



**Shareholders'  
Annual General Meeting / 2019**



Chairman

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**Jordi Gual**



## Strategic Plan 2015-2018



Environment in 2019 and coming years



Strategic Plan 2019-2021



Commitment with the shareholder

## Successful completion of the Strategic Plan 2015-18



Reinforcement of commercial leadership



Increased profitability



High financial strength

Excellent starting point for the Strategic Plan 2019-21

# Successful completion of the Strategic Plan 2015-18

## Reinforcement of commercial leadership

2014      2018

Retail clients penet.  
(primary bank)

23.5%



26.3%

Digital penetration

30.8%



32.0%

Payroll deposit

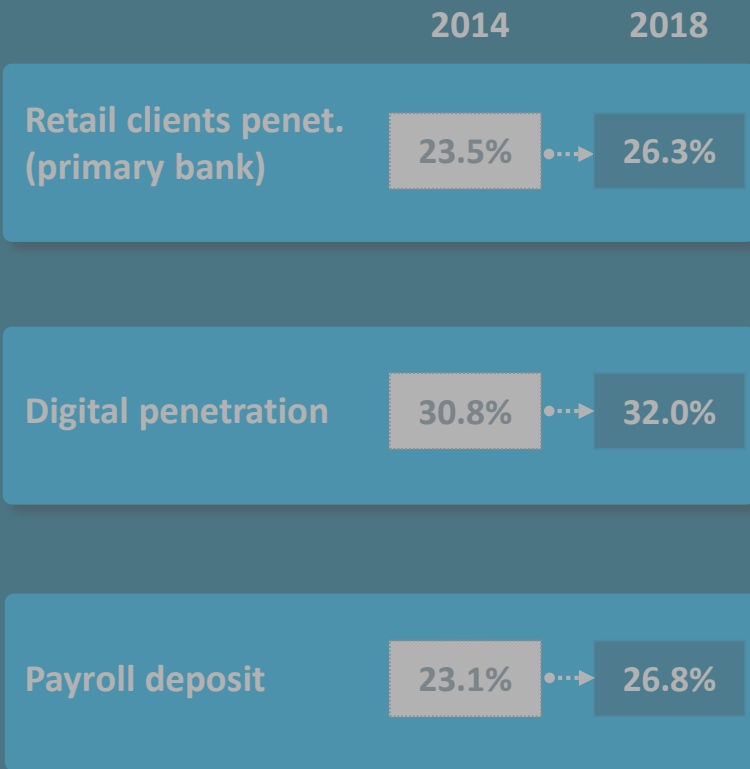
23.1%



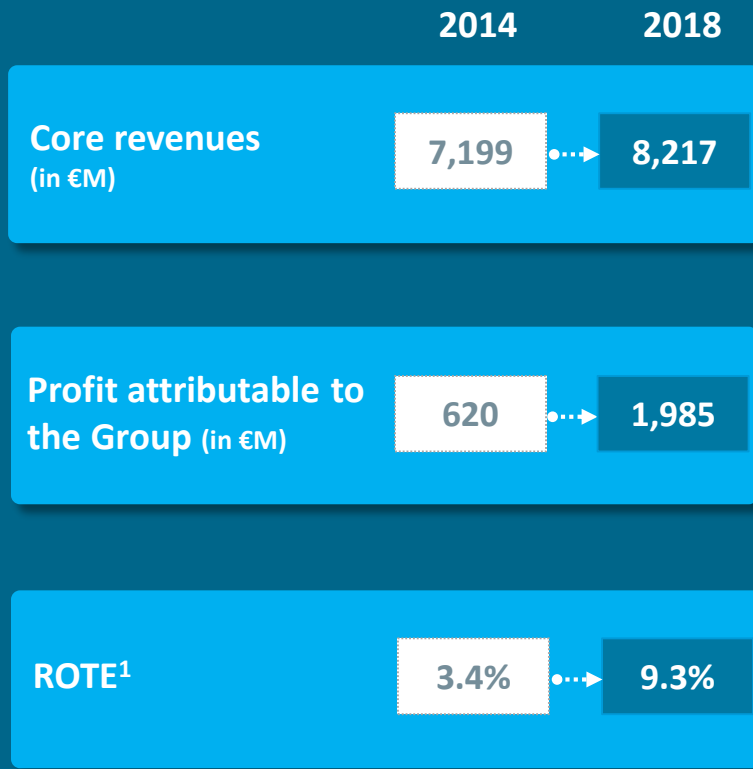
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# Successful completion of the Strategic Plan 2015-18

## Reinforcement of commercial leadership



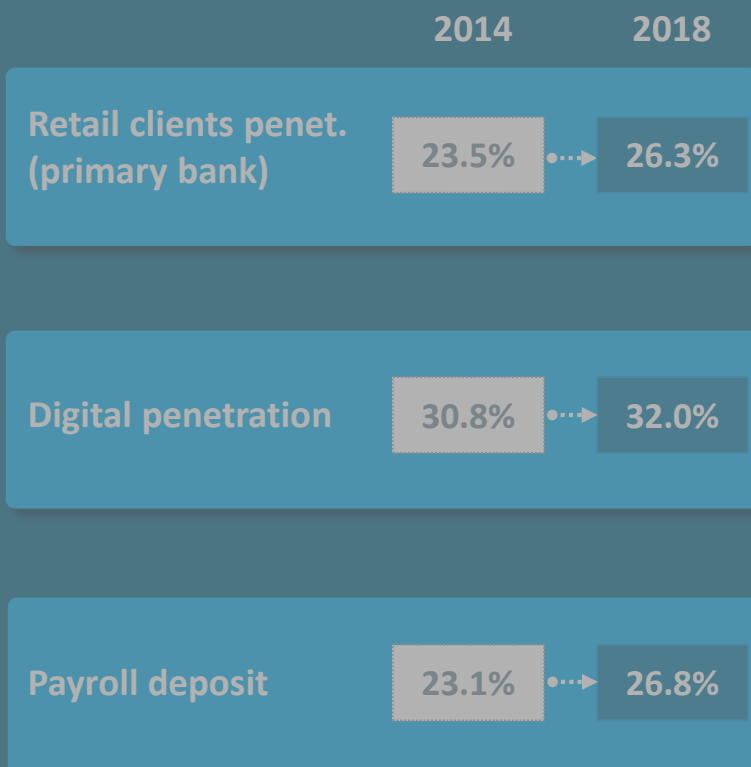
## Increased profitability



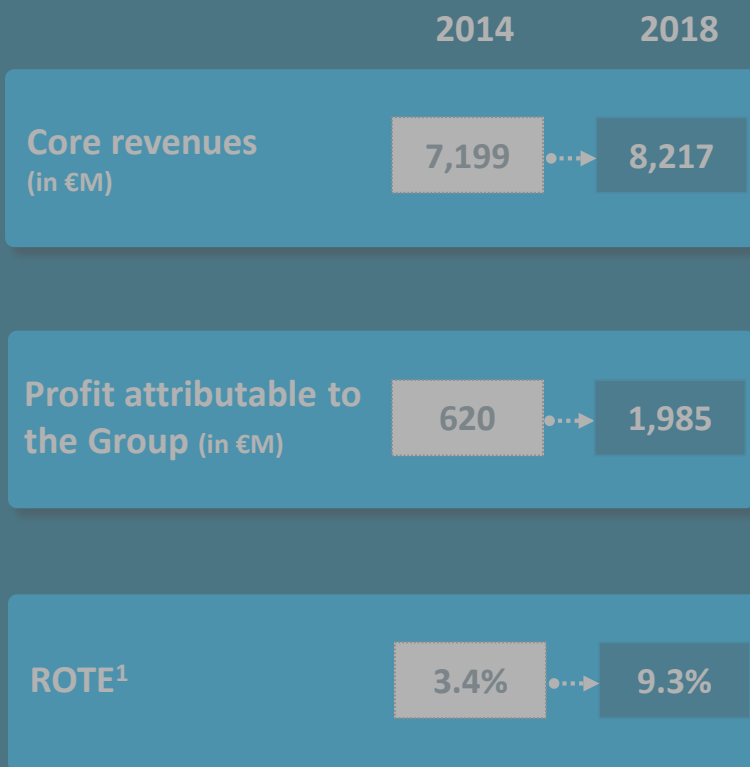
Note: <sup>1</sup>ROTE: Return on tangible equity.

## Successful completion of the Strategic Plan 2015-18

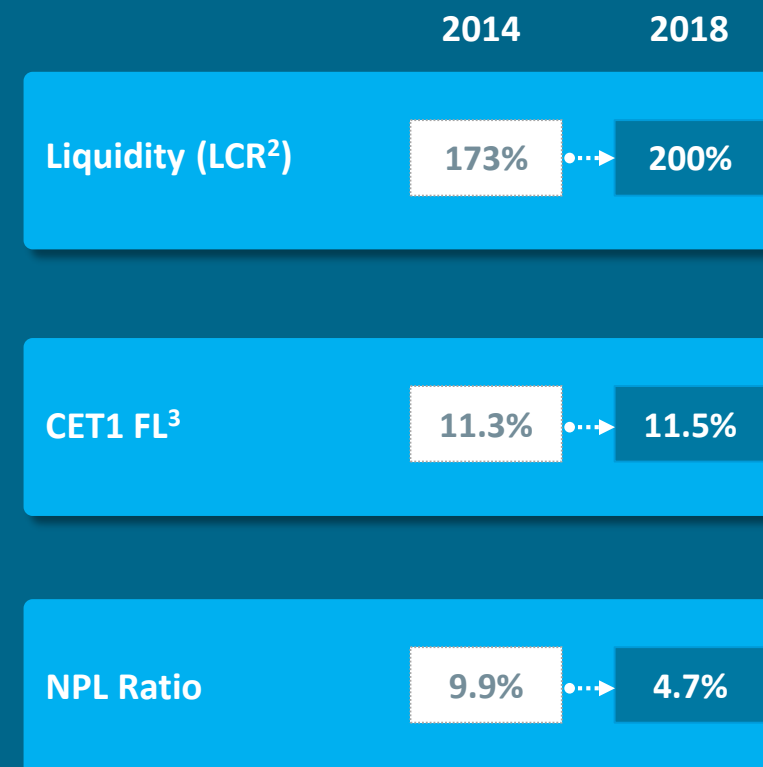
### Reinforcement of commercial leadership



### Increased profitability



### High financial strength



Notes: <sup>1</sup>ROTE: Return on tangible equity. <sup>2</sup>LCR: Liquidity coverage ratio. <sup>3</sup>CET1 FL: Common equity Tier 1 fully loaded.

- Strategic Plan 2015-2018
- Environment in 2019 and coming years**
- Strategic Plan 2019-2021
- Commitment with the shareholder



## A growing but uncertain environment

### Real GDP growth outlook

Annual growth, %

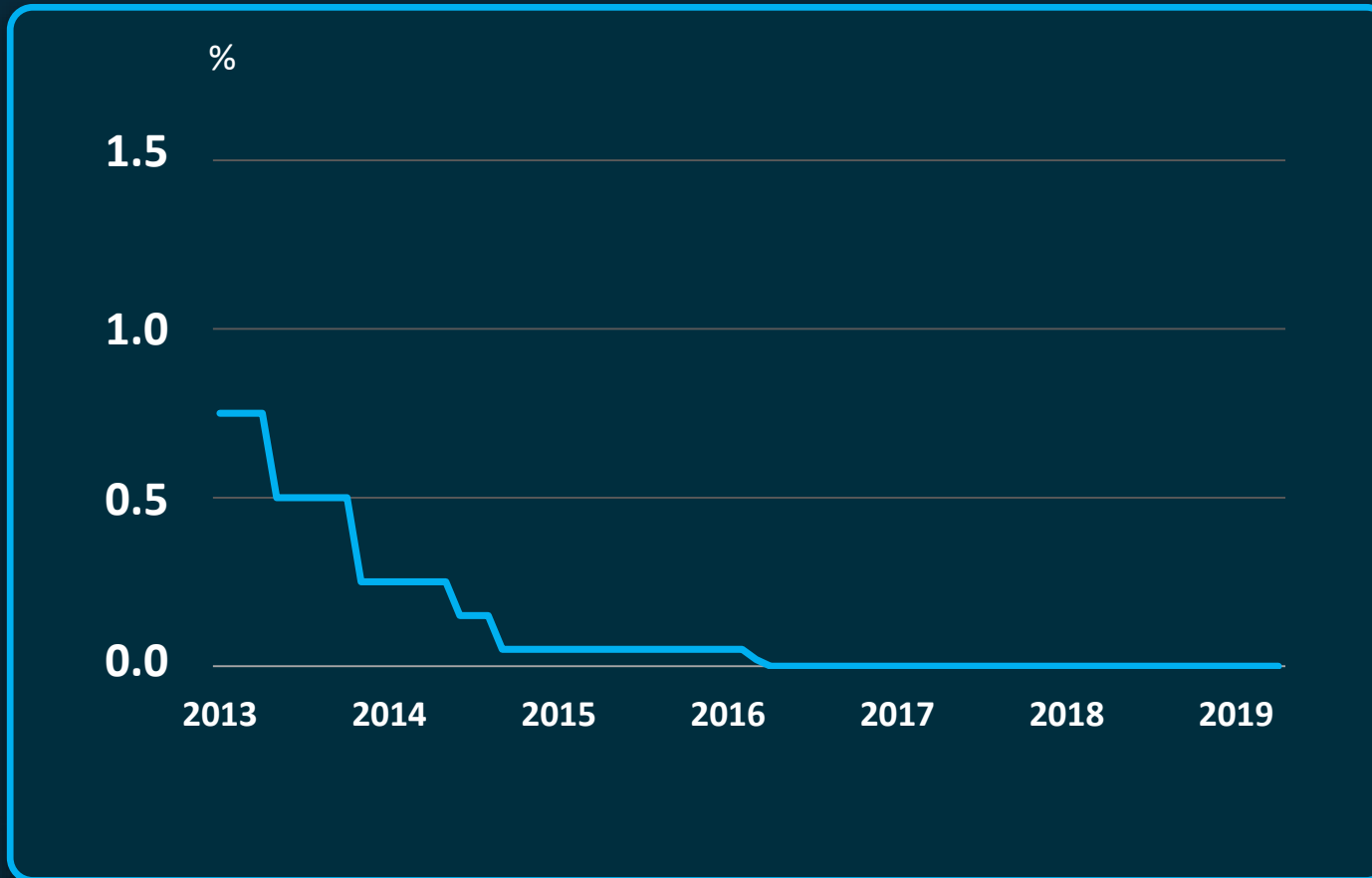
	2019	2020	2021
<b>World economy</b>	<b>3.3</b>	<b>3.4</b>	<b>3.5</b>
<b>Euro area</b>	<b>1.3</b>	<b>1.5</b>	<b>1.6</b>
Spain	2.1	1.9	1.7
Portugal	1.8	1.7	1.7

### Outlook 2019-21

- ▶ **More mature phase of the cycle**
- ▶ **Uncertainties:**
  - Trade tensions
  - Brexit
  - Monetary policy

# Monetary policy in the euro zone: the low-interest environment continues

## Official interest rates (%)



- ECB delays an interest rate hike
- Abundant liquidity (new TLTRO<sup>1</sup>, ...)

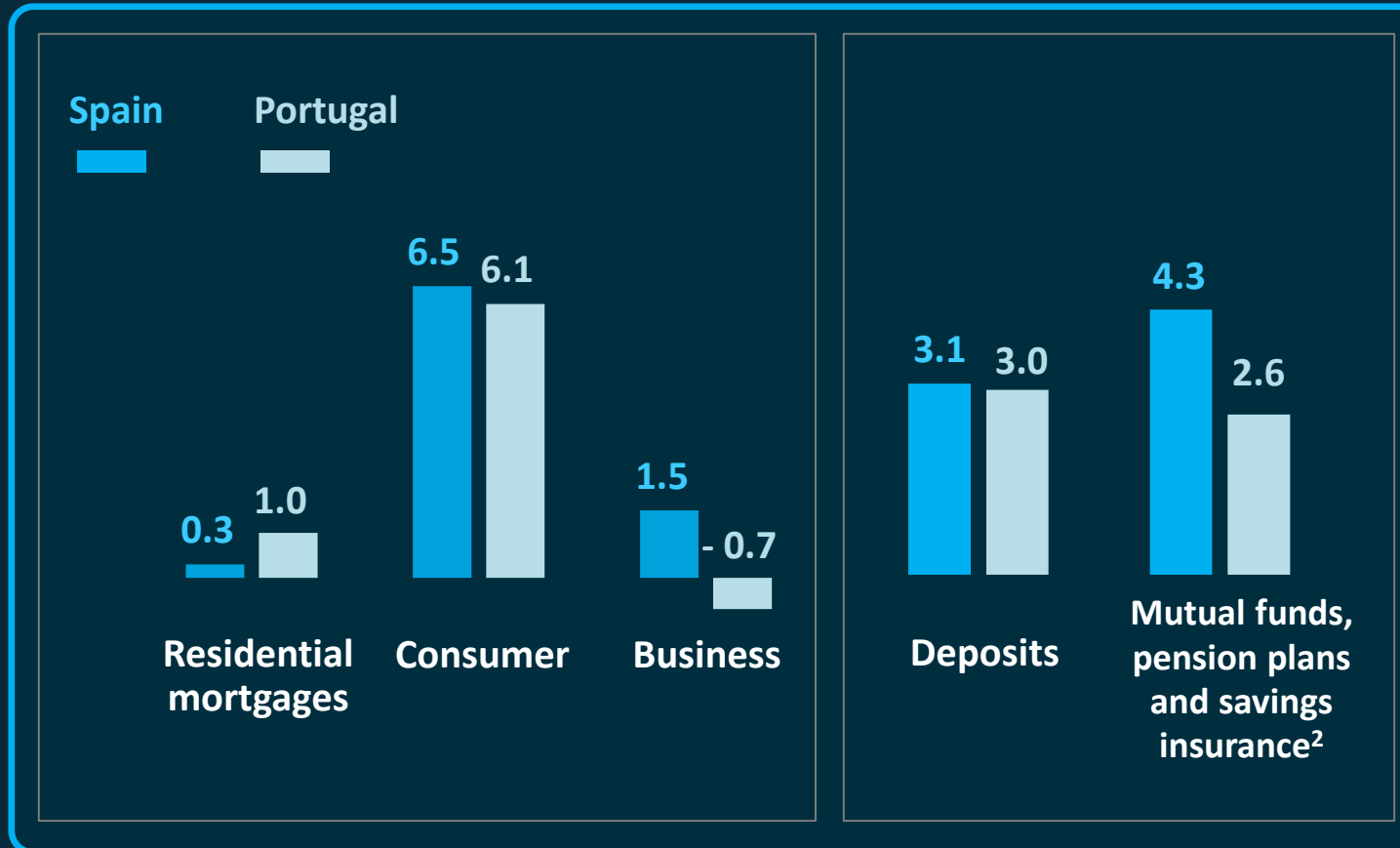
Note: <sup>1</sup>TLTRO: Targeted Long Term Refinancing Operations.

Source: CaixaBank Research.

# Evolution of the banking sector in Spain and Portugal

## Loans and customer funds

CAGR<sup>1</sup> 2019-21 (%)



- ▶ Modest credit growth
- ▶ Potential in long-term savings

**Notes:** <sup>1</sup>CAGR: Compound Annual Growth Rate. <sup>2</sup> Does not consider pensions plans for Portugal. For Spain, technical provisions for savings insurance. For Portugal, technical provisions for life insurance.

**Source:** Bank of Spain, Bank of Portugal, INVERCO, ICEA, APFIPP

## Key trends in the environment

### Digital transformation



- Immediacy and personalization
- New competitors
- New business models

### Demanding regulatory framework



- Solvency and liquidity
- Debt (resolution)
- Conduct

### Social commitment



- More is expected from companies
- ... especially from banks
- Reinforce trust

- Strategic Plan 2015-2018
- Environment in 2019 and coming years
- Strategic Plan 2019-2021**
- Commitment with the shareholder

## *People at the core*



**MISSION: *Contribute to the financial wellbeing of our customers and to the progress of society***

## Strategic priorities



Customer experience

## Strategic priorities



**Customer experience**



**Digital transformation**



## Strategic priorities



Customer experience



Digital transformation



Culture

## Strategic priorities



Customer experience



Digital transformation



Culture



Profitability

## Strategic priorities



Customer experience



Digital transformation



Culture



Profitability

## Main financial targets 2021

Core revenues → ~5%  
CAGR<sup>1</sup> 19-21

Efficiency ratio → <55%

Cost of risk → <0.30%

ROTE → >12%

CET1 FL → ~12% + 1 pp

## Strategic priorities



Customer experience



Digital Transformation



Culture



Profitability



Social commitment

## Main financial targets 2021

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## Strengthening our commitment to society

### Financial inclusion



MicroBank, European reference in microcredit

Present in **94%** of municipalities > 5,000 inhabitants

### Financial culture



Training in basic finance

Promotion of savings and social planning

### Social Action and Volunteering



**22,000** Social housing

**14,500** Corporate volunteers

### Environmental



Compensation of our carbon footprint

Boost to sustainable finance

### Alliance with “la Caixa” Banking Foundation



Budget of the “la Caixa” Banking Foundation: **€545 M**

Programmes: *Incorpora*, comprehensive care for people with advanced diseases,...

- Strategic Plan 2015-2018
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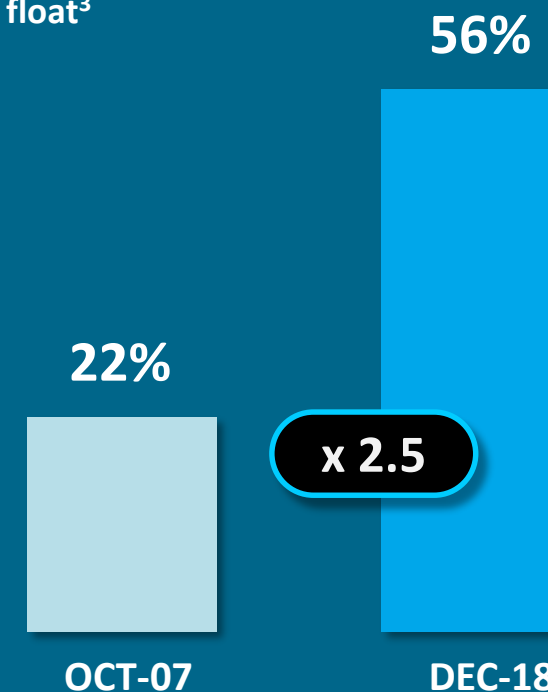
# Stock price evolution

## Good relative stock performance

Relative evolution of total return <sup>1</sup>  
 (vs IBEX-35 banks and Euro Area banks<sup>2</sup>)

	2015-18	2018
 <u>CaixaBank</u> vs Ibex-35 banks	+13 p.p.	+10 p.p.
 <u>CaixaBank</u> vs Euro Area banks <sup>2</sup>	+11 p.p.	+15 p.p.

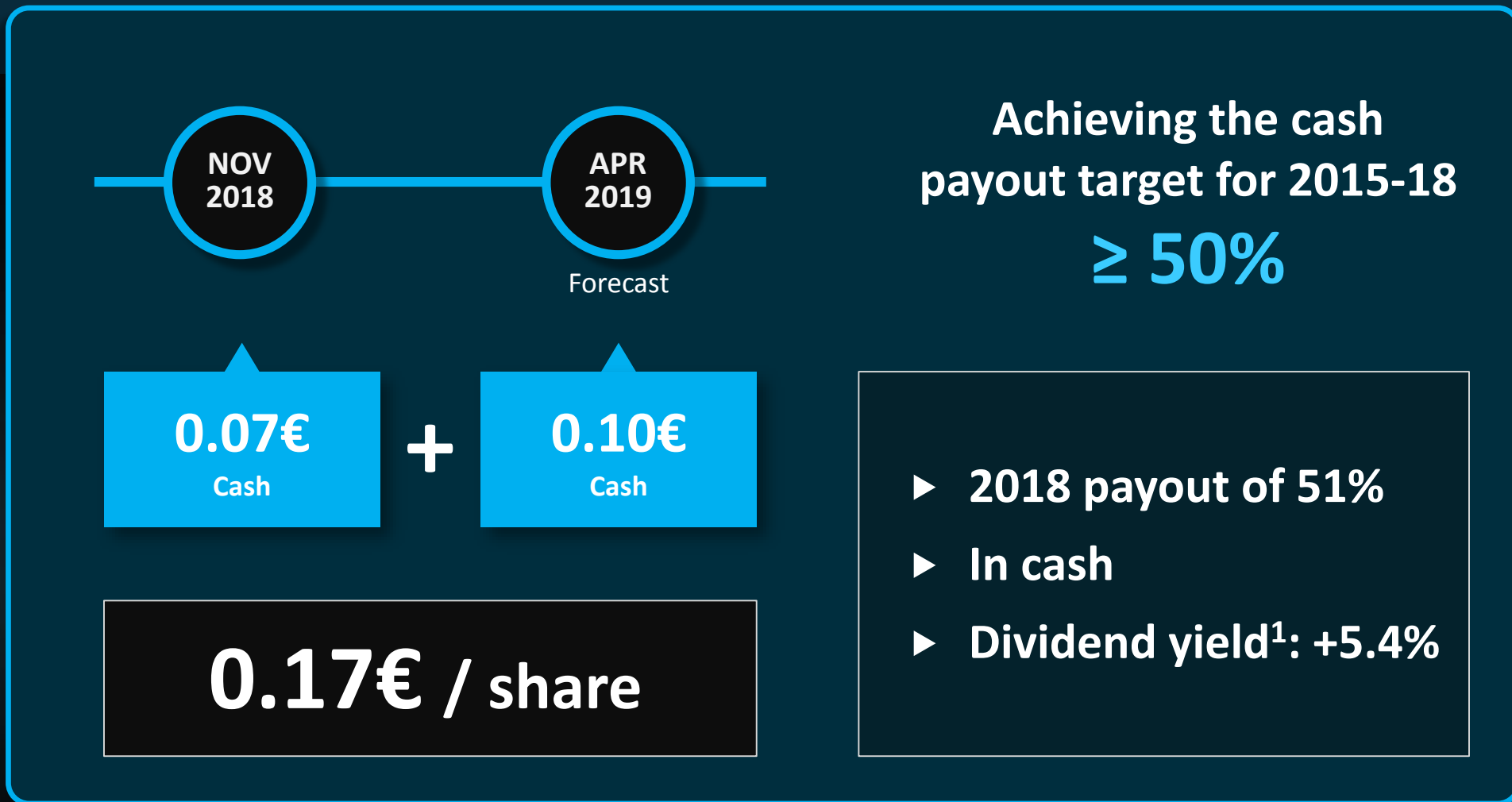
Free float<sup>3</sup>



Notes: <sup>1</sup> Including reinvested dividends. <sup>2</sup> Eurostoxx Banks Index. <sup>3</sup> Share of issued stocks excluding positions of own shares held, and those held by Board and executive members, by any other company targeting control or influence, and by shareholders with agreements with any of the aforementioned groups.

Source: Bloomberg and CaixaBank.

## Dividend policy. Remuneration 2018



Note: <sup>1</sup>Dividends from 2017 results, as a percentage of the stock price at the end of the year.



## Dividend policy for 2019-2021



The new Strategic Plan 2019-21 targets a cash payout ratio **> 50%**

APR  
2020

Forecast

- ▶ For 2019, payout between 50% and 60%
- ▶ One payment after the Shareholder's Annual General Meeting



**Shareholders'  
Annual General Meeting / 2019**



Chief Executive Officer

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**Gonzalo Gortázar**

 **FY 2018 highlights**

 Strategic Plan 2019 - 2021



**1** Strengthening our leadership in retail and digital banking

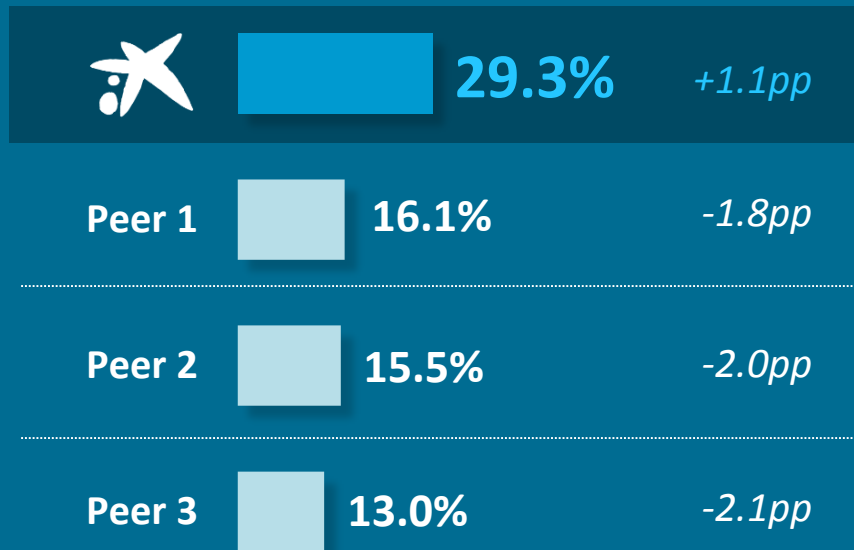
**2** Sharp reduction of non-performing and non-core assets

**3** Adequate levels of profitability

## Leader in retail banking

Retail client penetration in Spain<sup>1</sup> and organic evolution (w/o acquisition impacts)

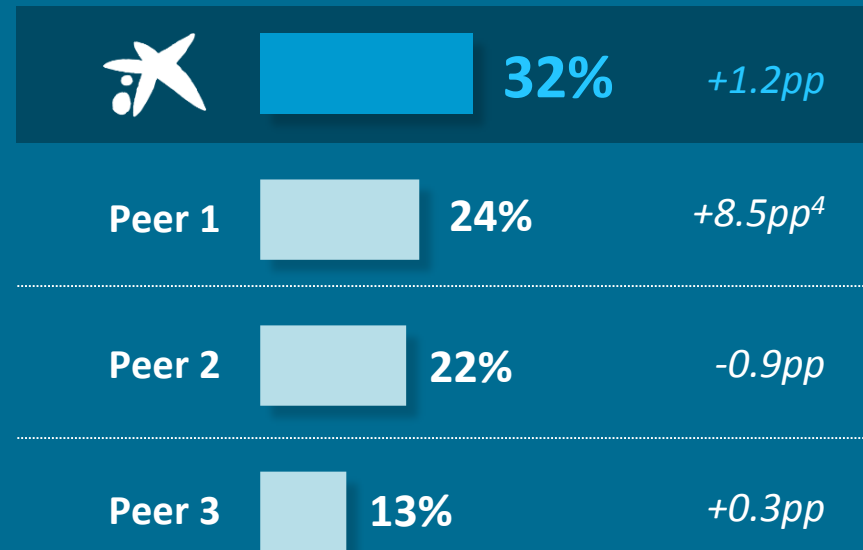
vs. 2014



## Higher digital penetration

Penetration among digital clients in Spain<sup>2</sup>

vs. MAR-15<sup>3</sup>



- Best bank in Spain 2018 & 2019
- Best bank in Western Europe 2019
- Best digital bank in Western Europe 2018

(1) Retail clients in Spain aged 18 or above. Source: FRS Inmark 2018 (peer group: BBVA, Santander (including Popular) and Bankia)

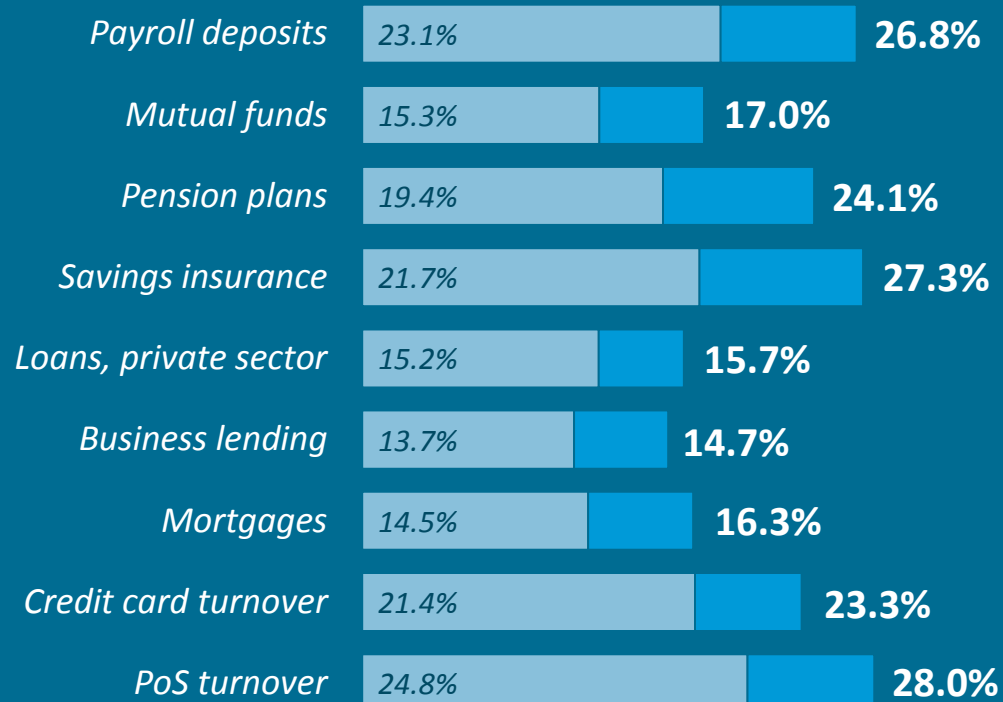
(2) 12 month average, latest available data (December 2018). Source: ComScore. Peer group: BBVA, Santander and Sabadell

(3) Evolution versus March 2015, as historical figures prior to that date are not comparable (methodological change by ComScore)

(4) Includes inorganic growth

## Strong market shares across the board

■ Market share 2014 ■ Var. 2014-18<sup>1</sup>



## A model based on specialisation and customer proximity



Scale and capillarity



IT and digitalization



Advisory and proximity



Comprehensive offering



**#1** Mutual Funds



**#1** Life insurance



**#1** Health insurance



**#1** Payments

<sup>(1)</sup> Organic and inorganic growth

Source: Social Security, INVERCO, ICEA, Banc of Spain, Cards and Payments System. As of December 2018

# Significant increase in customer funds: Leadership in medium and long-term savings

Customer funds  
managed by CaixaBank  
Group

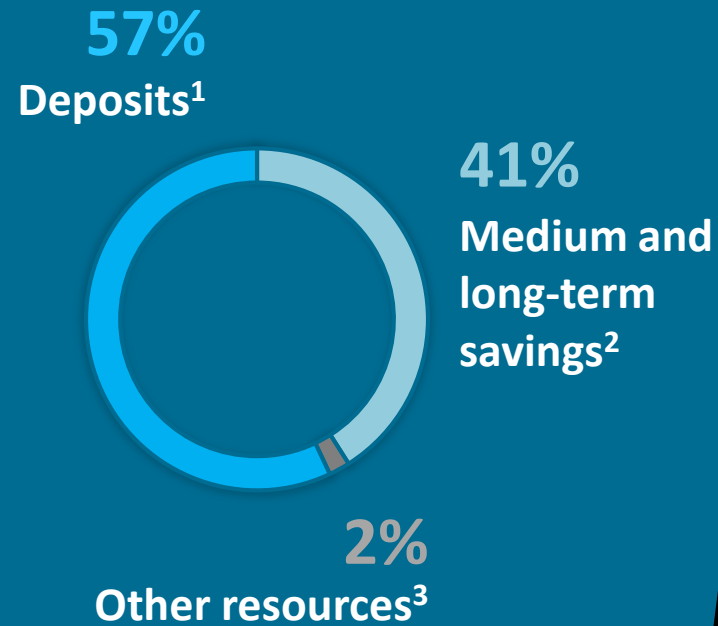
**€358.5** Bn

Δ YTD

**+€9.0** Bn

**(+2.6%)**

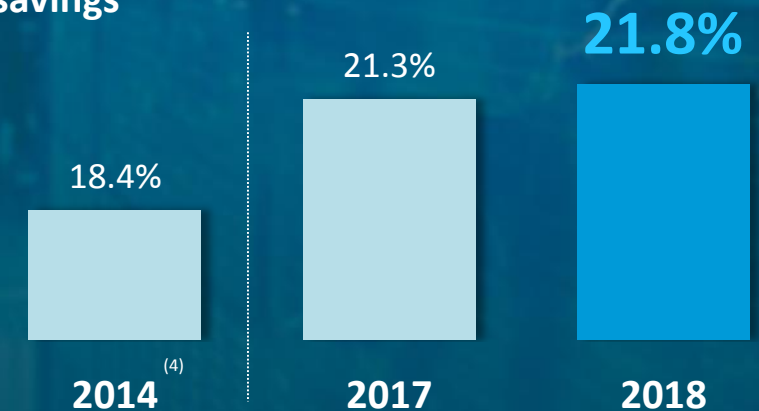
Breakdown of customer funds (%)



**A unique advisory model**

**~14,000** Certified employees

Market share in medium and long-term  
savings<sup>2</sup>



<sup>(1)</sup> Demand deposits, time deposits, retail debt securities

<sup>(2)</sup> It includes market share of mutual funds managed by CABK AM, pension plans and savings insurance

<sup>(3)</sup> Retail repurchase agreements, other accounts and others

<sup>(4)</sup> Without acquisition of Barclays Spain. Including it, market share would be 19.0%



Total CaixaBank Group loans

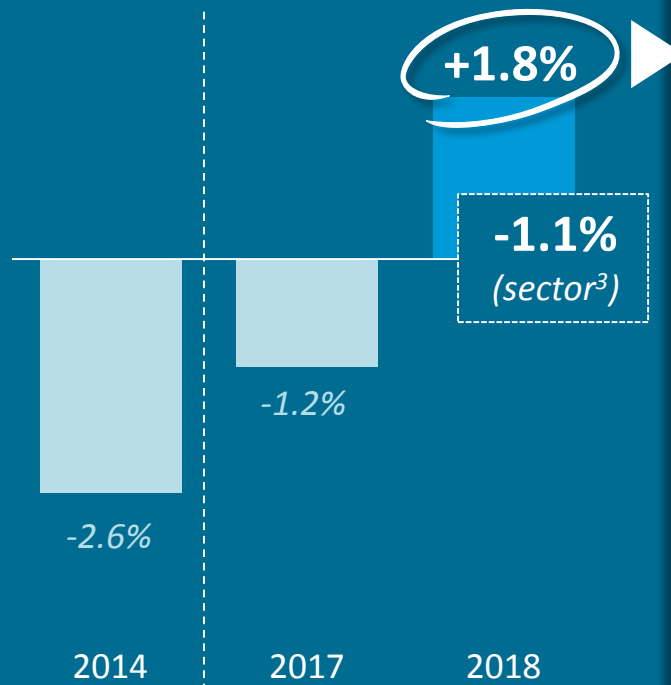
**€224,7 Bn**

Performing loans  
Δ YTD<sup>1</sup>

**+€3.8 Bn**

**(+1.8%)**

Performing loans<sup>1</sup> Δ YTD



-1.1%  
(sector<sup>3</sup>)

YTD  
Out of which:

Business lending<sup>2</sup>

Performing loans book<sup>1</sup>

**+6%**

Loan production

**+20%**

Consumer lending  
(in Spain)

**+19%**

**+14%**

Residential mortgages

**-2%**

**+9%**

(1) Gross credit – NPL. Organic evolution (2014 ex-Barclays Spain and 2017 ex-BPI)

(2) Excludes RE developers.

(3) Spain. Source: Bank of Spain. ΔYTD Gross credit minus NPLs of resident private sector and public sector

## Commercial dynamism

Δ YTD

**+4.8%**

Consumer lending<sup>1</sup>

**+10.7%**

Business lending

## Market shares gains

Latest available data

**11.4%**

Mortgages<sup>2</sup>

**9.5%**

Business lending<sup>2</sup>

*+20 bps  
vs 2017*

*+110 bps  
vs 2017*

Value generation

**~€125 M**

Synergies



Best Bank in Portugal in 2018



Best digital bank in 2019

(1) Consumer lending and other credit to individuals  
Note: As reported by BPI

(2) Source: Bank of Portugal. Latest available data



**1** Strengthening our leadership in retail and digital banking

**2** Sharp reduction of non-performing and non-core assets

**3** Adequate levels of profitability

<p><b>Significant decrease in NPL stock</b></p>	<p><b>Reduction in NPLs</b>  <b>-€3.1 Bn <math>\Delta</math>YTD</b></p>	<p><b>NPL ratio</b>  <b>4.7% (-1.3pp <math>\Delta</math>YTD)</b></p>
<p><b>Sale of RE assets</b></p>	<p><b>OREO portfolio reduction<sup>1</sup></b>  <b>-€5.1 Bn <math>\Delta</math>YTD</b></p>	<p><b>OREO portfolio<sup>1</sup></b>  <b>€740 M</b></p>
<p><b>Lower weight of non-strategic assets</b></p>	<p><b>Repsol stake disposal</b></p>	<p><b>BFA stake reclassified</b></p>

<sup>(1)</sup> Assets available for sale at NBV

## Liquidity

**€79.5 Bn**  
Liquid assets

**196%**  
LCR<sup>1</sup> Ratio (minimum required 100%)

Moody's	S&P	Fitch	DBRS
+1 notch	+1 notch	+1 notch	+1 notch
<b>Baa1</b>	<b>BBB+</b>	<b>BBB+</b>	<b>A</b>
Stable	Stable	Stable	Stable

Rating upgrades by all major agencies in 2018

## Solvency

	CET1	Total Capital
Phase-in ratios	<b>11.7%</b>	<b>15.5%</b>
Fully-loaded ratios	<b>11.5%</b>	<b>15.2%</b>

High solvency ratios, with a more efficient capital allocation

<sup>(1)</sup> Liquidity Coverage Ratio. Average 12 months



**1** Strengthening our leadership in retail and digital banking

**2** Sharp reduction of non-performing and non-core assets



**3** Adequate levels of profitability

**Net interest income****4,907 3.4%**

Net fees and commissions

2,583 3.4%

Income and exp. from insurance

551 16.7%

Income from investments &amp; associates

972 48.8%

Trading income

278 (1.7%)

Other operating income &amp; exp.

(524) 21.8%

**Gross income****8,767 6.6%**

Recurring expenses

(4,634) 3.7%

Extraordinary operating expenses

(24) (78.1%)

**Pre-impairment income****4,109 12.7%**

Loan impairment losses and others

(567) (66.8%)

Gains/losses on asset disposals &amp; others

(735) -

**Pre-tax income****2,807 33.8%**

Taxes, minority interests &amp; others

(822) -

**Profit attributable to the Group****1,985 17.8%**

**Improvement of core revenues<sup>1</sup>**

**+ 4.2%**

**Other income**

**+43.5%**

**Fostered by extraordinary**

→ *Negatives of BFA in 2017 and positives in 2018*

→ *In 2018: issuances redemption, fixed income sales and Viacer*

<sup>(1)</sup> NII + Fees + life-risk premia, equity accounted income from SegurCaixaAdeslas and BPI bancassurance stakes

CaixaBank Group, in € M	2018	YoY
<b>Net interest income</b>	<b>4,907</b>	<b>3.4%</b>
Net fees and commissions	2,583	3.4%
Income and exp. from insurance	551	16.7%
Income from investments & associates	972	48.8%
Trading income	278	(1.7%)
Other operating income & exp.	(524)	21.8%
<b>Gross income</b>	<b>8,767</b>	<b>6.6%</b>
Recurring expenses	(4,634)	3.7%
Extraordinary operating expenses	(24)	(78.1%)
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Loan impairment losses and others	(567)	(66.8%)
Gains/losses on asset disposals & others	(735)	-
<b>Pre-tax income</b>	<b>2,807</b>	<b>33.8%</b>
Taxes, minority interests & others	(822)	-
<b>Profit attributable to the Group</b>	<b>1,985</b>	<b>17.8%</b>

**Higher costs and investments to support the business**

**+3.7%** Recurrent costs

**56.4%**

**Core cost-to-income ratio <sup>1</sup>**

**3.5 pp improvement in the last 3 years**

<sup>(1)</sup> Recurring operating expenses over core revenues (NII + Fees + life-risk premia, equity accounted income from SegurCaixaAdeslas and BPI bancassurance stakes) last 12 months)



CaixaBank Group, in € M	2018	YoY
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### Decline in provisions

**-15.8%**

**In provisions and gains/losses on disposals**

**0.04%**

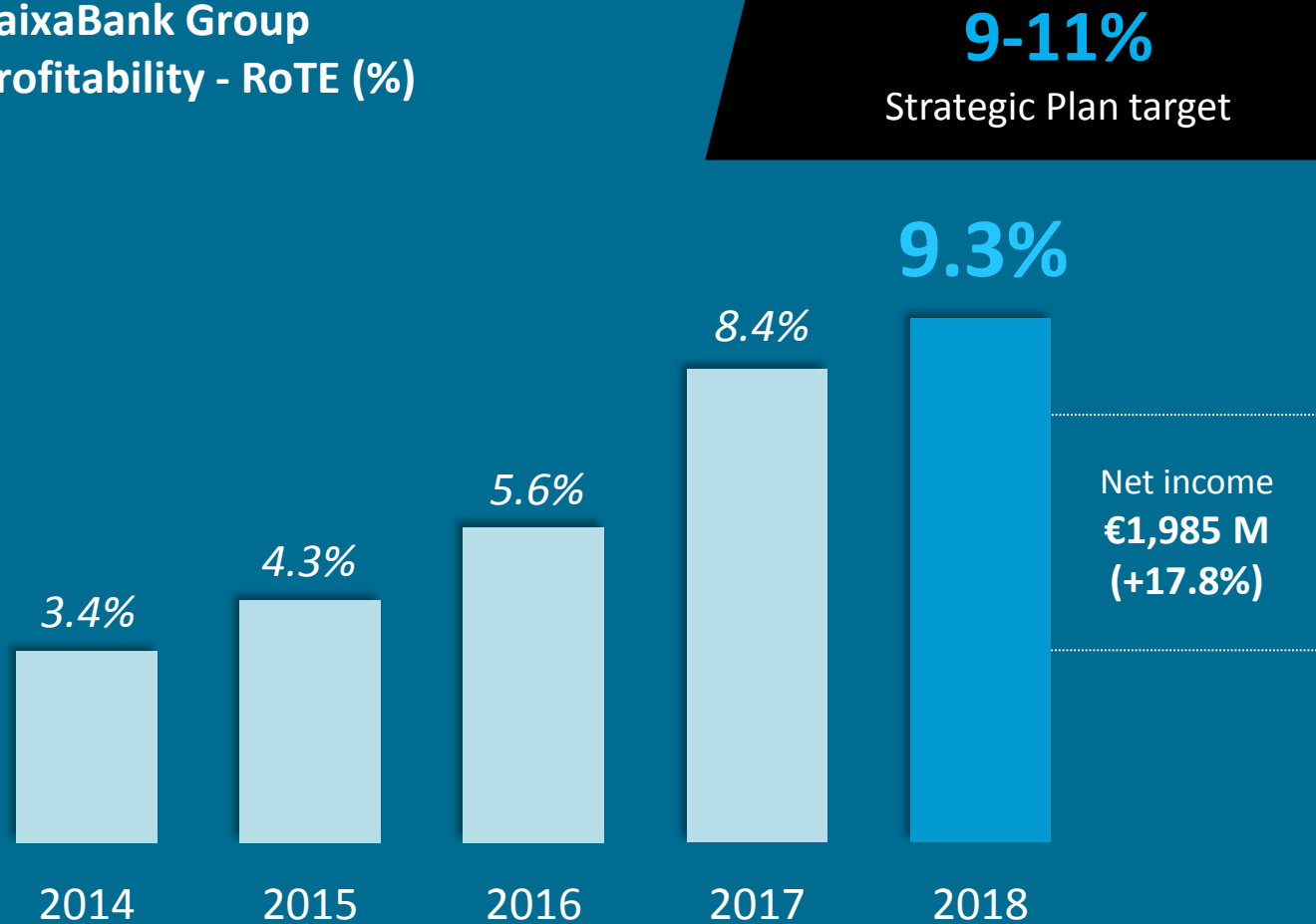
**Cost of risk (2018)**

Net impacts, in € M

- *Repurchase of ServiHabitat* -204
- *RE business disposal* -48<sup>1</sup>
- *Repsol stake disposal* -453
- *BFA stake (48%) reclassified* -139

<sup>(1)</sup> Global impact of RE portfolio sale. It is included in "Gains/losses on asset disposals"

## CaixaBank Group Profitability - RoTE (%)



*Profitability in line with  
Strategic Plan target and the  
cost of capital*

→ FY 2018 highlights

→ **Strategic Plan 2019 - 2021**

▶ **Change in customer behaviour**

- *Transactionality shifts to digital channels*
- *Branches for higher-value transactions*

**INVESTMENT TO ADAPT  
DISTRIBUTION NETWORK TO THE  
CLIENT**

▶ **Extension of low interest rates environment**

▶ **Strong competitive pressure**

- *Low credit growth*

▶ **Cost of risk at minimum levels: not sustainable**

**CONSTANT QUEST FOR EFFICIENCY  
TO SECURE SUSTAINABILITY**

Strategic Plan 2019 - 2021

# 5 strategic priorities

**PEOPLE AT THE CORE**



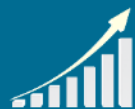
**1 Offer the best customer experience**



**2 Accelerate digital transformation to boost efficiency and flexibility**



**3 Foster a people-centric, agile and collaborative culture**



**4 Attractive shareholder returns and solid financials**



**5 A benchmark in responsible banking and social commitment**

## DISTRIBUTION NETWORK OPTIMISATION

**URBAN BRANCHES: promoting the “Store” branch model**

*Specialisation, longer opening hours, ...*

Expand to **>600**

**RURAL BRANCHES: consolidating the successful model of Agrobank**

*Proximity, capillarity and specialisation*

**1,100** rural branches

## TO CONTINUE FOSTERING OUR POWERFUL DIGITAL CHANNELS

Digital clients<sup>1</sup> **6.0 Millions**

Out of which: **5.2 Millions** mobile clients<sup>2</sup>

### CaixaBankNow

% digital clients

2018 **>57%**

2021 Target

**~70%**

Major step in the use of remote account manager



## WITH HIGH ADDED VALUE SERVICES



Mis Finanzas 3.9 M users



Aggregator

Booking.com<sup>(2)</sup>

(1) Digital active clients in the last 12 months. Includes individual clients of 20-74 years old.

(2) Collaboration agreement: purchase experience embedded in CaixaBankNow

## DIGITALISATION: TRANSFORMATIONAL LEVER



Process digitalisation and digital signature

~100% processes are digitalised



Employee mobility

All employees operate a Smart PC

Further improvement of flexibility, scale and efficiency of our infrastructures

Systematic implementation of *Data Analytics* through the whole organization to generate value



We have been heavily investing in talent development

**~14,000**  
CERTIFIED  
EMPLOYEES

We are changing the organisation profile

**~6,400**  
EMPLOYEES IN NEW  
ROLES  
*(~9,100 in 2021E)*

We adapt processes to develop talent

**ACROSS**  
THE  
ORGANISATION

Continue to invest in training and skill development

Foster diversity

Boost the culture of agility customer service

## Profitability- RoTE<sup>1</sup>

>12%

2021E Target

## Solvency CET1 FL - BIII

~12%

+1 pp transition buffer

2021E Target

### Levers

- 1 **Improvement of core revenues sustained by an increase in activity** (savings/investment, business, consumption, insurances...)
- 2 **High investment and transformational effort**
- 3 **Non performing assets reduction**
- 4 **Reinforcement of financial strength**

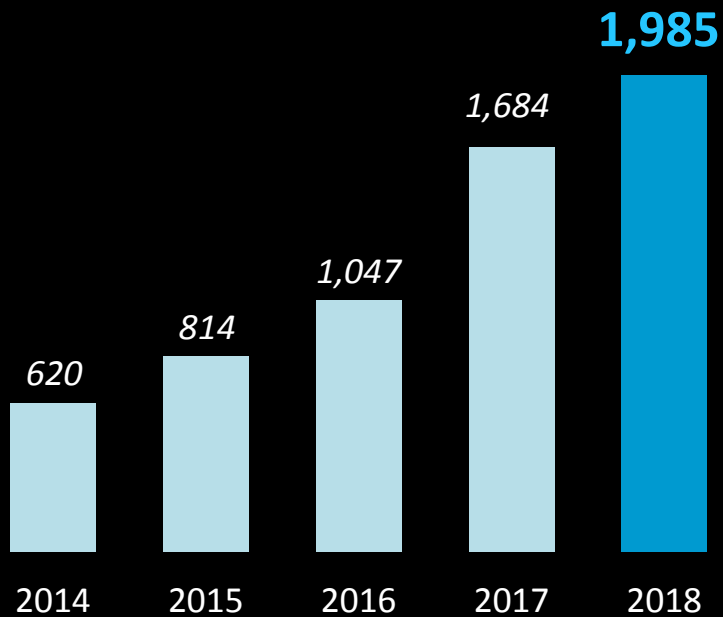
<sup>(1)</sup> Quotient between profit attributable to the Group, trailing 12 months (adjusted by the amount of the Additional Tier 1 coupon) and 12-month average shareholder tangible equity (redefined starting from 2019 as own funds including valuation adjustments minus intangible assets)

## OUR ACTIVITY CANNOT BE CONCEIVED WITHOUT A STRONG SOCIAL COMMITMENT

### *A different style of banking*



Profit attributable to the CaixaBank Group evolution, in € M



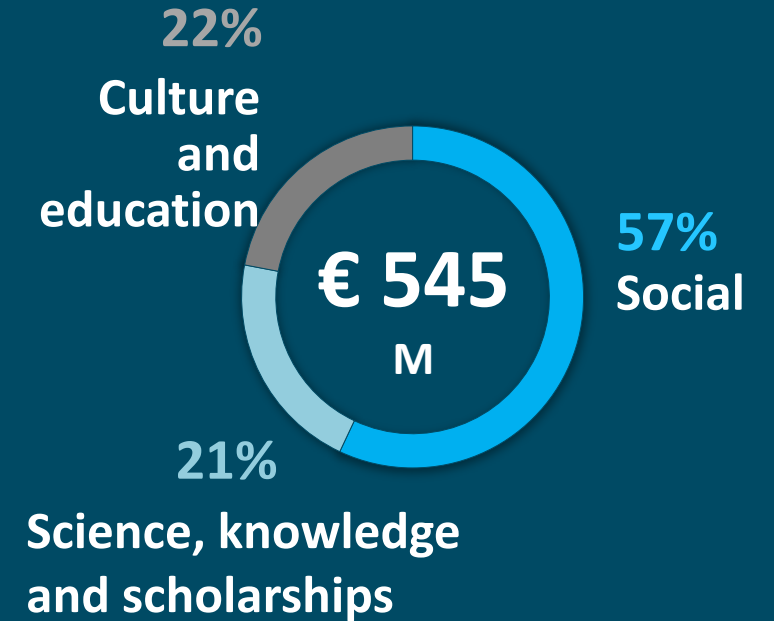
CaixaBank shareholders

**40% owned by "la Caixa" Foundation**

~600,000 Retail shareholders

Institutional investors

Breakdown of 2018 Social Welfare Budget<sup>1</sup>



(1) Source: "la Caixa" Banking Foundation

**STRATEGIC PLAN 2019 - 2021**

*We will continue to invest*  
in our core  
business and to  
be committed to:

Being closer to customers

Maintaining a profitability that  
secures sustainability and the  
remuneration to shareholders

Remaining a benchmark in  
responsible banking

**2021 VISION:** *Leading and innovative financial Group, with the best customer service and a benchmark in responsible banking*



**Shareholders'  
Annual General Meeting / 2019**

Thank you