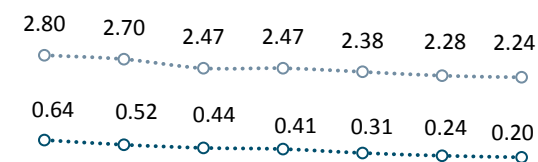
### Lower wholesale funding costs

 Static wholesale funding back-book<sup>(1)</sup> in €Bn and spread over 6M Euribor in bps, as of 30 September 2016

 Maturities in €Bn<sup>(1)</sup>; spread over 6M Euribor in bps, as of 30 September 2016


- Wholesale funding improvement (back book -22 bps ytd) expected to continue
- TLTRO2 provides additional boost

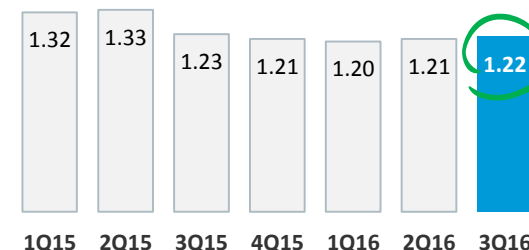
### Customer spread stable, NIM slightly up

Customer spread, in %



— Loans and credit — Client funds<sup>(2)</sup> ■ Customer spread

NIM, in %



- Customer spread stable as cheaper funds offset lower BB asset yields
- NIM stability underpinned by higher proportion of interest bearing assets (sale of BEA/GFI)

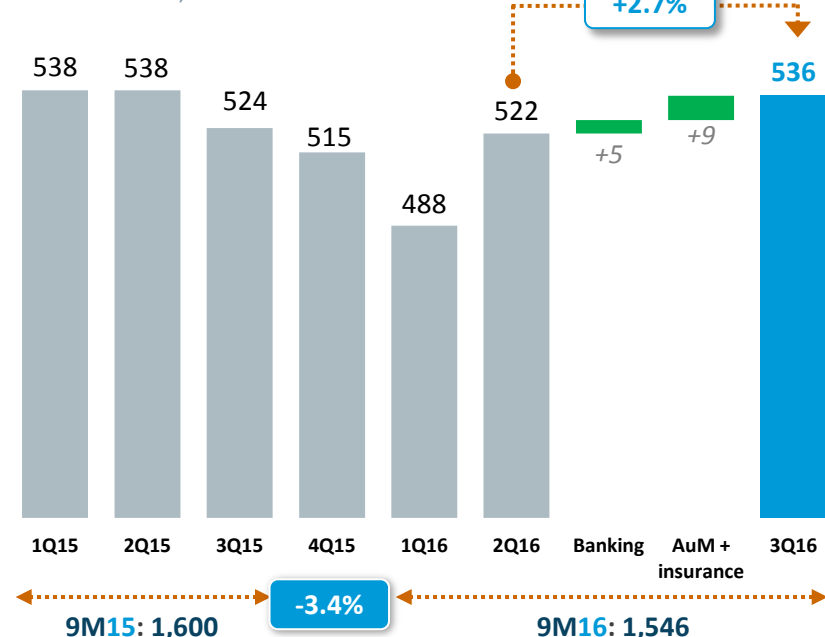
(1) Excludes self-retained bonds. Wholesale funding figures in the 9M16 Financial Report reflect the Group's funding needs and as such do not include securitisations placed with investors and self-retained multi-issuer covered bonds, unlike this figure, which depicts the impact of wholesale issuances on funding costs

(2) The cost of customer funds reflects the cost of both demand and time deposits, as well as repos with retail clients. Excludes the cost of institutional issuance and subordinated liabilities

## Fees up in the quarter despite seasonality

### Another strong quarter across the board

Net fee income<sup>(1)</sup>, €M



- Net fees back on track with two consecutive solid quarters following an exceptionally low 1Q
- Wholesale banking a significant contributor to 3Q
- Asset management and insurance fees grow +4.8% yoy, with a rising contribution to total fees (+3 pp yoy)

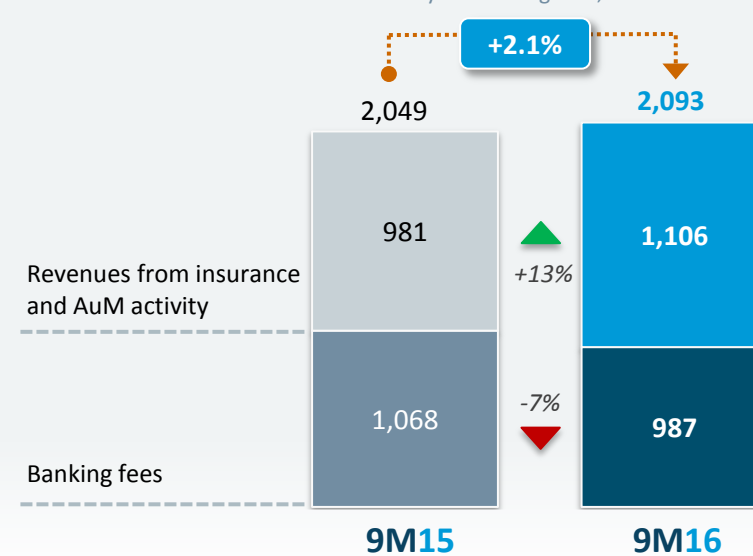
### Insurance and pension fees on a steady upward trend

Net fees breakdown, €M

	9M16	% yoy	% qoq
Banking and other fees	987	(7.4)	1.8
Mutual funds	295	(7.2)	(0.8)
Pension plans	138	19.6	2.7
Insurance distribution fees	126	25.5	18.3

### Insurance + AuM revenue more than offset lower banking fees

Revenues from insurance<sup>(2)</sup> and AuM activity vs. banking fees, €M

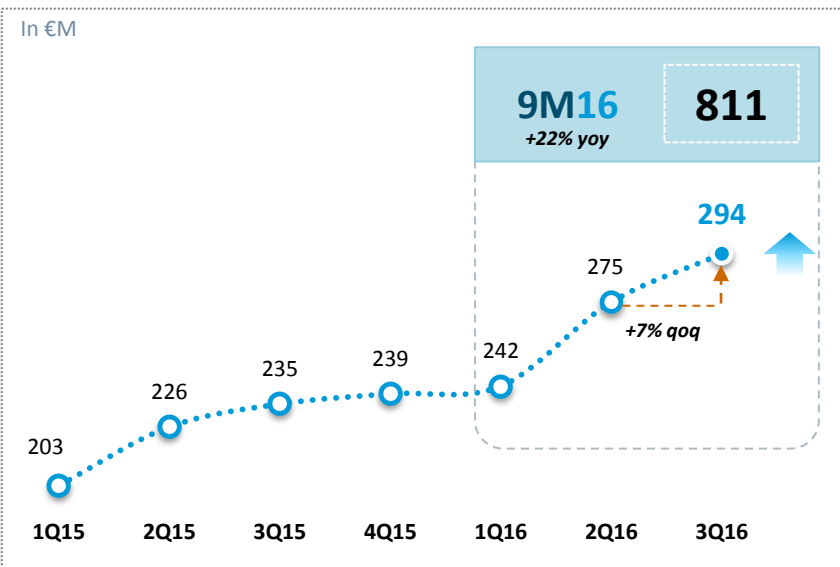


(1) 2015 and 1Q16 figures have been restated to reflect changes introduced by BoS Circular 5/2014 that resulted in the reclassification of gains and losses on the purchase and sale of foreign currency from Gains/(losses) on financial assets and liabilities and others to Net fee and commission income

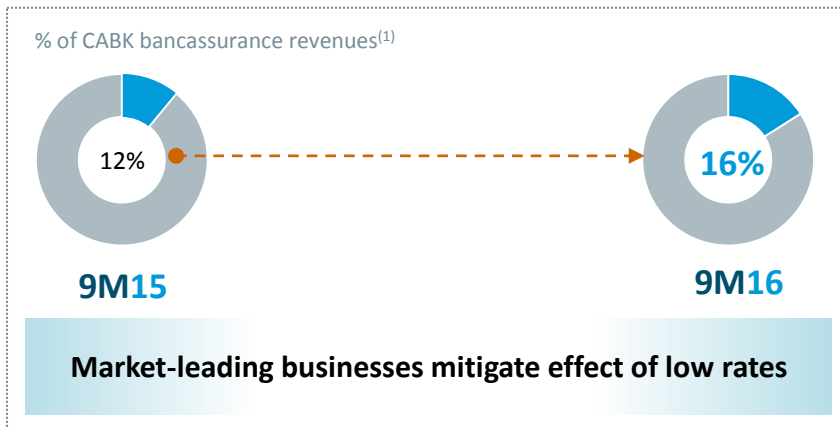
(2) Excludes trading income and other operating income and expenses

## Increasing contribution of insurance and pensions to bancassurance revenue growth

### Revenues from insurance & pensions activity gather pace



### Contribution to revenues still increasing



### Insurance and pensions contribute 16% of revenues

9M16, in €M

	Bancassurance	Insurance & pensions	Insurance as % bancassurance
<b>Revenues (excluding non-recurrent items<sup>(1)</sup>)</b>	<b>5,142</b>	<b>811</b>	<b>15.8%</b>
% yoy	-5%	+22%	+4 p.p.
<b>Net interest income</b>	<b>3,257</b>	<b>231</b>	<b>7.1%</b>
% yoy	-8%	+11%	+1 p.p.
<b>Net fees and commissions</b>	<b>1,545</b>	<b>264</b>	<b>17.1%</b>
% yoy	-3%	+22%	+4 p.p.
<b>Income from associates (equity accounted)</b>	<b>126</b>	<b>102</b>	<b>81.0%</b>
% yoy	+24%	+17%	-4 p.p.
<b>Income and exp. from insurance</b>	<b>214</b>	<b>214</b>	<b>100%</b>
% yoy	+40%	+40%	0 p.p.

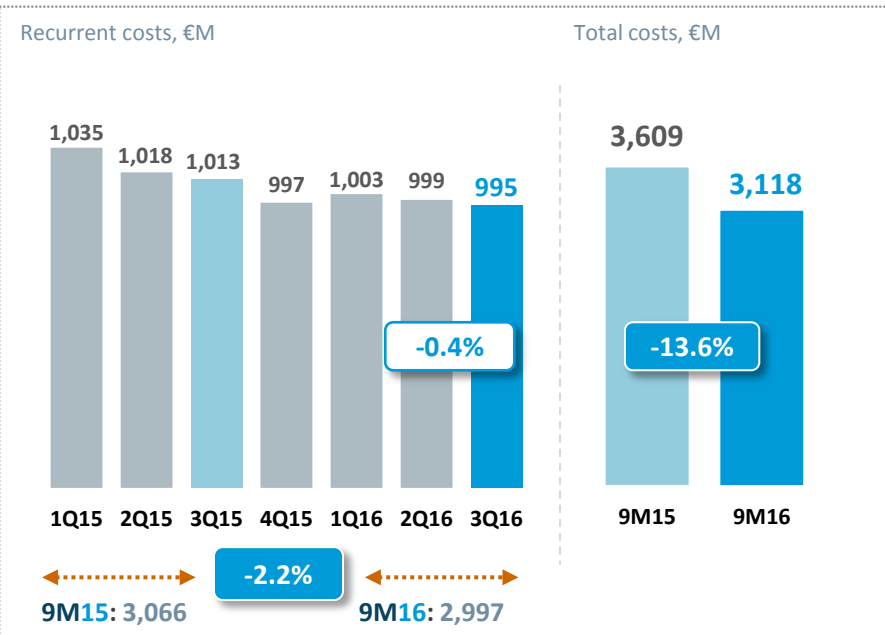
Insurance revenue to receive further boost of **c.€30M/quarter** from upcoming recovery of **value-in-force reinsurance** flows



(1) Excludes trading income and other operating income and expenses

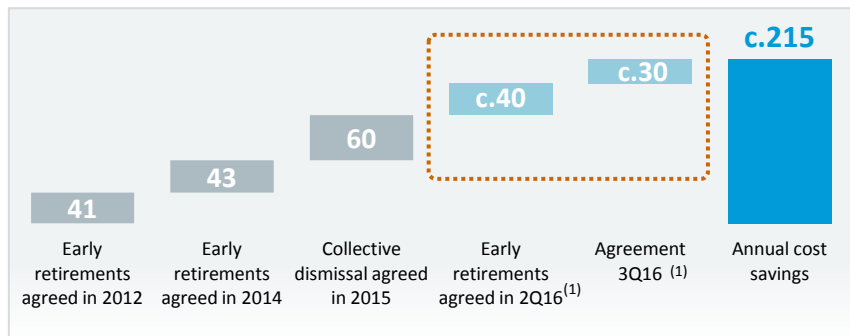
# Operating costs trend down with further restructuring in 3Q

## Operating costs continue to decline

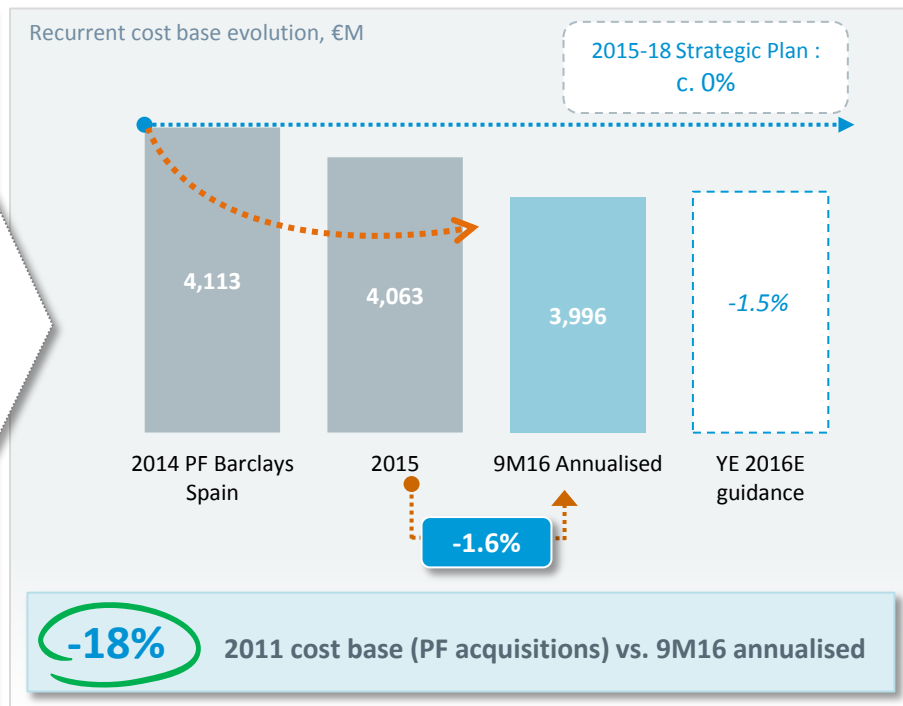


## Further restructuring of the cost base agreed in 3Q

Organic annual cost savings, in €M



## Cost trending better than planned



- Recurrent costs down 2.2% yoy as synergies from acquisitions and early departures keep feeding in
- Voluntary redundancy scheme agreed in 3Q for c.400 employees with restructuring cost of €121M and annual cost savings of c.€30M (departures starting 1<sup>st</sup> of November)
- Early delivery of cost-saving plans supports gradual efficiency gains (recurrent<sup>(2)</sup> C/I ratio down to 53.3%)

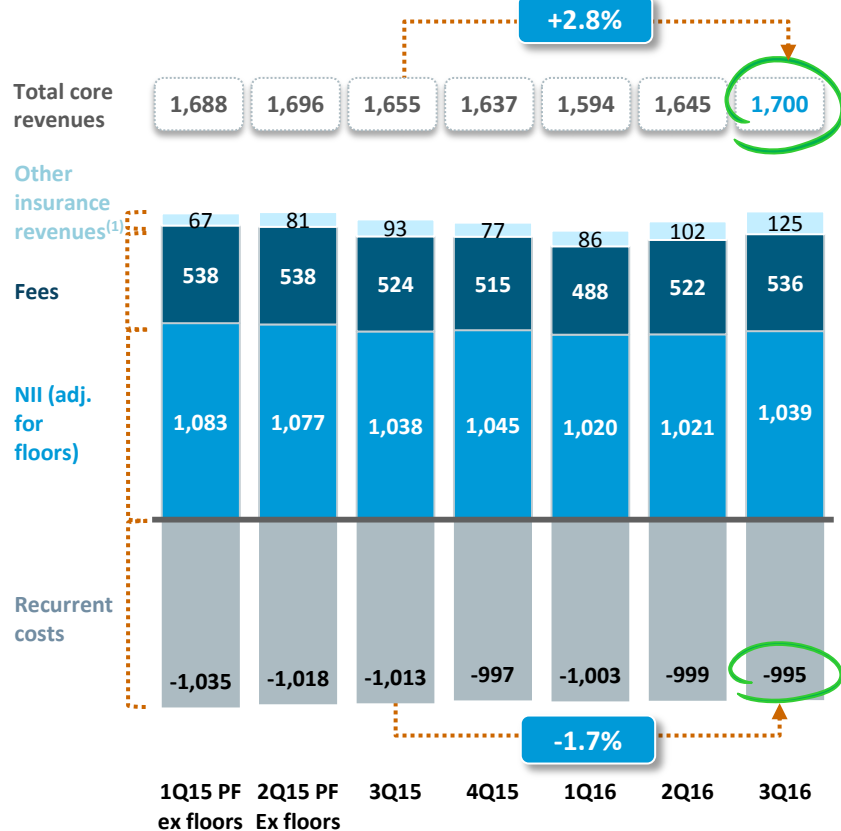
(1) For 2016, cost savings from early retirements agreed in 2Q16 estimated at c.€20M since departures began in June and cost savings from departures agreed in 3Q16 estimated at c.€4M since departures begin in November

(2) C/I ratio trailing 12 months, excluding extraordinary expenses and SRF contribution in December 2015.

## Sustained improvement in key operating metrics

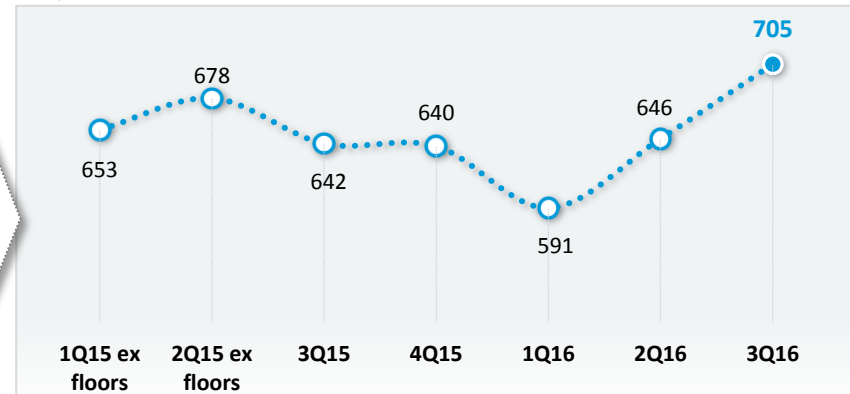
### Positive dynamics in core revenues and costs...

Core revenues (NII + Fees + other revenues from insurance) and recurrent cost base, in €M

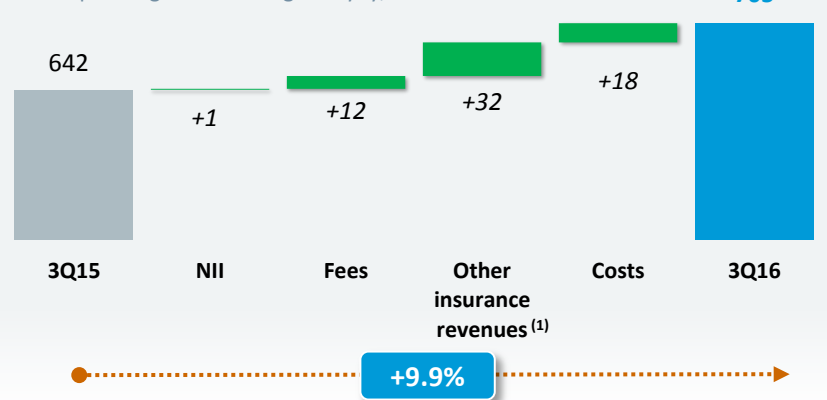


### ... keep boosting core operating income<sup>(2)</sup>

Core operating revenues (NII + Fees + other revenues from insurance<sup>(1)</sup>) - recurrent cost base, in €M



Core operating income bridge 3Q yoy, €M



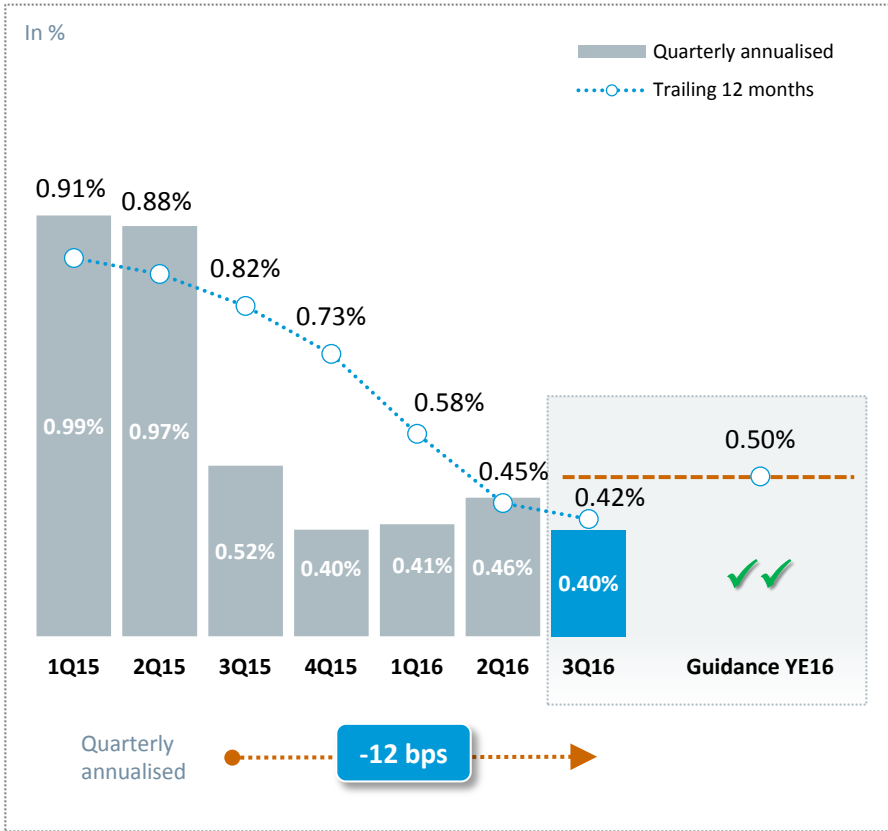
Core operating income up **10%** yoy supported by improvement in key metrics

(1) Includes life-risk premia and equity accounted income from SegurCaixa Adeslas

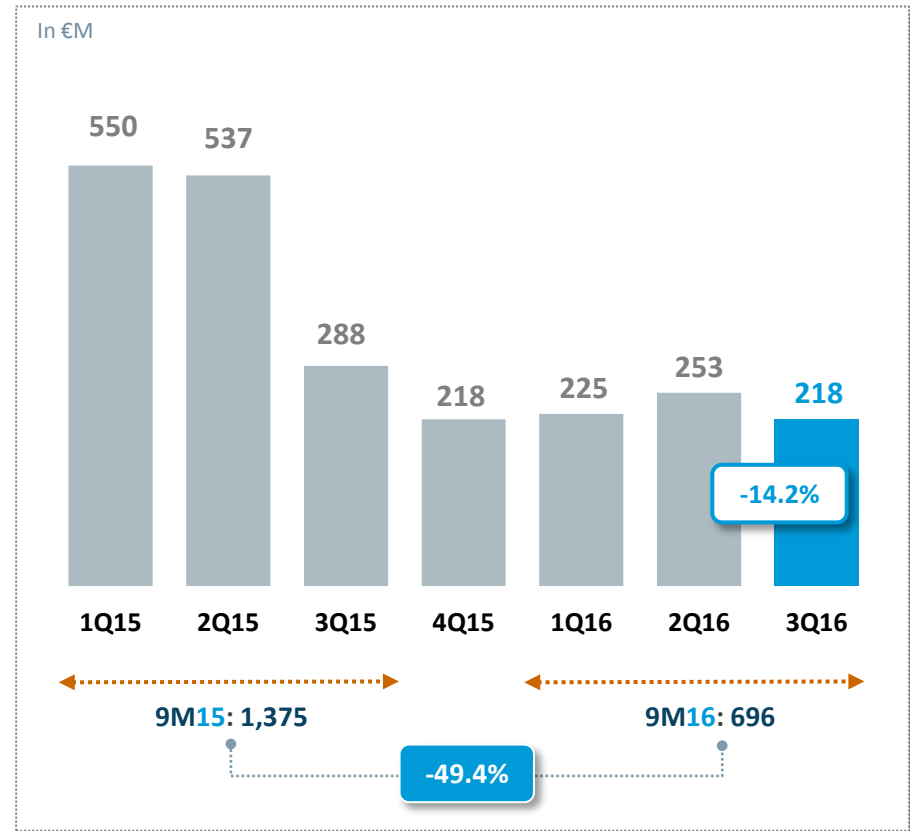
(2) Core operating income defined as the difference between NII+Fees+ other revenues from insurance (life-risk premia and equity accounted income from SegurCaixa Adeslas) minus recurrent costs

# Loan loss provisions halved in 12 months with CoR now at low 40s

## CoR<sup>(1)</sup> below YE guidance



## LLPs down significantly yoy



- CoR at 0.42% below year-end guidance of 0.50%
- 9M16 LLPs down 49.4% yoy with positive evolution in the quarter (-14.2% qoq)

(1) Loan-loss provisions over total gross customer loans plus contingent liabilities, as of the end of the period on a trailing 12 months and on an annualised quarterly basis

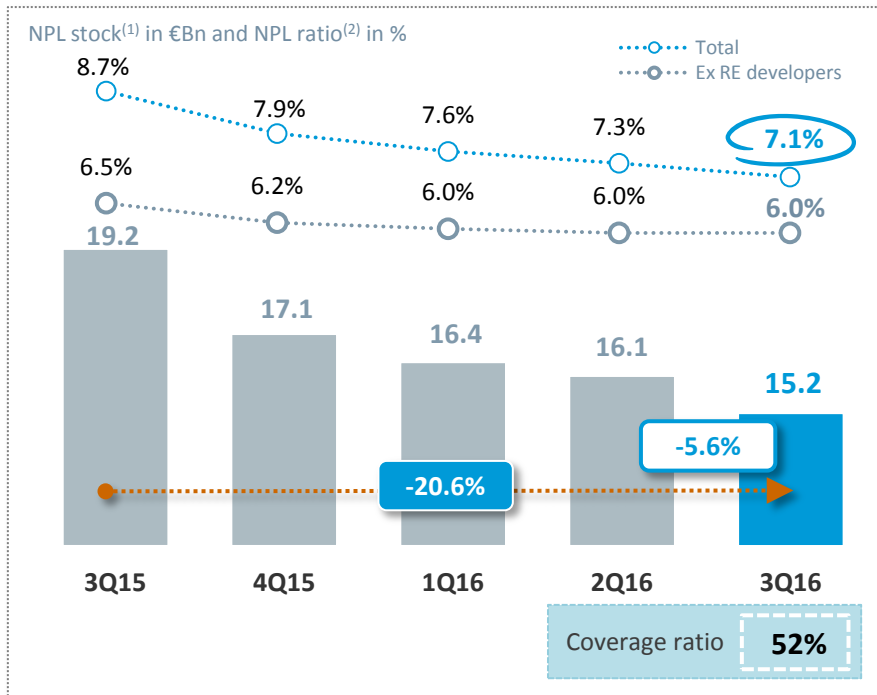
## 9M 2016 Results

- BPI update
- Commercial activity
- Financial results
- **Asset quality**
- Liquidity & Solvency
- Final remarks

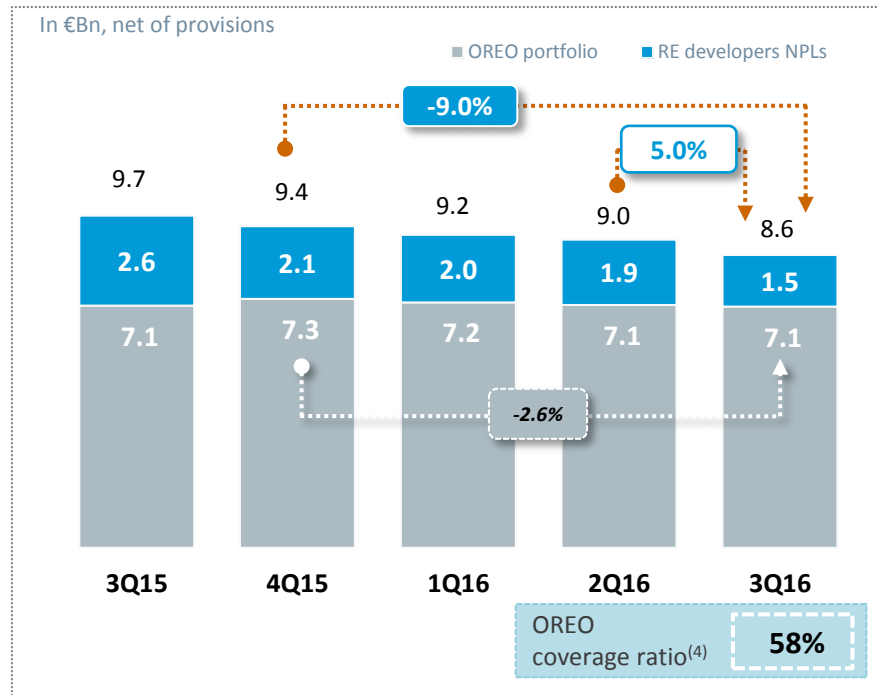


## Steady improvement in credit metrics

### NPL reduction gathers pace



### Net non-performing RE assets<sup>(3)</sup> trending down



- Pace of NPL reduction recovers (-6% qoq) and shows a 41% reduction from 2Q 13 peak
- RE NPLs still declining strongly aided by portfolio sales<sup>(5)</sup> in 3Q
- NPL ratio at 7.1% (-83 bps ytd) with stable ex-RE developer due to denominator effect
- Lower inflows and provisions reduce net OREOs (-2.6% ytd) contributing to gradual decline in net non-performing RE assets (-9% ytd)
- Comfortable NPL and OREO coverage ratios: 52% and 58%

(1) Including non-performing contingent liabilities (€412M in 3Q16)

(2) NPL ratio is the ratio of NPLs to total gross customer loans and contingent liabilities as of at the end of the period

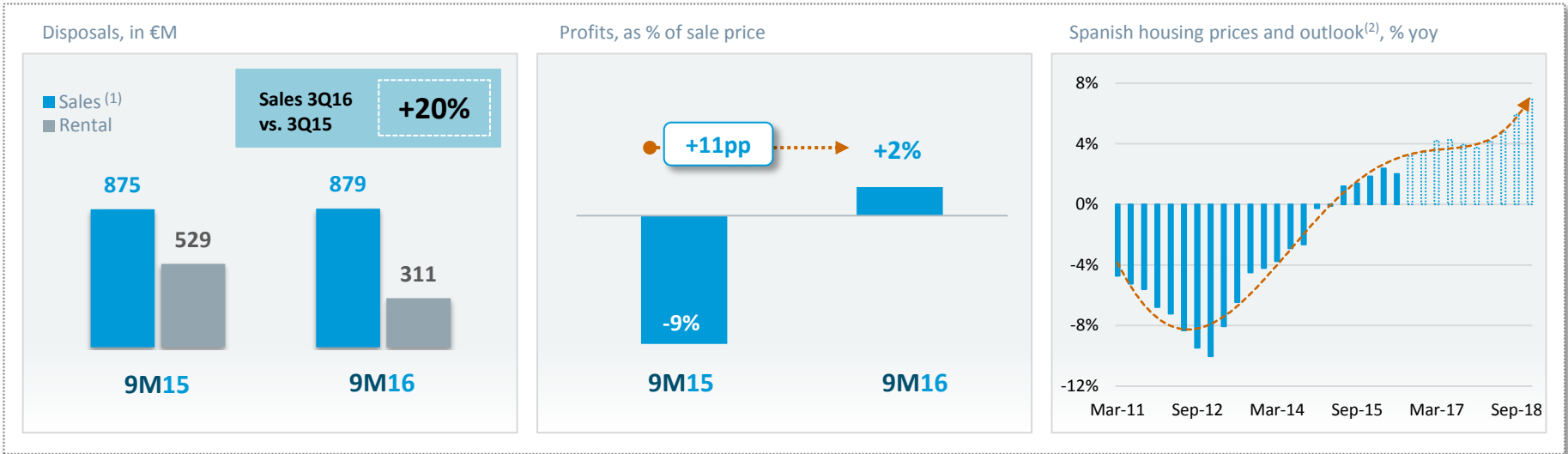
(3) OREO portfolio net of provisions and non-performing RE developer loans net of specific provisions. The series has been restated to exclude sub-standard RE loans

(4) OREO coverage of 58% is the loan equivalent coverage ratio, i.e. includes write-downs on conversion to OREO. Coverage ratio stands at 45% when only considering accounting provisions.

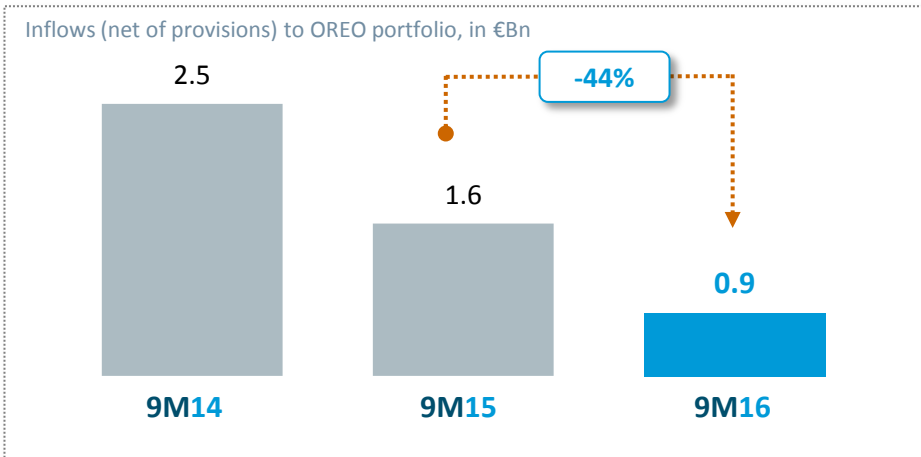
(5) Portfolio sale in 3Q of NPLs (€484M) and write-offs (€229M)

## OREO sales continue at brisk pace despite seasonal quarter

### Robust and profitable sales with a positive outlook



### OREO inflows continue to decline



- Better RE fundamentals continue to support profits on sale of RE assets
- Progressive stabilisation of stock and positive price outlook supports focus on value-preservation
- Robust sales and increasing yoy (+20% 3Q yoy, +0.5% 9M yoy)

(1) Revenue of RE sales

(2) Source: CaixaBank Research forecasts and Spanish Government data

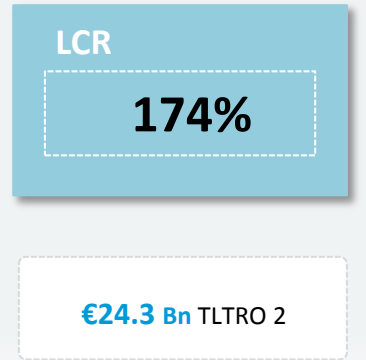
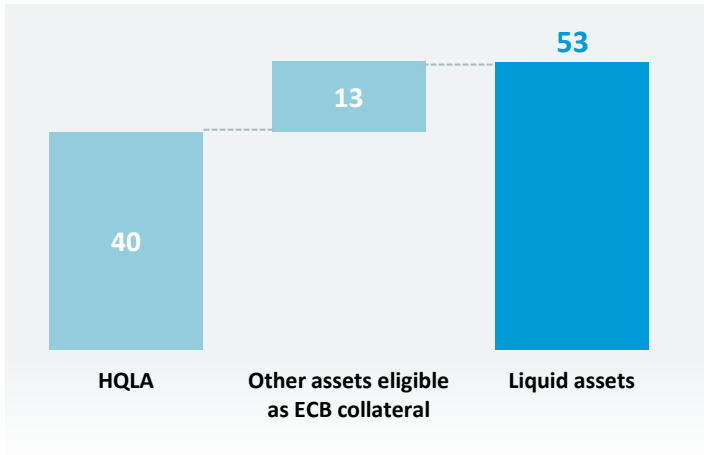
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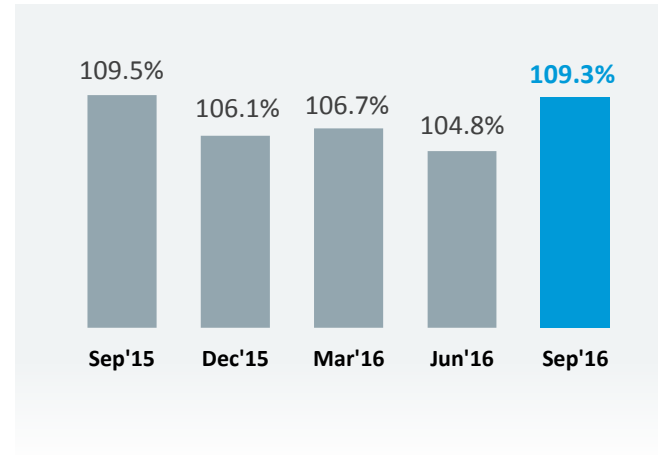
## Strong liquidity position remains a hallmark

### Comfortable liquidity metrics

Liquid assets, in €Bn 30 September 2016

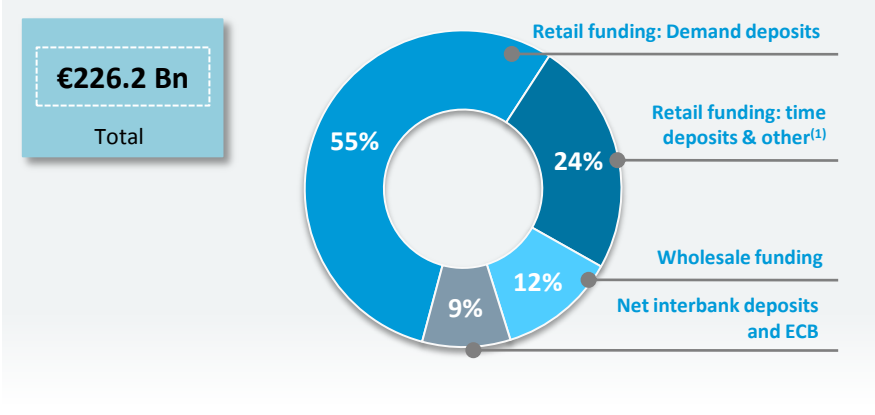


LtD ratio, %

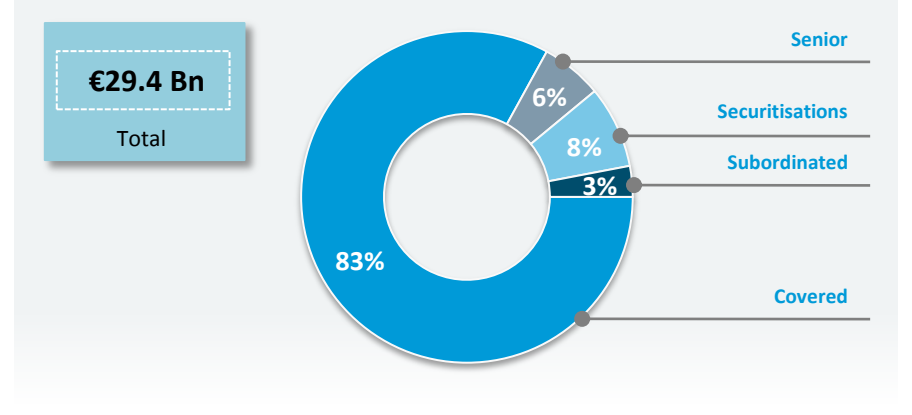


### Stable funding structure

Financing structure, % of total 30 September 2016



Wholesale funding<sup>(2)</sup> by category, 30 September 2016

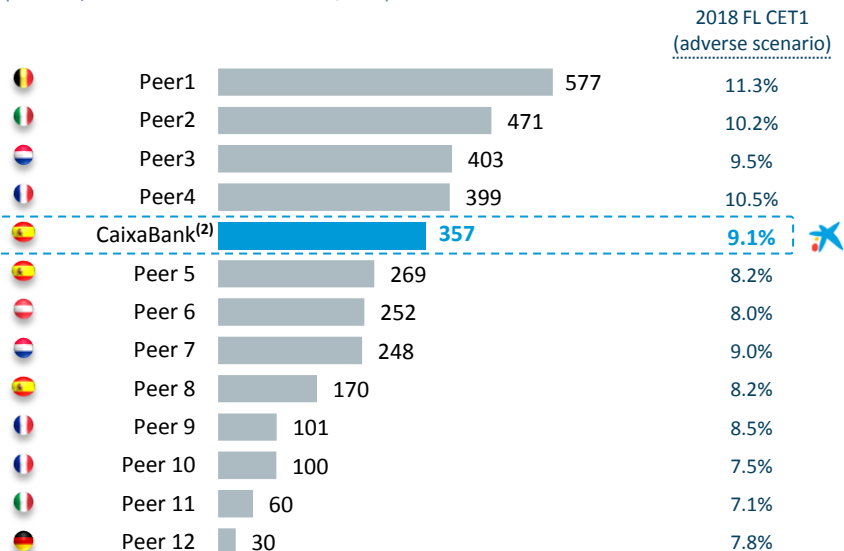


(1) Other includes: subordinated and retail debt securities  
 (2) Includes securitisations placed with investors and self-retained multi-issuer covered bonds

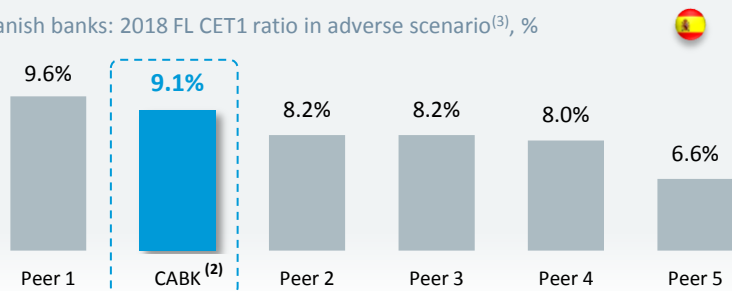
## ECB/EBA stress testing underscores solvency

### Amongst the most solvent banks in the Euro Area

2018 FL CET1 capital surplus (vs. ECB minimum reference of 5.5% + G-SIB buffer if applicable) in the adverse scenario<sup>(1)</sup>, in bps



Spanish banks: 2018 FL CET1 ratio in adverse scenario<sup>(3)</sup>, %



### Outcome confirms comfortable buffer

2015 FL SREP requirement, in %

**2015 FL SREP requirement**  
(6.75% Pillar 1 and Net Pillar 2 Requirements + 2.5% conservation buffer + 0.25% D-SIB buffer)

**9.5%**

Capital depletion in the adverse scenario (2015 vs. 2018) vs. CBR

**Combined buffer requirement (CBR)**  
(2.5% conservation buffer + 0.25% D-SIB buffer)

**2.75%**

**Capital depletion in adverse scenario FL:**  
CET1 FL 2015 – CET1 2018 FL post stress

**2.48%**

- Current SREP CBR is already able to absorb capital depletion in adverse scenario
- Pillar 2 Guidance calibration to be based on Stress Test result; among other considerations

(1) The comparison group includes the top 15 Eurozone banks by market capitalisation in the Euro stoxx bank index as of 30 June 2016 excluding Bankia and Natixis because EBA published the result for BFA and BPCE respectively (peers included are: ABN AMRO, BBVA, BNP Paribas, Commerzbank, Crédit Agricole, Deutsche Bank, Erste Bank, ING, Intesa Sanpaolo, KBC, Banco Santander, SocGen and UniCredit). Source: EBA/ECB

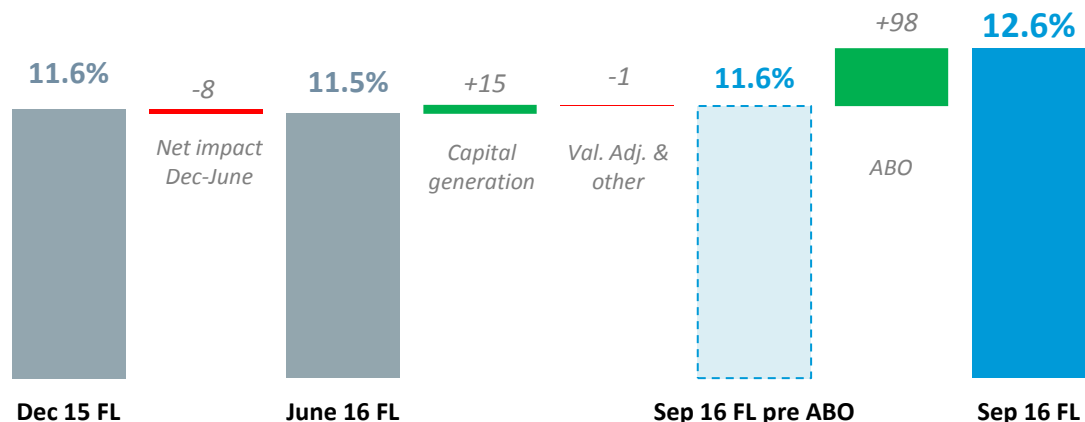
(2) The EBA stress test methodology was applied to CaixaBank in an internal exercise, resulting in a 9.1% ratio in the adverse scenario in December 2018, pro-forma the BEA/GFI asset swap with CriteriaCaixa. The European authorities' exercise encompassed the whole CriteriaCaixa Group based on the highest prudential consolidation level at 31 December 2015.

(3) The comparison group includes BFA, BBVA, Banco Popular, Banco Sabadell and Santander

## Strong capital build and pre-funding of BPI acquisition

### CET1 ratio evolution

In %, ytd



In €Bn

<b>CET1</b>	€16.6	€15.5	€15.7	€17.0
<b>RWAs</b>	€143.6	€135.3	€135.5	€135.5

### Pro-forma BPI takeover bid

 Capital ratios FL as of 30 September 2016 pro-forma take-over bid for BPI<sup>(1)</sup>, in %

% stake in BPI post VTO

	51%	100%
<b>CET1 PF</b>	11.5%	11.0%
<b>Total Capital PF</b>	14.3%	13.8%

### Capital ratios

In % as of September 30, 2016

	Phased-in	Fully loaded
<b>CET1</b>	13.4%	12.6%
<b>Total capital</b>	16.6%	15.8%
<b>Leverage ratio</b>	6.0%	5.6%

- Sustained organic capital build-up (+15 bps qoq/36 bps ytd)
- Sale of treasury stock prefunds BPI acquisition to maintain CET1 FL ratio within 11-12% target
- SREP guidance expected at YE
- Delivering on dividend payout commitment in 3Q

(1) Pro-forma figures are internal preliminary estimates

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## 3Q 2016: key takeaways

**1**

*Core operating income grows in a strong quarter*

**2**

*Margins stabilise on lower spread pressure and better funding costs*

**3**

*Cost base reduced further with cost-saving actions*

**4**

*Decline in NPAs recovers pace*

**5**

*BPI bid on track and pre-funded to maintain target CET1*





*Well-equipped to navigate a low rate environment*





## Appendix

## CaixaBank Credit Ratings

	Long term	Short term	Outlook	Rating of covered bond program
 <span style="float: right;">(1)</span>	Baa2	P-2	negative	Aa2 <span style="float: right;">(5)</span>
 <span style="float: right;">(2)</span>	BBB	A-2	stable	A+ <span style="float: right;">(6)</span>
 <span style="float: right;">(3)</span>	BBB	F2	positive	-
 <span style="float: right;">(4)</span>	A (low)	R-1 (low)	stable	AA (high) <span style="float: right;">(7)</span>

(1) As of 20/04/16

(2) As of 22/04/16

(3) As of 26/04/16





(4) As of 13/04/16

(5) As of 18/06/15

(6) As of 27/05/16

(7) As of 10/03/16

## Investment Portfolio

FINANCIAL STAKES		Stake	Consolidated carrying amount <sup>(1)</sup>		Of which Goodwill <sup>(1)</sup>
		%	€Bn	€/share	€Bn
BPI		45.50%	0.9	1.39	-
Erste		9.92%	1.2	28.98	-
NON-FINANCIAL STAKES					
Telefónica		5.01%			
Repsol		10.05%			

(1) Consolidated carrying amount of equity of the different entities, attributable to the CaixaBank Group, net of write-downs. Goodwill, also net of write-downs

## Refinanced loans

As of September 30, 2016 (€Bn)	Total		Of which NPL	
		% qoq		% qoq
Individuals <sup>1</sup>	10.1	-1.4	3.0	+1.8
Businesses (ex-RE)	6.1	+0.8	2.9	+5.2
RE Developers	2.5	-12.9	1.5	-18.6
Public Sector	1.2	+0.4	0.1	+125.9
<b>Total</b>	<b>19.9</b>	<b>-2.4</b>	<b>7.5</b>	<b>-1.3</b>
<b>Of which: Total Non-RE</b>	<b>17.4</b>	<b>-0.7</b>	<b>6.0</b>	<b>+4.0</b>
Provisions	3.1	-6.5	2.7	-6.7

(1) Including self-employed

## Institutional Investors & Analysts

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