



2Q 2017 Results

28th July 2017

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Core revenue momentum continues

	Broad-based core revenue growth: upgrading NII/Fee guidance to mid-single digit growth	▶ NII	+7.5% yoy	+1.3% qoq
		▶ Fees	+13.1% yoy	+8.3% qoq
		▶ AuM and insurance revenues	+22.4% yoy	+12.2% qoq
		▶ Core operating income ⁽¹⁾	+31.5% yoy	+12.0% qoq
	Better business mix and stable margins	▶ AuM + insurance funds	+6.1% ytd	+1.2% qoq
		▶ Performing loan-book	+0.5% ytd	+0.5% qoq
		▶ Customer spread	219 bps	Stable qoq
	Lower NPAs and continued gains on OREO sales	▶ NPLs	-4.8% ytd	-3.9% qoq
		▶ Total NPAs	-3.3% ytd	53% coverage
		▶ OREO sales	+12.0% yoy	15% capital gains

	Disciplined execution of efficiency plans	▶ Restructuring at CABK	€303M cost pre-tax; €65M p.a. savings	
		▶ Restructuring at BPI	€96M cost pre-tax; €36M p.a. savings ⁽²⁾	
	Solid balance sheet remains a hallmark	▶ NPL ratio	6.5%	50% coverage
		▶ Liquidity	€66Bn liquid assets	208% LCR
		▶ Capital FL	+11.5% CET1	15.5% Total capital ⁽³⁾
	Net attributable income of €436M in 2Q (+19% yoy) and €839M in 1H (+32% yoy)			

(1) Core revenues (NII + Fees + other insurance revenues including life-risk business and equity-accounted income from SegurCaixa Adeslas) minus recurrent expenses

(2) Annual reduction of BPIs' overhead costs corresponding to the voluntary redundancies agreed in 1H17

(3) Total Capital ratio includes both the redemption of €1.3 Bn Tier 2 notes announced on 27th July 2017 and the positive impact (+66 bps) of €1.0 Bn Tier 2 notes issued in July 2017 on a proforma basis

2Q 2017 Results

- **Commercial activity**
- Financial results
- Balance sheet
- Final remarks

Mix shift in customer funds enhanced by seasonality

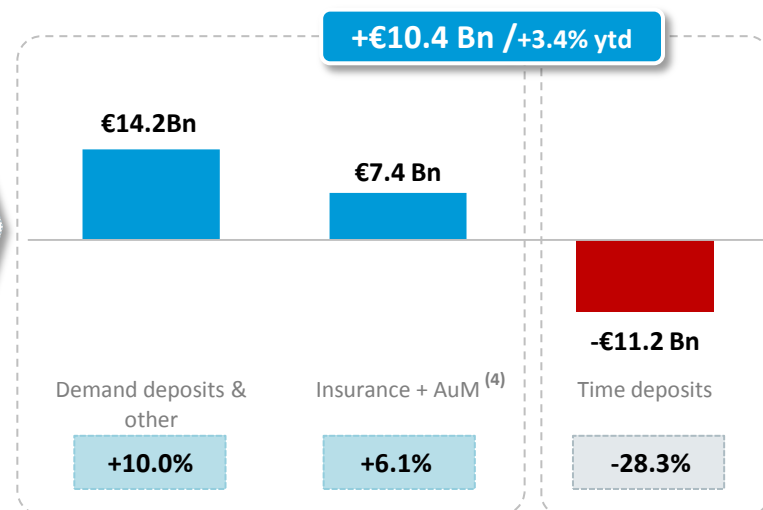
Total customer funds up 14.8% ytd/3.2% qoq

Customer funds breakdown, in €Bn

	CABK Group			CABK
	30 th Jun.	% ytd	% qoq	% qoq
I. On balance-sheet funds	250.0	15.1%	3.5%	4.1%
Demand deposits	160.2	20.7%	8.9%	9.3%
Time deposits ⁽¹⁾	37.3	(5.8%)	(9.7%)	(11.1%)
Subordinated liabilities	3.3	0.3%	-	-
Insurance	48.2	19.4%	1.5%	1.5%
Other funds	1.0	(16.5%)	(57.2%)	(48.6%)
II. Assets under management	94.5	15.4%	1.6%	1.1%
Mutual funds ⁽²⁾	65.7	16.0%	1.7%	1.0%
Pension plans	28.8	14.0%	1.4%	1.3%
III. Other managed resources⁽³⁾	4.5	(8.8%)	21.6%	25.9%
Total customer funds	348.9	14.8%	3.2%	3.4%

CABK trends

Customer funds CABK, evolution ytd in €Bn and %



- On-B/S funds up 4.1% qoq on steady insurance growth (1.5 % qoq) and seasonally-high demand deposits (9.3% qoq) more than offsetting lower time deposits (-11.1% qoq)
- AuM growth (1.1% qoq) in line with previous trends

(1) Includes retail debt securities amounting to €543M (Group) and €496M (CABK) at 30 June 2017

(2) Includes SICAVs and managed portfolios

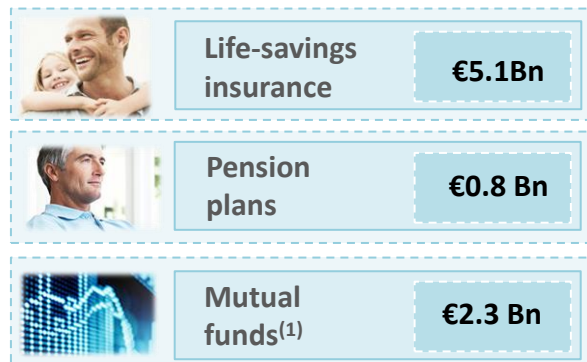
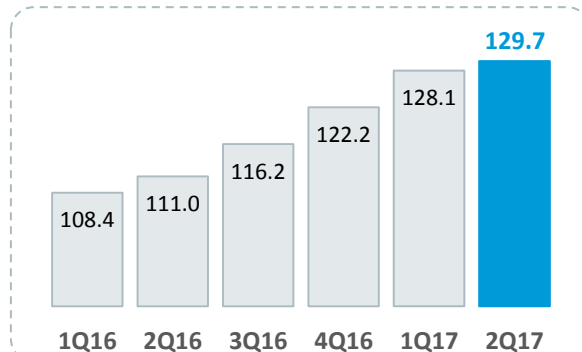
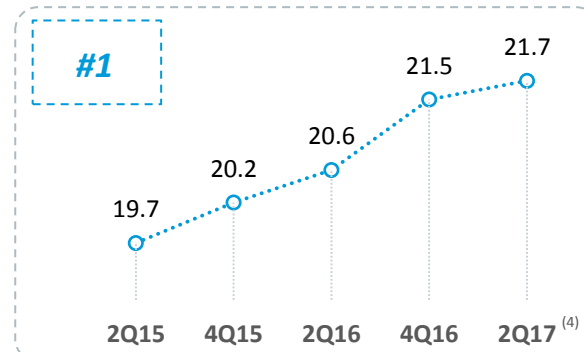
(3) Impacted in 2Q by seasonality and in 1Q by amortisation of €1.5Bn subordinated notes issued by "la Caixa" (currently Criteria Caixa)

(4) Mutual funds (including SICAVs and managed portfolios) and pension plans

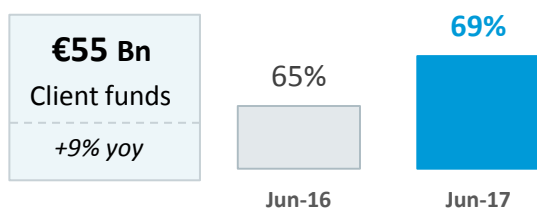
Growth in alternative savings reflects strong advisory capabilities

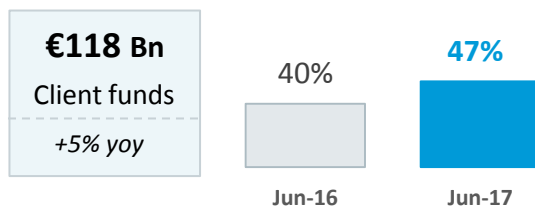
Growing both volumes and market shares

Inflows (CABK), 1H17

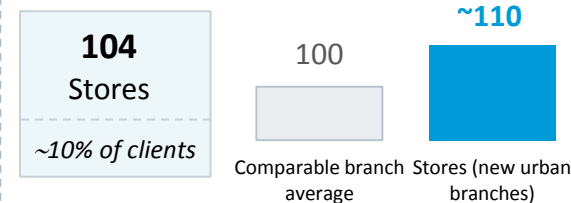

 Life-savings insurance + AuM⁽²⁾, €Bn CABK

 Market share in AuM⁽³⁾ and life-savings insurance, %


Underpinned by strong advisory capabilities...

 Alternative savings⁽⁵⁾ as % of managed client funds

645 Client Managers

 Alternative savings⁽⁵⁾ as % of managed client funds

1,620 Client Managers

...transforming branches into advisory hubs

 Revenue/employee, avg. comparable branches⁽⁶⁾=100


- ▶ Longer opening hours
- ▶ Advisory focus

Ownership of market-leading product factories provides a key competitive advantage

(1) Net inflows. Includes SICAVs and managed portfolios

(2) Mutual funds (including SICAVs and managed portfolios) and pension plans

(3) Market share by assets under management, Spain. Source: INVERCO and ICEA with AuM comprised of mutual funds and pension plans

(4) Market share for life-saving insurance: estimate for 2Q17 based on life-saving insurance data as of June 2017 published by ICEA. For mutual funds and pension plans, based on actual data

(5) AuM plus life-saving insurance funds

(6) Average gross revenues per employee of 62 branches opened in the last 12 months versus a comparable sample

Loan-book stability underpinned by consumer and business lending

Loan-book break-down

in €Bn, gross amounts	CABK Group			CABK
	30 th Jun.	%ytd	% qoq	% qoq
I. Loans to individuals	131.3	11.0%	1.0%	1.1%
Residential mortgages	96.0	11.2%	(0.8%)	(0.9%)
Other loans to individuals ⁽¹⁾	35.3	10.5%	6.1%	6.2%
<i>Of which: CABK consumer loans⁽²⁾</i>	9.2	13.1%	6.0%	6.0%
II. Loans to businesses	83.4	12.6%	(0.2%)	(0.2%)
Corporates and SMEs	75.0	15.7%	0.1%	0.4%
Real Estate developers	8.2	1.8%	(2.8%)	(4.8%)
Criteria Caixa	0.3	(78.8%)	(4.8%)	(4.8%)
Loans to individuals & businesses	214.7	11.6%	0.5%	0.6%
III. Public sector	13.7	9.8%	(4.1%)	(5.0%)
Total Loans	228.4	11.5%	0.2%	0.2%
Performing loans	213.5	12.1%	0.5%	0.5%

(1) "Other loans to individuals" includes consumer lending and other credit to individuals

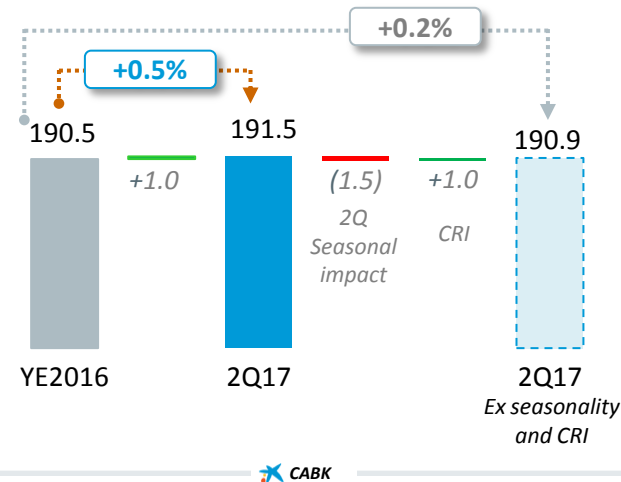
(2) Loans to individuals with personal guarantee, excluding those for home purchasing purposes. Includes personal loans by CaixaBank, MicroBank and CaixaBank Consumer Finance as well as credit cards (CaixaBank Payments) except for floating

(3) Adjusting for CRI deleveraging and seasonal impacts in 2Q (€1.5Bn in pension repayment in "Other loans to individuals")

CABK performing loan-book stable

- CABK performing loan book stable ytd adjusting for CRI repayment and 2Q seasonality⁽³⁾
- Sustained growth in corporate and SMEs (+0.4% qoq) and consumer lending (+6.0% qoq)...
- ...offsets reduced exposure to RE developers (-4.8% qoq on NPL portfolio sale), public sector (-5.0% qoq) and CRI (-4.8% qoq)
- BPI increases Group loan-book by 11.4% ytd

CABK performing loans, in €Bn (gross)



Positive loan production dynamics with strict margin discipline

Loan production keeps growing...

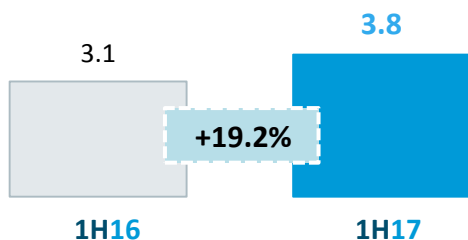
New lending growth, % 1H17 vs. 1H16



Consumer lending

+19%

New consumer lending, €Bn



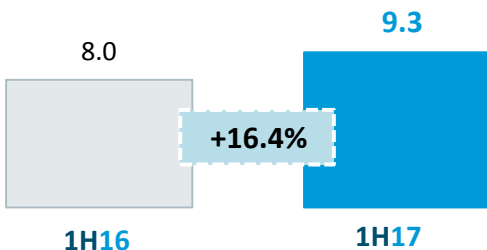
New lending growth, % 1H17 vs. 1H16



Corporates and SMEs

+16%

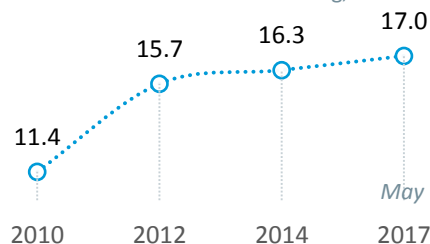
New lending to corporates and SMEs, €Bn



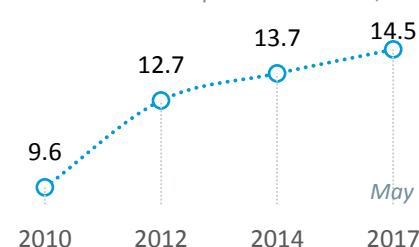
...increasing market shares while protecting margins

▶ Driving market share gains

Market share⁽¹⁾: consumer lending, %



Market share⁽¹⁾: corporates and SMEs, %



▶ New business initiatives to seize market potential



CaixaBank
CONSUMER FINANCE

Agreement effective 1st
July/81 shops in Spain



Growing alliances in the distribution sector



○ Launch of CIB in 4Q15



○ 1,363 dedicated managers;
107 specialised branches



▶ Increasing front book margins

Front Book yields in 1H17, Δ yoy vs. 1H16 in bps

Consumer lending

+24 bps

Corporates and SMEs

+4 bps

2Q 2017 Results

- Commercial activity
- **Financial results**
- Balance sheet
- Final remarks

Net income grows on solid operating trends

Consolidated Income Statement

in €M	CABK Group ⁽¹⁾				CABK	
	Q2 2017	Q2 2016	% yoy	% qoq	% yoy ⁽²⁾	% qoq
Net interest income	1,196	1,021	17.1	3.7	7.5	1.3
Net fees and commissions	664	522	27.3	13.1	13.1	8.3
Income from investments & associates	296	263	12.7	-	-	-
Trading income	134	325	(58.9)	-	(61.0)	-
Income and exp. from insurance	123	76	61.5	10.8	61.5	10.8
Other operating income & exp.	(26)	(80)	(68.6)	(73.2)	(88.4)	(90.1)
Gross income	2,387	2,127	12.2	26.1	-	24.0
Recurring expenses	(1,125)	(999)	12.6	3.2	0.5	(0.9)
Extraordinary operating expenses ⁽⁴⁾	(96)	0	-	-	-	-
Pre-impairment income	1,166	1,128	3.3	47.1	-	59.0
Loan impairment losses	(223)	(253)	(12.5)	(10.9)	(10.4)	(10.6)
Other provisions	(393)	(249)	58.5	6.3	58.2	6.2
Gains/losses on asset disposals & others	4	(114)	-	(98.3)	-	(98.4)
Pre-tax income	554	512	8.5	23.1	-	41.8
Income tax	(113)	(142)	(19.7)	-	-	-
Profit for the period	441	370	19.1	6.6	-	15.5
Minority interests & other	5	5	2.1	(52.0)	-	-
Profit attributable to the Group	436	365	19.4	8.2	-	16.0

Key CABK trends

Strong revenue growth on positive operating momentum

- NII (7.5% yoy/1.3% qoq) and fee growth (13.1% yoy/8.3% qoq) exceed expectations
- Insurance revenues grow at double digit (61.5% yoy/10.8% qoq)⁽³⁾
- Core revenue growth (12.6% yoy/4.6% qoq) offsets lower yoy trading and investments
- Other op. income & exp. affected by depositary agreement⁽⁵⁾ (+€115M) and SRF charge (-€75M)
- Recurrent cost base -0.9% qoq/+0.5% yoy in line with guidance

Lower cost of risk and positive RE result

- Loan-loss provisions (-10.4% yoy) as guided for
- Other provisions up on early retirement programmes (-€303M)
- Gains/losses on asset disposals remain positive with RE capital gains more than offsetting RE provisions

(1) BPI consolidates fully from 1st February 2017

(2) Where comparable, i.e. associates and sub-totals not comparable yoy

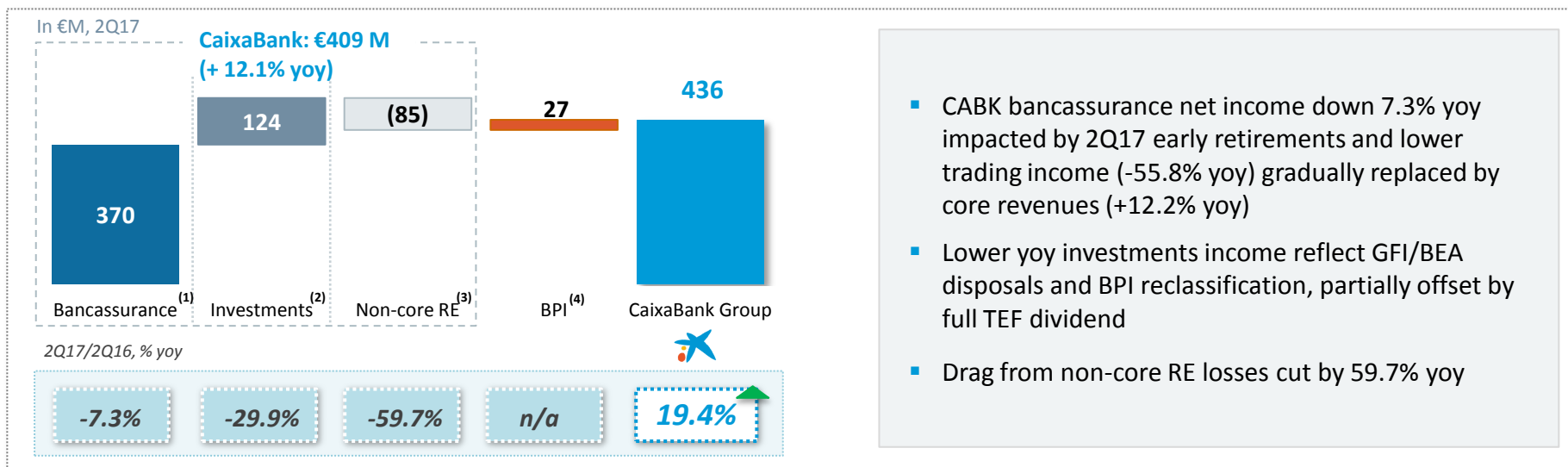
(3) Recovery of reinsurance flows in November 2016 after expiry of the value-in-force (VIF) contract with Berkshire Hathaway boosts yoy growth

(4) Restructuring charges in BPI

(5) CaixaBank has acted as intermediary in the agreement that CaixaBank AM and VidaCaixa have reached with Cecabank on the depositary business for which it has received a payment of €115M in 2Q17

CABK bancassurance remains the main contributor to Group RoTE

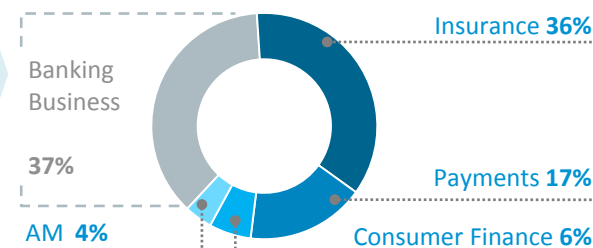
Group P&L by segment



**Double-digit
RoTE⁽⁵⁾ at
10.3%**

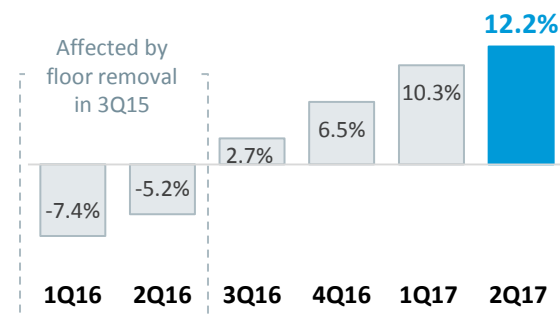
...with c.6.2 pp from non-banking businesses

Net income from CABK-bancassurance segment reporting⁽¹⁾ breakdown, trailing 12M as of 30 June 2017



...and higher quality of earnings

Bancassurance core revenues, % yoy



(1) Impacts in 2Q17 related to depositary business fee (+€115M), contribution to SRF (-€75M) and early retirement programme (-€303M)

(2) Includes annual dividend from TEF (0,4€/share)

(3) Non-core RE segment primarily includes non-core lending to RE developers and foreclosed RE assets (OREO and rental property)

(4) Includes one full quarter of BPI; impacted by restructuring programme (-€96M)

(5) Trailing 12 months RoTE exc. extraordinary items (-€85M redundancy program in 3Q16, +€433M in released provisions related to new BoS circular in 4Q16, +€256M net business combination result from BPI, and -€121M early retirement programmes of 2Q17; all after tax). Note that RoTE includes the accrued coupon of AT1 (-€2M post-tax)

BPI: positive operating performance in 2Q

2Q results impacted by restructuring charges...

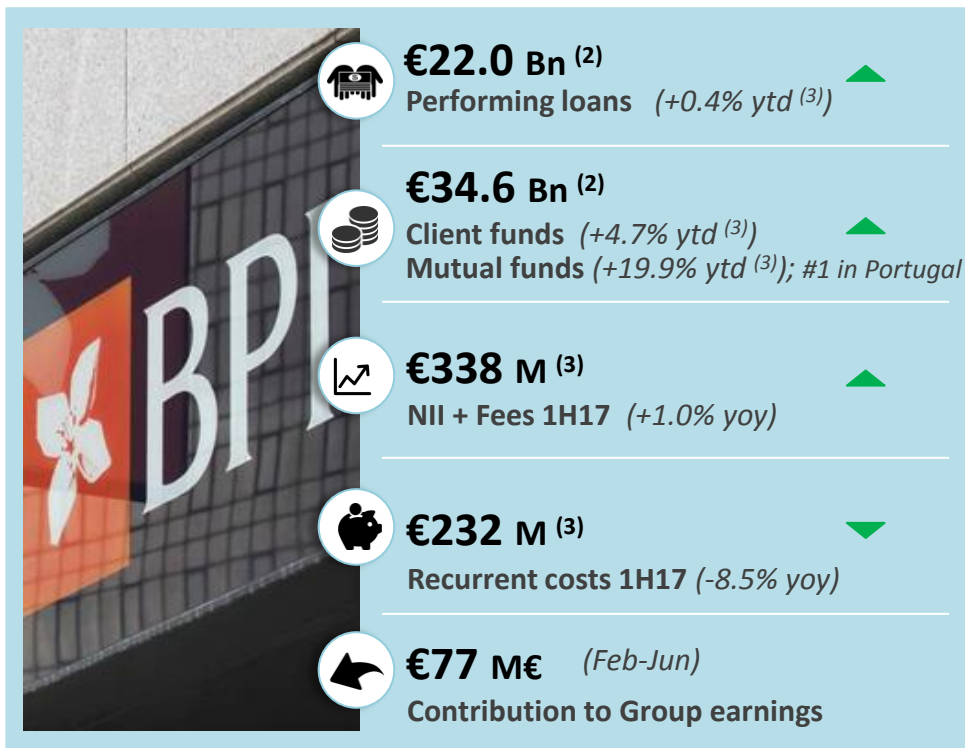
... with positive operating trends supporting recurrent earnings

BPI Segment P&L

1st full quarter of consolidation

in €M

	2Q17	Feb-Mar 2017
Net interest income	98	69
Net fees and commissions	74	43
Other income ⁽¹⁾	61	45
Gross income	233	157
Recurring expenses	(121)	(78)
Extraordinary operating expenses	(96)	(10)
Pre-impairment income	16	69
Impairment losses & other provisions	4	5
Gains/losses on asset disposals & others	0	0
Pre-tax income	20	74
Income tax, minority interests and other	7	(24)
Profit attributable to CABK Group	27	50



- BPI segment contribution to Group includes an additional month (3 months in 2Q vs. 2 in 1Q)
- €96 M restructuring costs booked in 2Q
- 1H17 Recurrent costs -8.5% yoy⁽³⁾ and expected to trend down as synergies from restructuring materialise
- Positive operating trends: client funds +4.7% ytd⁽³⁾; performing loan book +0.4% ytd⁽³⁾ supported by growth in business lending⁽⁴⁾ (+3.6% ytd⁽³⁾)

(1) Includes €58M in equity-accounted income from 2Q17 BFA contribution (€34M in 1Q17), o/w €44M (€26M in 1Q17) attributable to CABK shareholders (after repatriation tax of 10% and 84.5% attribution)

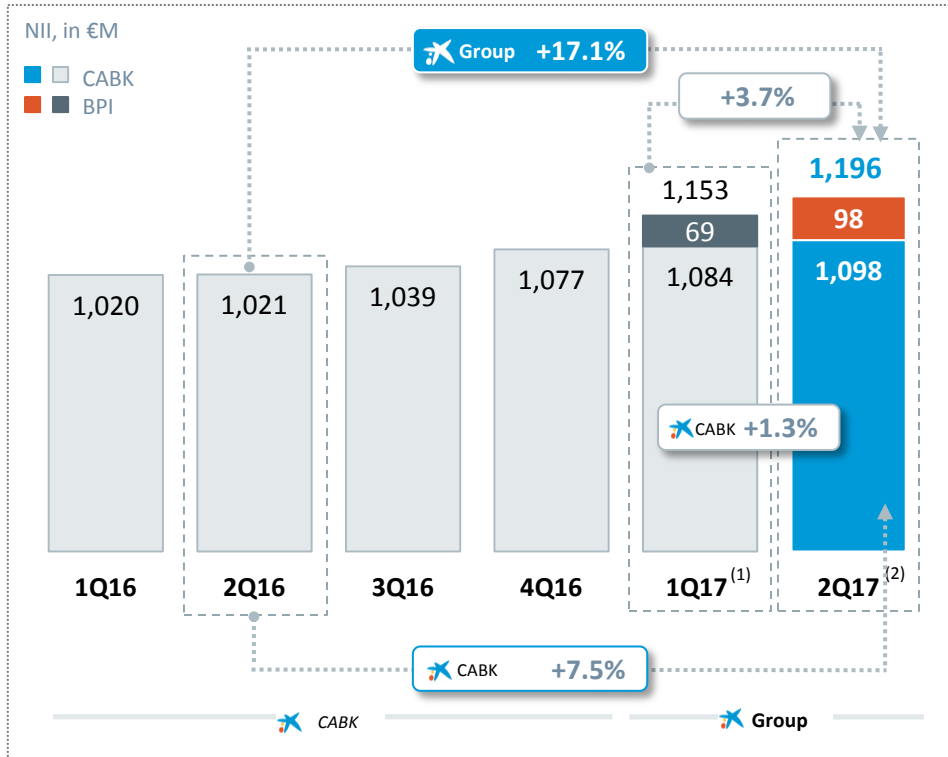
(2) CaixaBank Group consolidation criteria

(3) As reported by BPI

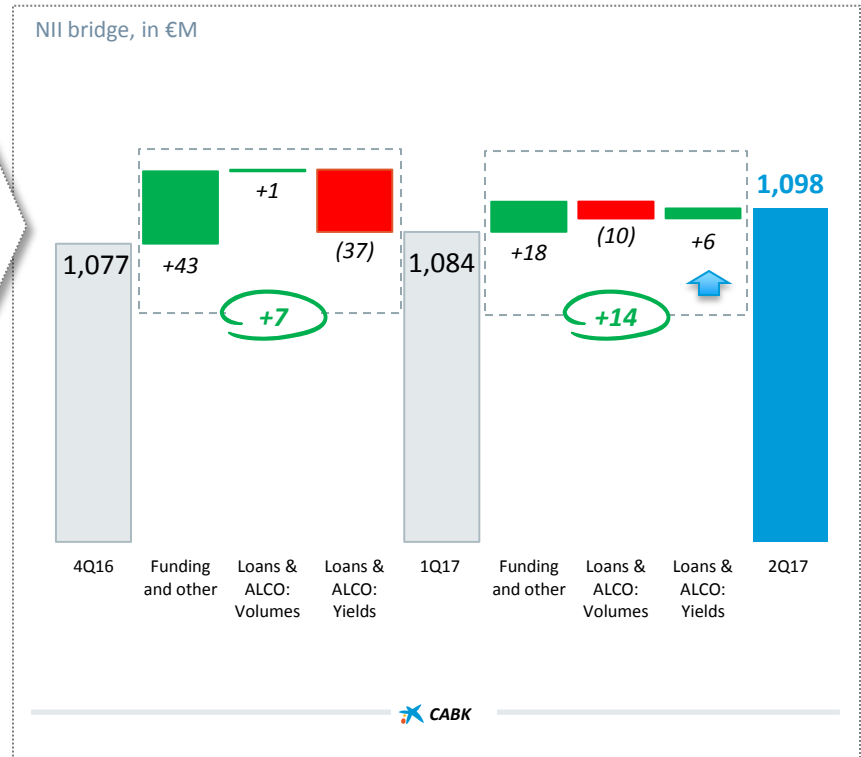
(4) In Portugal

NII improves in the quarter but short term rates remain at low levels

NII shows resilience to negative Euribor resets...



... with positive contribution from asset yields in 2Q



CABK trends:

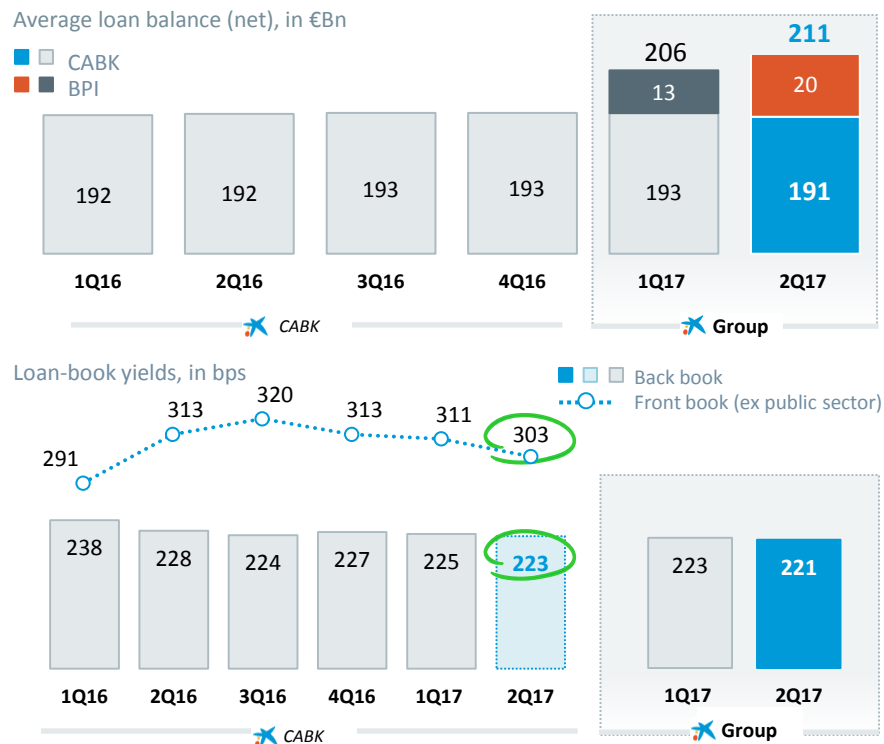
- NII improves as lower funding costs and positive dynamics in front book lending spreads offset:
 - negative Euribor index resets
 - lower ALCO-book re-pricing
- Gradually reduced drag from loans and ALCO volumes but tailwind from deposit repricing is also bottoming out
- FY17 guidance for NII growth upgraded to mid-single digit reflecting a strong 1H

(1) 1Q17 includes 2 months of BPI and impact of FV adjustments

(2) BPI contributes 1 additional month in 2Q17 vs. 1Q17. 2Q also impacted by FV adjustments

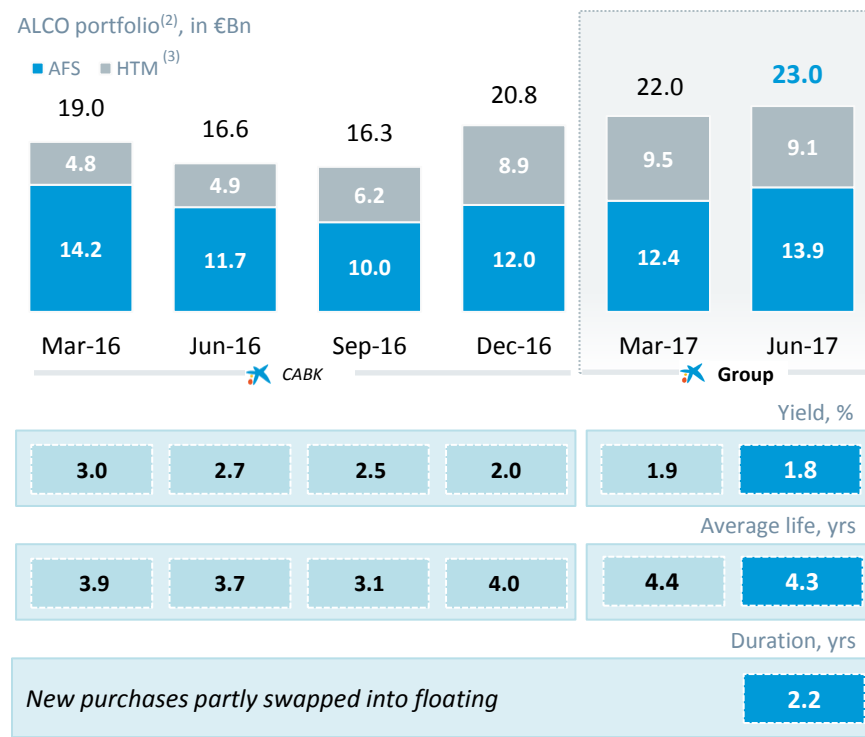
Stable asset yields and volumes

Broadly stable loan volumes and yields⁽¹⁾



- FB accretive to BB on mix-shift to higher-yielding segments
- BB yield down slightly on stable but negative impact of Euribor resets (-1bps)
- Gradual but favourable trends with FB spreads stabilising across segments

Higher ALCO book with stable yields



- ALCO book increases slightly with future developments dependent on market conditions and cash balances
- Yields stable on longer term purchases partly swapped to floating to reduce duration risk
- Lower risk relative to peers: 6.1% ALCO/total assets vs. 9.2% peer average⁽⁴⁾

(1) Note that 1Q Group asset yields and average balances BPI calculated on 2 months of BPI contribution

(2) Banking book fixed-income securities portfolio, excluding trading book assets and liquidity management portfolio of €2.9Bn for the Group (all from BPI), as of 30 June 2017

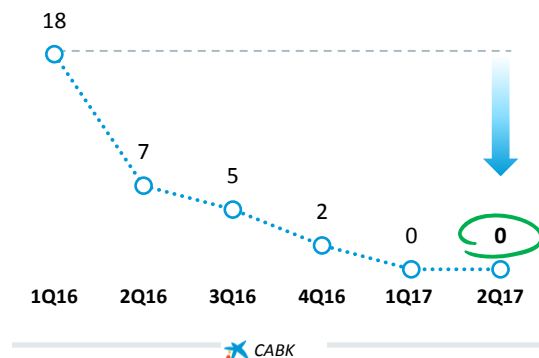
(3) Held to maturity securities and debt securities at amortised cost

(4) Peers: BBVA Spain + RE, Bankia, Bankinter, Sabadell ex TSB, Santander Spain + RE. Latest available data: Jun-17 for CaixaBank, Bankinter, Bankia and BBVA Spain + RE; Mar-17 for other peers. Sources: based on company information

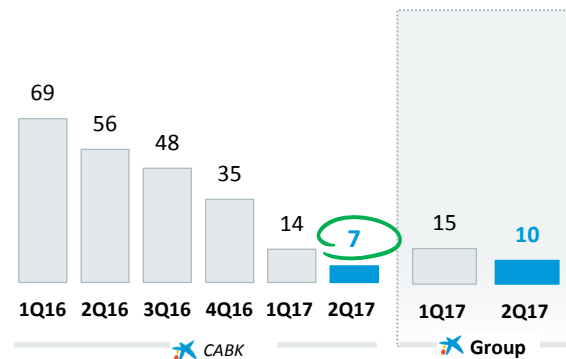
Margins supported by liability pricing

Deposit pricing at zero

CABK Time deposits: front book⁽¹⁾, in bps



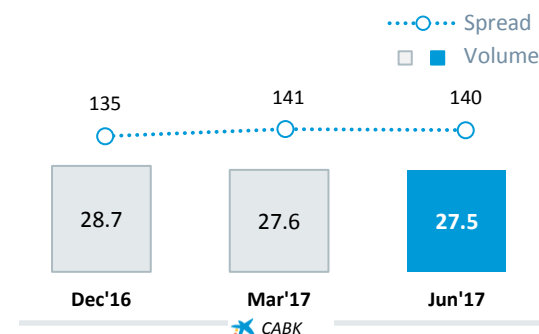
Time deposits: back book (bps)



- Limited potential for deposit re-pricing as difference between front and back book diminishes

Wholesale BB resilient to new issuances

CABK wholesale funding back-book⁽²⁾ in €Bn and spread over 6M Euribor in bps, as of 30 June 2017



Very active in the markets in 2017

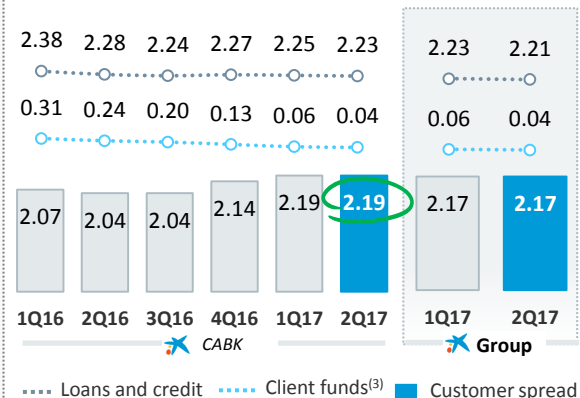
CABK issuances in 2017

	Date	Amount	Coupon
Tier 2	July	€1Bn	2.75%
AT1	June	€1Bn	6.75%
Senior	May	€1Bn	1.125%
Tier 2	Feb	€1Bn	3.50%
Covered bonds	Jan	€1.5Bn	1.25%

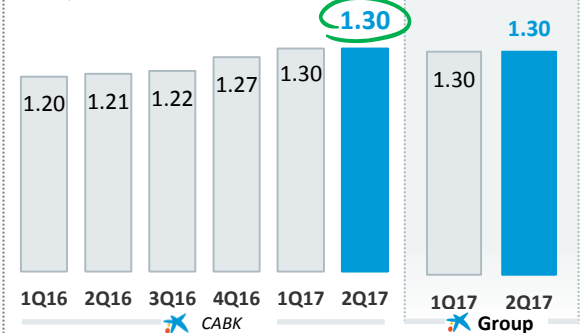
- Wholesale funding back book stable as expensive maturities offset impact from new issuances

Stable margins

Customer spread, in %



NIM, in %



- Customer spread stable (217 bps Group/219 bps CABK)
- NIM also steady at 130 bps

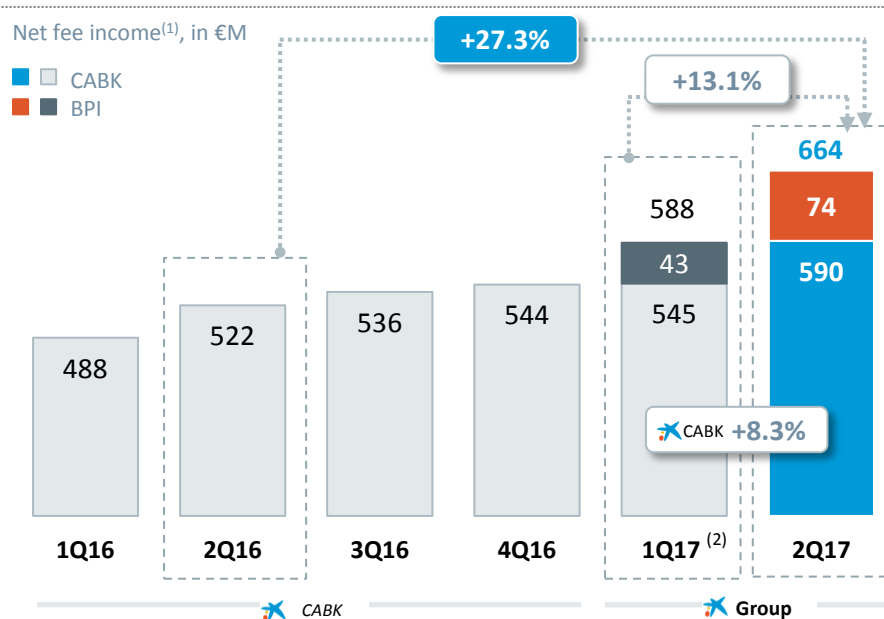
(1) Note the series has been restated to exclude the distortion related to structured products and foreign currency deposits

(2) Includes securitisations placed with investors and self-retained multi-issuer covered bonds. It does not include neither the AT1 issued in June nor the Tier 2 issued in July

(3) 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

Strong fee growth driven by AuM activity and recovery in banking fees

Strong fee growth...



Net fees breakdown, €M

	2Q17	% yoy		% qoq	
		Group	CABK	Group	CABK
Banking and other fees	416	24.3	11.2	12.2	8.8
Mutual funds	121	22.5	10.9	10.6	5.3
Pension plans	51	7.6	3.0	7.0	4.7
Insurance distribution fees	76	88.3	46.8	28.6	14.7

(1) 1Q16 figures were restated to reflect changes introduced by BoS Circular 5/2014

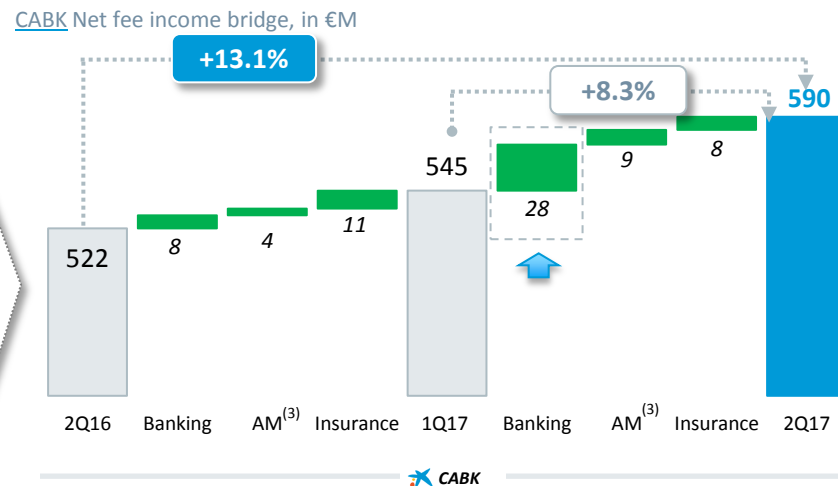
(2) 1Q17 includes only 2 months of BPI

(3) Mutual funds and pension plans

(4) As reported by BPI in order to compare two full quarters.

(5) Adjusting for the deconsolidation of BPI Alternative Fund

...with an exceptional quarter across the board



CABK trends:

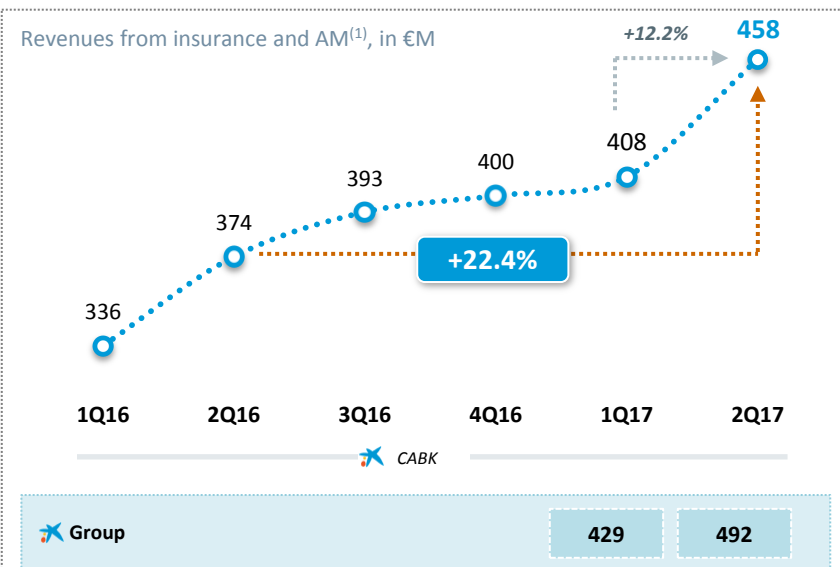
- Net fees up 13% yoy with five solid quarters in a row after an exceptionally low 1Q16
- Asset management (+8.4% yoy) and insurance distribution fees (+46.8% yoy) increase yoy underpinned by higher activity
- Banking fees recovery supported by strong CIB performance
- FY17 guidance for fee growth upgraded to mid-single digit after 2Q performance

BPI

- Fee growth (+7.1% yoy/+9.2% qoq)⁽⁴⁾ across the board with strong performance in AM (9.5% qoq)⁽⁴⁾⁽⁵⁾

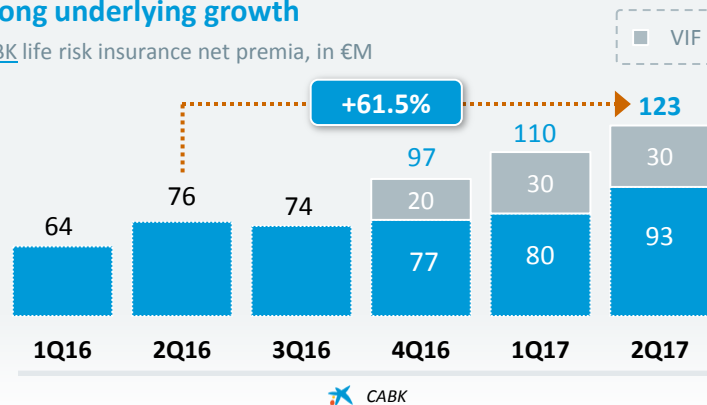
Insurance and asset-management remain key contributors to bancassurance revenue

Double-digit growth in insurance and AM revenues...



The recovery of value-in-force reinsurance contributes to strong underlying growth

CABK life risk insurance net premia, in €M

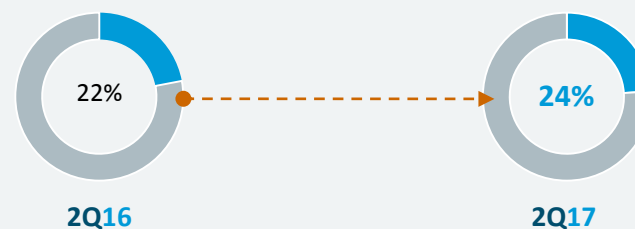


...which contribute 24% of CABK bancassurance total revenues

CABK-Bancassurance 2Q17, in €M	CABK-Bancassurance	Insurance & AuM	as % bancassurance
Revenues (excluding non-recurrent items⁽¹⁾)	1,921	458	24%
% yoy	+12%	+22%	+2 p.p.
Net interest income	1,158	76	7%
% yoy	+7%	-12%	-1 p.p.
Net fees and commissions	590	218	37%
% yoy	+13%	+17%	+1 p.p.
Income from associates (equity accounted)	50	41	82%
% yoy	+39%	+58%	+10 p.p.
Income and exp. from insurance	123	123	100%
% yoy	+62%	+62%	0 p.p.

Growing contribution to revenues

% of CABK bancassurance revenues⁽¹⁾

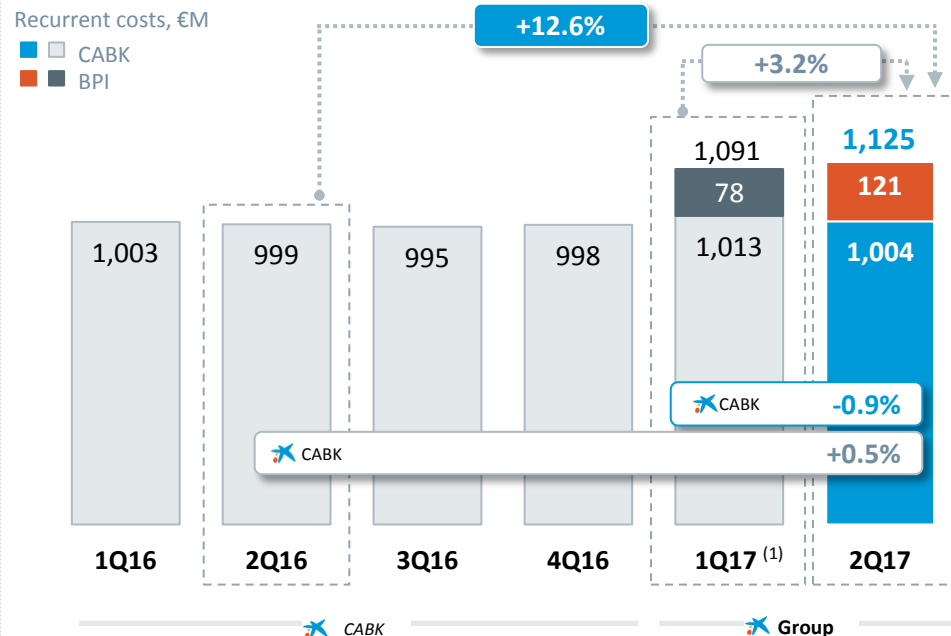


Non-banking businesses mitigate effect of low rates

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

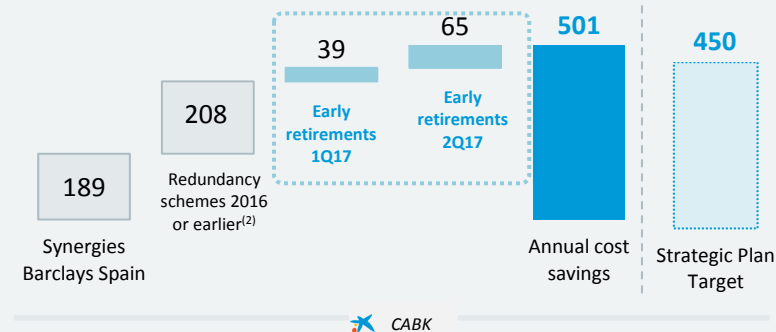
Group costs affected by one additional month of BPI

CABK operating costs down in the quarter and in line with guidance



2Q restructuring achieves strategic plan savings target

Annual CABK cost savings (structural), in €M (pre-tax)



Additional synergies from 1H restructuring at BPI



CABK:

- Cost-savings beyond strategic target provide room to selectively invest in new revenue opportunities (e.g. Mediamarkt)
- Departures from 2Q early retirement scheme began in July (610 employees) with cost savings to be felt in 2H
- Recurrent C/I ratio⁽³⁾ down to 52.3%

Group:

- Recurrent costs reflect 1 full quarter of BPI
- Total costs impacted by further restructuring charges at BPI (€96M in 2Q; €10M in 1Q)⁽⁴⁾, with the bulk of restructuring affecting employees already complete

Reiterating CABK cost guidance of <1% for 2017

(1) 1Q17 includes 2 months of BPI

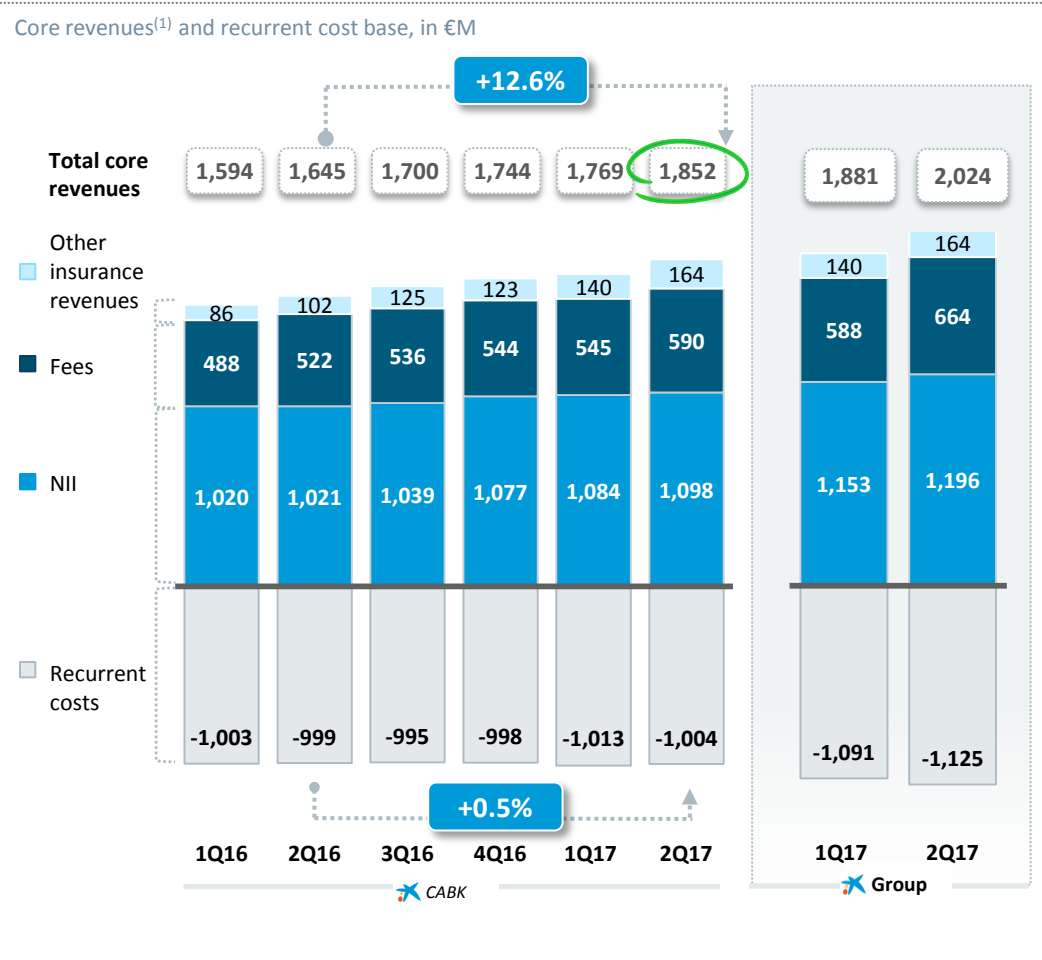
(2) €29M from remaining savings of the voluntary redundancies plan signed in 2013 with departures in 2013-2014, €47M from early retirements agreed in 2014, €60M from collective dismissal 2015 and €72M from 2016 redundancy scheme

(3) Trailing 12 months C/I ratio, excluding 3Q16 voluntary redundancy scheme

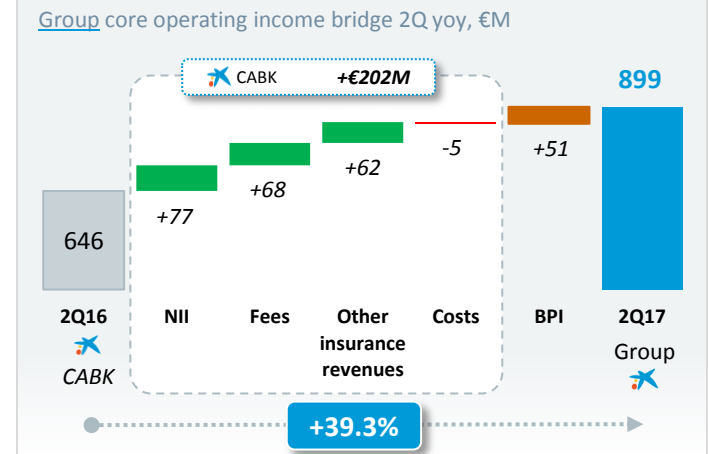
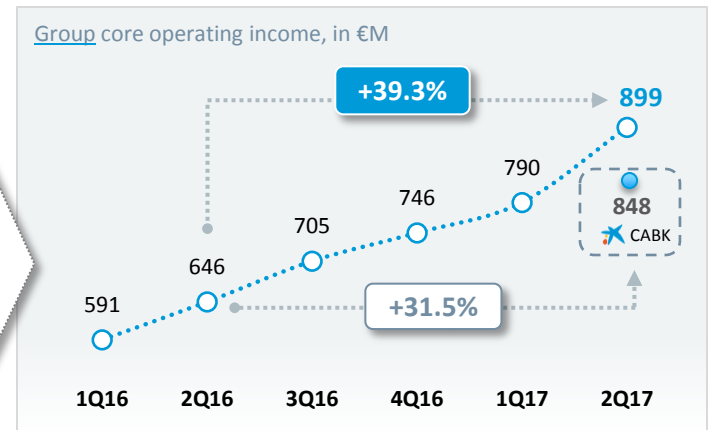
(4) Pre-tax. 84.5% o/w would be attributed to CaixaBank Group

Sustained improvement in key operating metrics supported by BPI contribution

Core revenue growth more than offsets cost inflation...



... boosting core operating income⁽²⁾



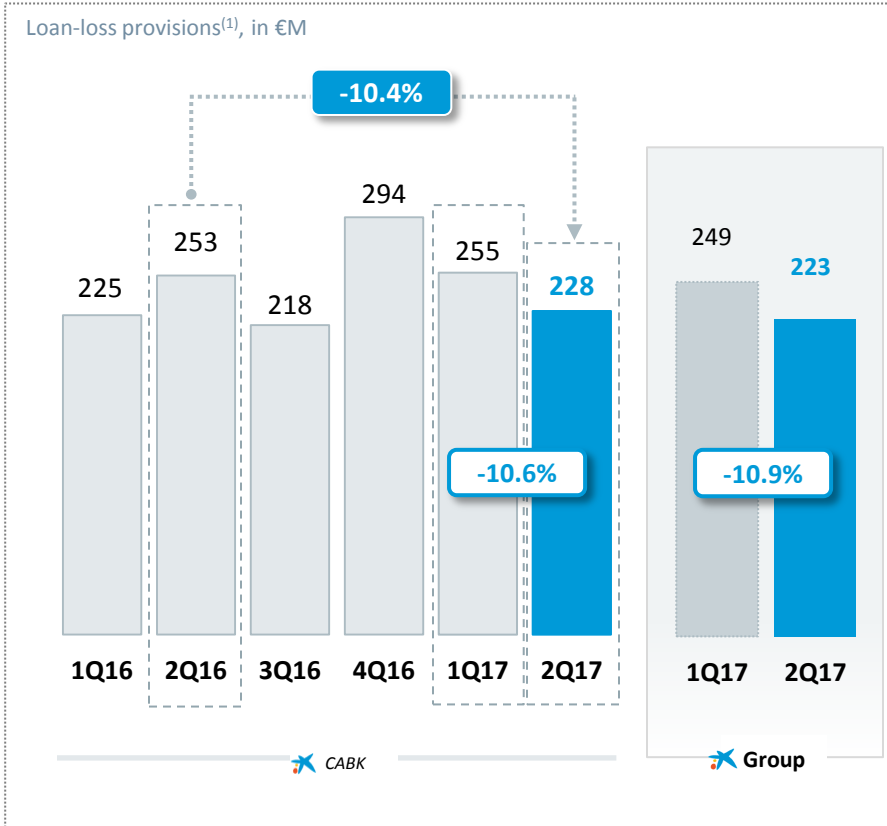
Core operating income up **39%** vs 2Q16 supported by higher core revenues and BPI

(1) Core revenues include: NII + Fees + other revenues from insurance (life-risk premia and equity accounted income from SegurCaixa Adeslas)

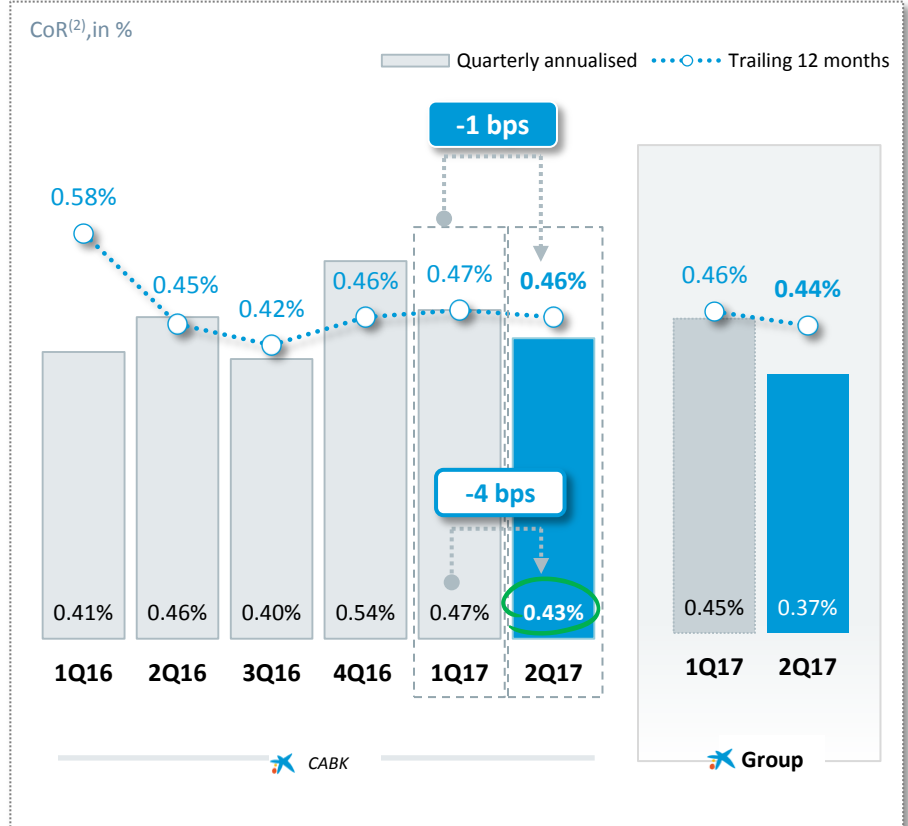
(2) Core operating income defined as core revenues minus recurrent costs

CoR gradually trending down in line with guidance

CABK LLPs down 11% qoq and 10% versus 2Q16



CoR reflects gradual improvement



- CABK CoR of 0.46% (trailing 12 months) with loan-loss provisions down 10.6% qoq
- Group CoR at 0.44% as fair value adjustments keep BPI contribution at c.0% in coming quarters
- 2017 guidance of CoR <40bps for CABK reiterated

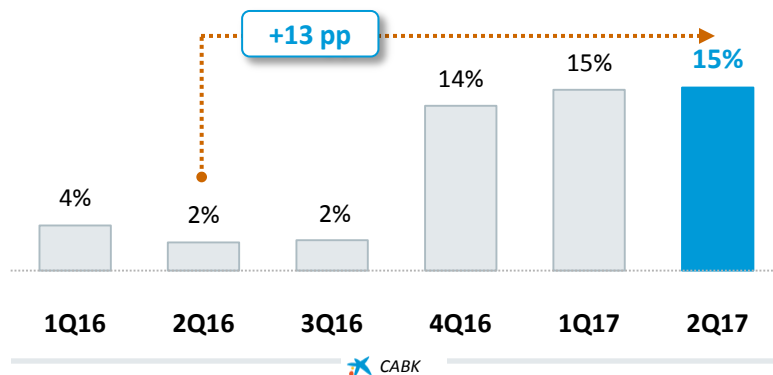
(1) Excludes extraordinary provision release in 4Q16 related to development of internal models.

(2) Loan-loss provisions over total gross customer loans plus contingent liabilities (average balances), on a trailing 12 months and on an annualised quarterly basis. 1Q16-4Q16 series have been restated to calculate the ratio over average balances instead of end-of-period balances

Capital gains from OREO sales remain at high levels

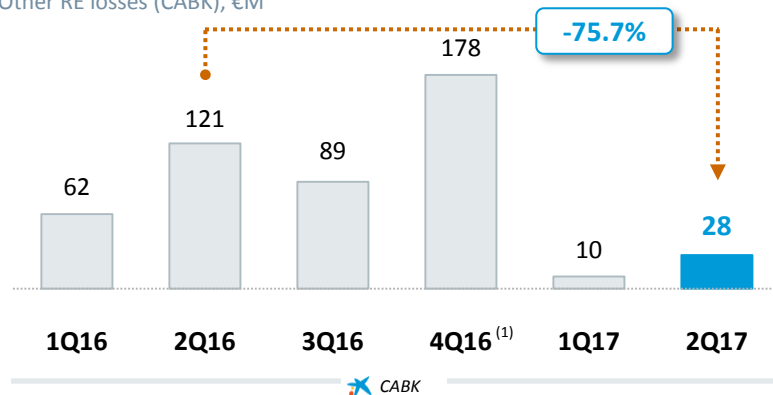
Capital gains from OREO sales remain at double-digit

RE capital gains (CABK), as % of net book value



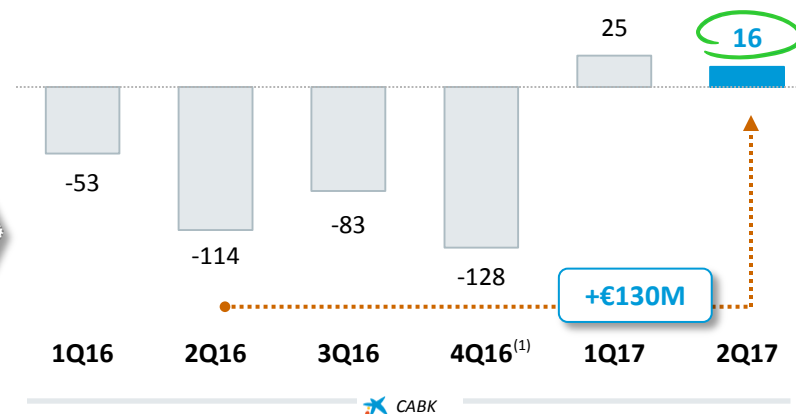
With RE impairments down 76% versus 2Q16

Other RE losses (CABK), €M



Yielding two consecutive quarters of net RE gains

Gains/losses on RE disposal and other RE gains/losses, in €M (CABK)⁽²⁾



Gains/losses on asset disposals and other, breakdown in €M⁽²⁾

€M	2Q17	1Q17	2Q16
Results from RE sales	44	35	7
Other RE gains/losses	(28)	(10)	(121)
Other non-RE related ⁽³⁾	(12)	253	
Gains/losses on asset disposal and other	4	278	(114)

OREO sale capital gains more than offset RE impairments

(1) Excluding €656M in provisions related to the application of BoS Circular 4/2016

(2) Gains/losses on asset disposals and other in BPI are insignificant

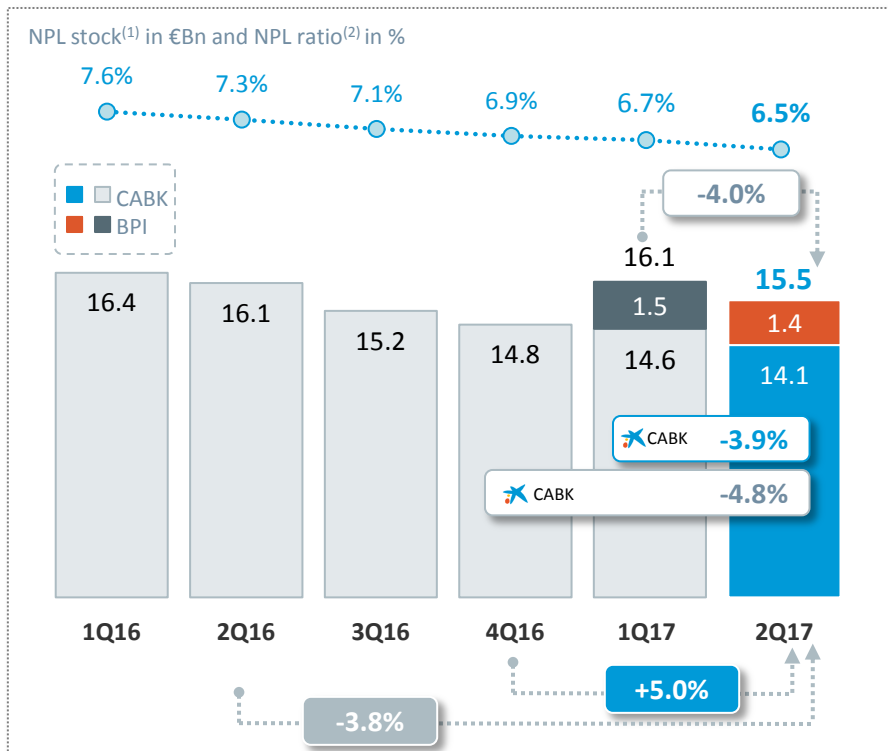
(3) Including in 1Q17 €256M from BPI business combination

2Q 2017 Results

- Commercial activity
- Financial results
- **Balance sheet**
- Final remarks

NPLs keep trending down

2Q portfolio sale contributes to NPL reduction



Stable NPL coverage ratio

NPL coverage in %

	4Q16	1Q17	2Q17
Group	47%	49%	50%
CABK	47%	47%	47%
BPI	-	78%	80%

CABK NPL breakdown by collateral, 30 June 2017



CABK:

- NPLs down 4.8% ytd/12.7% yoy supported by portfolio sales (-€472M) in 2Q
- NPL ratio at 6.5%, down 33bps ytd/80bps yoy despite inflows from large exposures
- Total NPAs⁽³⁾ down 3.3% ytd with coverage stable at 53%

Group:

- BPI contributes €1.4bn NPLs to Group while keeping Group NPL ratio stable at 6.5%
- Group NPL coverage increases to 50% (vs. 47% 4Q16)

(1) Including non-performing contingent liabilities (€590M in 2Q17, including BPI)

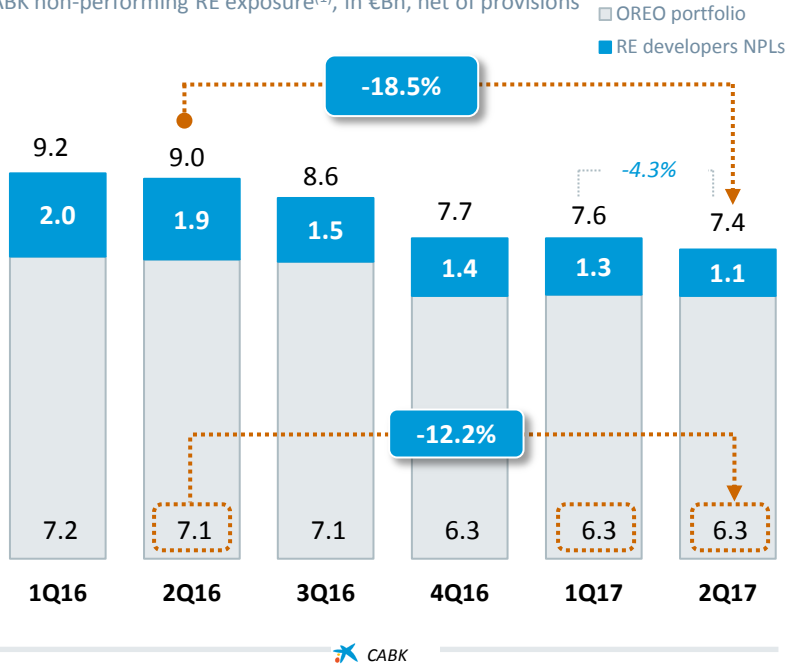
(2) NPL ratio is the ratio of NPLs to total gross customer loans and contingent liabilities as of the end of the period

(3) Total NPAs include NPLs, non performing contingent liabilities and OREO (all gross of provisions)

RE exposure declines 4% qoq with positive trends in inflows and outflows

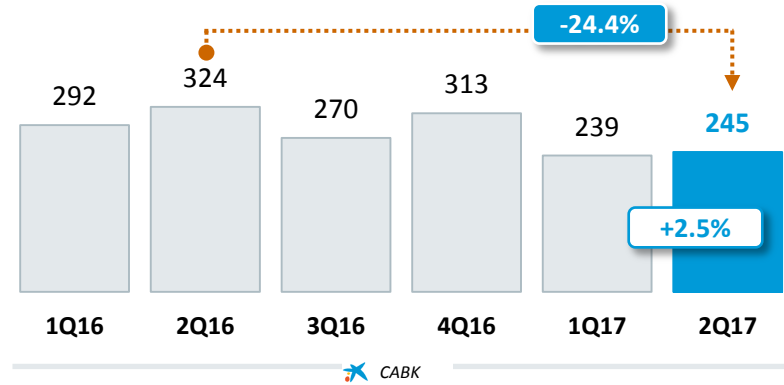
Reduced non-performing RE exposure with stable coverage

CABK non-performing RE exposure⁽¹⁾, in €Bn, net of provisions



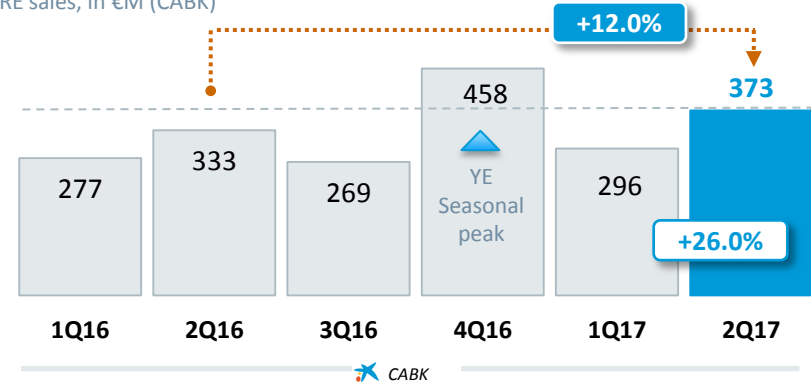
OREO inflows down 24% yoy

Inflows (net of provisions) to OREO portfolio, in €M (CABK)



Higher RE sales

RE sales, in €M (CABK)



OREO book coverage ratio, %

58%

Coverage w/ accounting provisions only

49%

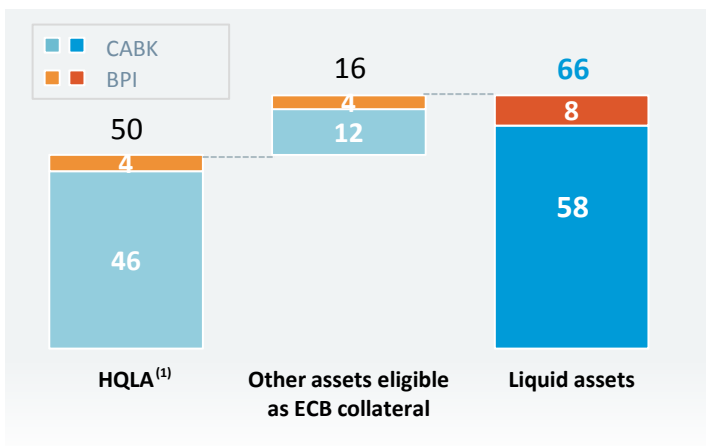
Better RE fundamentals and high coverage support gradual OREO decline

(1) CABK OREO portfolio net of provisions and non-performing RE developer loans net of specific provisions. BPI OREO portfolio net of provisions amounts to €70M

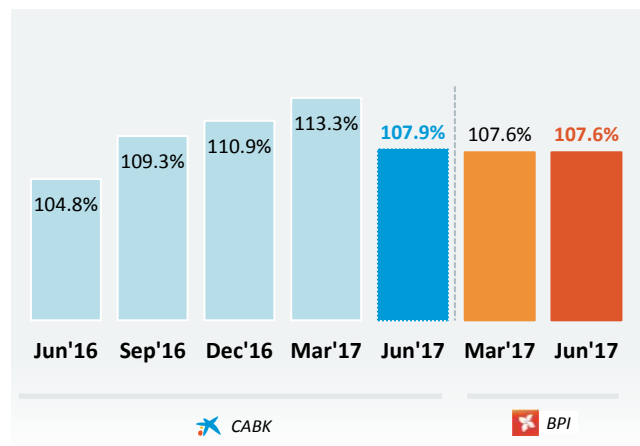
Strong liquidity position remains a hallmark

Comfortable liquidity metrics

Liquid assets, in €Bn 30 June 2017

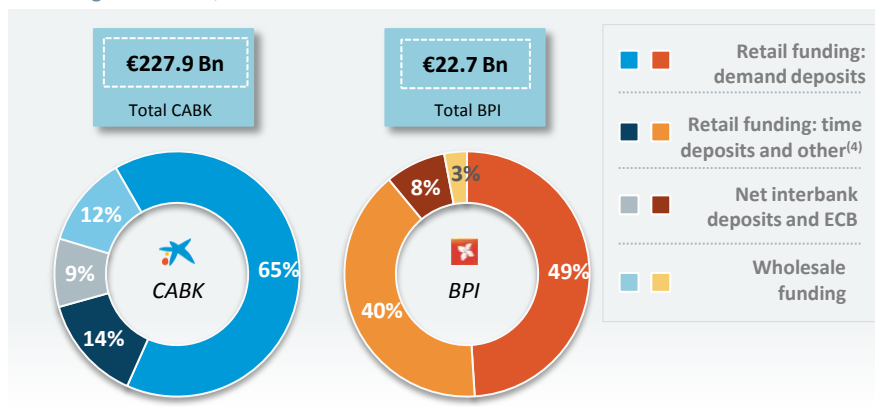


LtD ratio, %

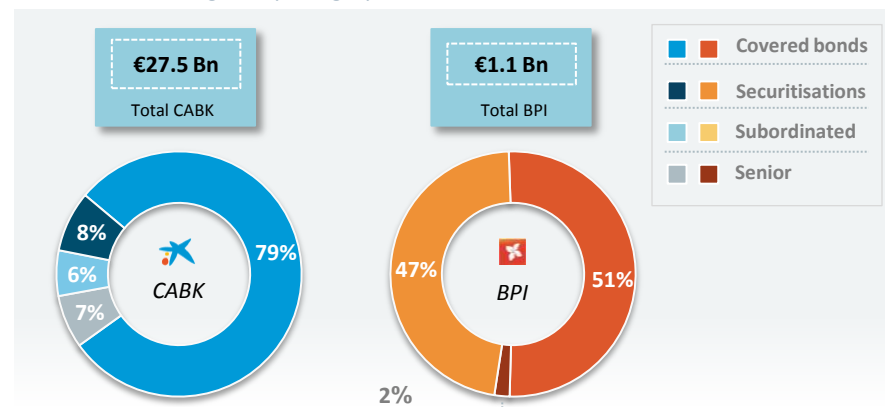


Stable funding structure

Financing structure⁽³⁾, % of total 30 June 2017



Wholesale funding⁽³⁾⁽⁵⁾ by category, 30 June 2017

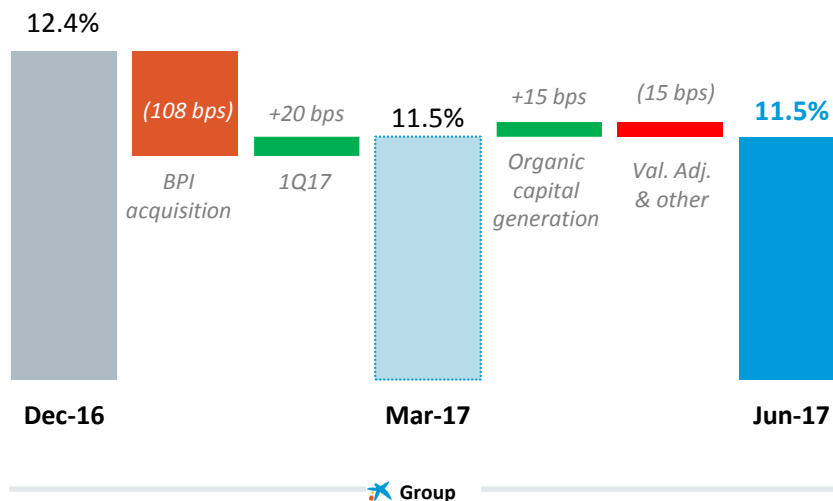


- (1) High quality liquid assets
- (2) Including €2Bn from BPI. All TLTRO 2 except for €637 M TLTRO 1 from BPI
- (3) Excluding the €300M subordinated debt issued by BPI in 1Q which was fully subscribed by CABK
- (4) Other includes: subordinated and retail debt securities
- (5) Individual perimeter. Includes securitisations placed with investors and self-retained multi-issuer covered bonds

Tier 1 further reinforced by inaugural AT1 issuance

CET1 FL ratio evolution

CaixaBank Group, in %, ytd



In €Bn

	Dec-16	Mar-17	Jun-17
CET1	16.6	17.6	17.4
RWAs	134.4	152.9	151.2

Capital ratios

 CaixaBank Group⁽¹⁾, In % as of 30 June 2017

	Phase-in	Fully loaded
CET1	12.5%	11.5%
Tier 1	12.6%	12.2%
Total Capital⁽²⁾	15.9%	15.5%
Leverage ratio	5.6%	5.5%

 Capital instruments issued in 1H17⁽²⁾

€1 Bn	Subordinated Notes → Increase Tier 2 and Total Capital
€1 Bn	Additional Tier 1 → Increase Tier 1 and Total Capital ⁽²⁾

- Capital build offset by TEF performance
- Tier 1 and Total capital⁽²⁾ reinforced by €1Bn Additional Tier 1 issue in June 2017
- AT1 coupon charged against reserves in line with sector practices
- Estimated impact of IFRS9 (first application) on CET1 FL ratio: <15 bps

(1) CABK CET1 phase in ratio on a solo basis as of 30 June 2017 is 12.8%. BPI CET1 phase-in ratio as of 30 June 2017 is 11.9% (11.4% on a solo basis)

(2) Total Capital ratios include both the redemption of €1.3 Bn Tier 2 notes announced on 27th July 2017 and the positive impact (+66 bps) of €1.0 Bn Tier 2 notes issued in July 2017 on a proforma basis

2Q 2017 Results

- Commercial activity
- Financial results
- Balance sheet
- **Final remarks**

2Q17: key takeaways

1

Strong core revenue growth

- ▶ Guidance in NII and Fees upgraded to mid-single digit⁽¹⁾ growth after strong 1H performance

2

Better business mix and stable margins

- ▶ Steady growth in managed savings and non-life insurance
- ▶ Stable loan-book: growth in consumer and business lending

3

Positive operating trends in BPI

- ▶ Client funds⁽²⁾ +4.7% ytd; now #1 in mutual funds
- ▶ Performing loan book⁽²⁾ +0.4% ytd
- ▶ Recurrent expenses⁽²⁾ : -8.5% 1H/1H

4

Disciplined execution of efficiency plans

- ▶ CABK: €455M 1H restructuring cost → €104M annual cost-savings
- ▶ BPI: €106M 1H restructuring cost → €36M annual cost-savings

5

Balance sheet strength

- ▶ Lower NPAs with profitable RE sales
- ▶ Inaugural AT1 reinforces solvency metrics
- ▶ Estimated IFRS9 implementation impact of <15bps CET1 FL ratio

(1) Guidance for CABK standalone FY2017

(2) As reported by BPI

Appendix

Consolidated Income Statement

Consolidated Income Statement:

BPI consolidates fully from 1st February 2017 (5 months)

in €M	CABK Group			CABK	
	1H2017	1H2016	% yoy	1H2017	% yoy
Net interest income	2,349	2,041	15.1	2,182	6.9
Net fees and commissions	1,252	1,010	23.9	1,135	12.4
Income from investments & associates	389	400	(2.8)	280	(30.1)
Trading income	177	593	(70.1)	164	(72.2)
Income and exp. from insurance	233	140	66.7	233	66.7
Other operating income & exp.	(120)	(135)	(11.5)	(104)	(23.1)
Gross income	4,280	4,049	5.7	3,890	(3.9)
Recurring expenses	(2,216)	(2,002)	10.7	(2,017)	0.8
Extraordinary operating expenses ⁽¹⁾	(106)	-		-	
Pre-impairment income	1,958	2,047	(4.4)	1,873	(8.5)
Loan impairment losses	(472)	(478)	(1.5)	(483)	0.7
Other provisions	(763)	(434)	76.1	(761)	75.9
Gains/losses on asset disposals & others	282	(247)		282	
Pre-tax income	1,005	888	13.2	911	2.6
Income tax	(149)	(243)	(38.5)	(146)	(39.9)
Profit for the period	856	645	32.7	765	18.6
Minority interests & other	17	7	128.2	3	(64.2)
Profit attributable to the Group	839	638	31.6	762	19.5

(1) Restructuring charges in BPI

Reconciliation between BPI reported P&L and BPI Segment contribution to the Group

P&L in €M	1H reported by BPI	Consolidation adjustments ⁽¹⁾	BPI segment (Feb-Jun)
Net interest income	200	(33)	167
Dividends	6		6
Income from investments & associates accounted for using the equity method	121	(18)	103
Net fees and commissions	138	(21)	117
Trading income	15	(2)	13
Other operating income & expenses	(191)	175	(16)
Gross income	289	101	390
Operating expenses	(232)	33	(199)
Extraordinary operating expenses	(106)		(106)
Pre-impairment income	(49)	134	85
Pre-impairment income without extraordinary expenses	57	134	191
Impairment losses	(8)	19	11
Other provisions	3	(5)	(2)
Gains/losses on asset disposals & others			
Pre-tax income	(54)	148	94
Income tax	(48)	45	(3)
Income from investments & associates			
Profit for the period	(102)	193	91
Minority interests & other		14	14
Profit attributable to the Group	(102)	179	77





(1) Including the reversal of January P&L, the reversal of fair value adjustments in the business combination and attribution of profits to minority interests

Refinanced loans

As of 30 June, 2017 (€Bn)	Group		CaixaBank	
	Total	O/W NPLs	Total	O/W NPLs
Individuals ⁽¹⁾	6.1	3.8	5.8	3.5
Businesses (ex-RE)	4.7	2.9	3.8	2.5
RE Developers	1.5	1.1	1.3	1.0
Public Sector	0.3	0.1	0.2	0.1
Total	12.6	7.9	11.2	7.2
Of which: Total Non-RE	11.1	6.8	9.9	6.2
Provisions	2.7	2.5	2.4	2.2

(1) Including self-employed

Credit Ratings

	Long term	Short term	Outlook	Rating of covered bond program
 (1)	Baa2	P-2	stable	Aa2 (5)
 (2)	BBB	A-2	positive	A+ (6)
 (3)	BBB	F2	positive	-
 (4)	A (low)	R-1 (low)	stable	AA (high) (7)

(1) As of 10/05/17

(2) As of 09/02/17

(3) As of 07/04/17

(4) As of 14/07/17

(5) As of 18/06/15

(6) As of 20/04/17

(7) As of 20/01/17

Glossary (I/IV)

In addition to the financial information prepared in accordance with International Financial Reporting Standards (IFRS), this document includes certain Alternative Performance Measures (APMs) as defined in the guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057) (the “ESMA Guidelines”). CaixaBank uses certain APMs, which have not been audited, for a better understanding of the company’s financial performance. These measures are considered additional disclosures and in no case replace the financial information prepared under IFRSs. Moreover, the way the Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. Accordingly, they may not be comparable. ESMA guidelines define an APM as a financial measure of historical or future performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. In accordance with these guidelines, following is a list of the APMs used, along with a reconciliation between certain management indicators and the indicators presented in the consolidated financial statements prepared under IFRS.

Term	Definition
AFS	Available for sale
ALCO	Asset – Liability Committee
AT1	Additional Tier 1
AuM / AM	Assets under Management including mutual funds and pension plans
BoS	Bank of Spain
B/S	Balance sheet
CET1	Common Equity Tier 1
CIB	Corporate and Institutional Banking division
CoR	Cost of risk: total allowances for insolvency risk (last 12 months) divided by average of gross loans plus contingent liabilities, using management criteria
Customer spread	Difference between the average yield rate on loans and the average cost rate of retail deposits for the period (quarter). <ul style="list-style-type: none"> • Average yield rate on loans (%): annualized quarterly income from loans and advances to customers divided by the net average balance of loans and advances to customers for the period (quarter). • Average cost rate of retail deposits (%): annualized quarterly cost of on-balance sheet retail customer funds divided by the average balance of on-balance sheet retail customer funds for the period (quarter), excluding subordinated liabilities.
C/I ratio	Cost-to-income ratio: administrative expenses, depreciation and amortisation divided by gross income (last 12 months)
C/I ratio (recurrent)	Cost-to-income ratio stripping out extraordinary expenses: administrative expenses, depreciation and amortisation stripping out extraordinary expenses divided by gross income (last 12 months)
FB / BB	Front book / back book referring to the yield on loans and the cost of retail deposits (%)
HQLA	High quality liquid assets within the meaning of Commission Delegated Regulation of 10 October 2014
HTM	Held to maturity

Glossary (II/IV)

Term	Definition
LCR	Liquidity coverage ratio: High quality liquid asset amount (HQLA) / Total net cash outflow amount
LLP / LLC	Loan-loss provisions / charges
LtD	Loan to deposits: quotient between: <ul style="list-style-type: none"> • Net loans and advances to customers using management criteria excluding brokered loans (funded by public institutions) • Customer funds on the balance sheet
NII	Net interest income
NIM	Net interest margin, also Balance sheet spread: difference between the average return rate on assets and the average cost of fund rate for the period (quarter). <ul style="list-style-type: none"> • Average return rate on assets (%): annualized quarterly interest income divided by average total assets for the period (quarter). • Average cost of fund rate (%): annualized quarterly interest expenses divided by average total liabilities for the period (quarter).
NPA	Non-performing assets: including non-performing loans and repossessed real estate assets available for sale (gross book value)
NPA coverage ratio	Quotient between: <ul style="list-style-type: none"> • Sum of impairment allowances on loans to customers and contingent liabilities, using management criteria, plus total OREO coverage (sum of loan write-downs at the foreclosure plus accounting provisions of OREO assets) • Sum of total gross loans to customers and contingent liabilities, using management criteria, plus debt cancelled at the foreclosure (sum of net book value and total coverage of OREO assets)
NPL coverage ratio	Quotient between: <ul style="list-style-type: none"> • Impairment allowances on loans to customers and contingent liabilities, using management criteria • Non-performing loans and advances to customers and contingent liabilities, using management criteria
NPL ratio	Non-performing loan ratio: quotient between: <ul style="list-style-type: none"> • Non-performing loans and advances to customers and contingent liabilities, using management criteria • Total gross loans to customers and contingent liabilities, using management criteria
OREO	Other Real Estate Owned: repossessed real estate assets available for sale
OREO coverage ratio	Quotient between: <ul style="list-style-type: none"> • Total coverage: sum of loan write-downs at the foreclosure plus accounting provisions of foreclosed assets • Debt cancelled at the foreclosure: sum of net book value and total coverage
OREO coverage ratio with accounting provisions	Quotient between: <ul style="list-style-type: none"> • Accounting provision: charges to provisions of foreclosed assets • Book value of the foreclosed asset: sum of net carrying amount and the accounting provision
P&L	Profit and Loss Account

Glossary (III/IV)

Term	Definition
ROTE	Return on tangible equity: profit attributable to the Group divided by average equity less, where applicable, intangible assets using management criteria (last 12 months). The value of intangible assets under management criteria is the value of Intangible assets in the public balance sheet, plus the intangible assets and goodwill associated with investees, net of impairment allowances, recognised in Investments in joint ventures and associates in the public balance sheet. Profit attributable to the Group adjusted to reflect the amount of the Additional Tier1 coupon, after tax, registered in equity.
RWAs	Risk Weighted Assets
SMEs	Small and medium enterprises
SRF	Single Resolution Fund
TLTRO	Targeted long-term refinancing operation conducted by the European Central Bank
VIF	Value-in-force reinsurance contract with Berkshire Hathaway (started in November 2012 and finalized in November 2016)

Glossary (IV/IV)

Adapting the layout of the public income statement to management format

Term	Definition
Net fees and commissions	Net fee and commission income. Includes the following line items: <ul style="list-style-type: none"> • Fee and commission income; • Fee and commission expenses
Trading income	Gains/(losses) on financial assets and liabilities and others. Includes the following line items: <ul style="list-style-type: none"> • Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net; • Gains/(losses) on financial assets and liabilities held for trading, net; • Gains/(losses) from hedge accounting, net; • Exchange rate differences, gains/(losses), net.
Operating expenses	Includes the following line items: <ul style="list-style-type: none"> • Administrative expenses; • Depreciation and amortisation.
Pre-impairment income	(+) Gross income; (-) Operating expenses
Loan impairment losses and other provisions	Impairment losses on financial assets and other provisions. Includes the following line items: <ul style="list-style-type: none"> • Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss; • Provisions/(reversal) of provisions - <i>Of which Allowances for insolvency risk</i>; • Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss corresponding to Loans and receivables (to customers, using management criteria); • Provisions/(reversal) of provisions corresponding to Provisions for contingent liabilities, using management criteria - <i>Of which Other charges to provisions</i>; • Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss, excluding balances corresponding to Loans and receivables (to customers, using management criteria); • Provisions/(reversal) of provisions, excluding provisions corresponding to contingent liabilities using management criteria.
Gains/losses on asset disposals & others	Gains/losses on derecognition of assets and others. Includes the following line items: <ul style="list-style-type: none"> • Impairment/(reversal) of impairment on investments in joint ventures or associates; • Impairment/(reversal) of impairment on non-financial assets; • Gains/(losses) on derecognition of non-financial assets and investments, net; • Negative goodwill recognised in profit or loss; • Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations.
Minority interests & other	Profit/(loss) attributable to minority interests and others. Includes the following line items: <ul style="list-style-type: none"> • Profit/(loss) after tax from discontinued operations; • Profit/(loss) for the period attributable to minority interests (non-controlling interests).

Institutional Investors & Analysts

investors@caixabank.com

+34 93 411 75 03



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