



CaixaBank

investorday

Tuesday 3 March 2015 **London**

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In so far as it relates to results from investee companies, any financial information provided has been prepared mainly on the basis of estimates. In addition, the information and figures included in this presentation related to information on a recently announced Voluntary Tender Offer for BPI assume the completion of the transaction in the proposed terms and conditions.

Agenda

1 p.m.: Start

Welcome and Agenda

Mr Edward O’Loughlen, Head of Investor Relations

Vision and Strategy

Mr Isidro Fainé, Chairman

2015-2018 Strategic Plan

Mr Gonzalo Gortázar, Chief Executive Officer

Coffee-break

Financial Targets

Mr Javier Pano, Chief Financial Officer

Business Model

Mr Juan Antonio Alcaraz, Chief Commercial Officer

Q&A Session

5.30 p.m.: End

1

Chairman

2

CEO

3

CFO

4

CCO

1

Vision and Strategy

Isidro Fainé
Chairman



Strategic Plan 2015-2018: Another leap forward in a long history of expansion and success

The 2015-2018 Strategic Plan

- ▶ **Trustworthy banking** based on quality of service and social commitment
- ▶ **Sustainable profitability** even in a low-interest rate environment
- ▶ **Lead and capture the digital opportunity**

Strategic Plan 2015-2018: Another leap forward in a long history of expansion and success

Solid heritage & values



- ▶ A sustainable and socially responsible banking model
- ▶ Proud of our heritage:
 - 110-year history
 - 78 acquisitions
 - Management track record
- ▶ Deeply rooted values

The 2015-2018 Strategic Plan



- ▶ Trustworthy banking based on quality of service and social commitment
- ▶ Sustainable profitability even in a low-interest rate environment
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Strategic Plan 2015-2018: Another leap forward in a long history of expansion and success

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The 2015-2018 Strategic Plan



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- ▶ Lead and capture the digital opportunity

Flagship institution



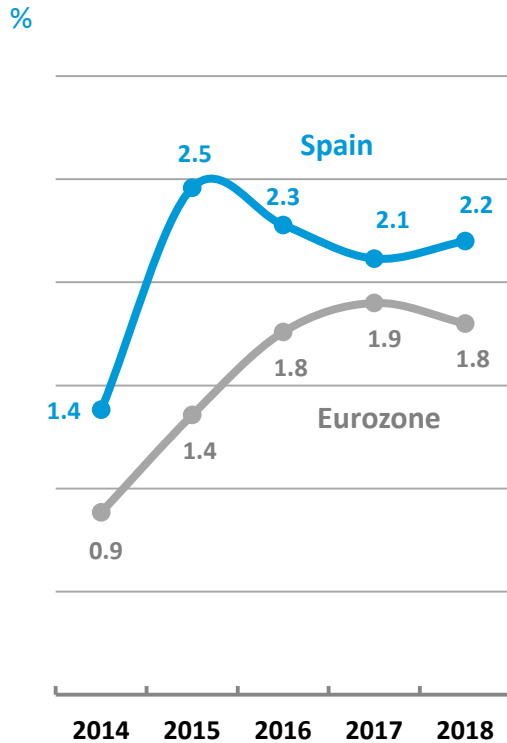
- ▶ #1 retail bank in Spain
- ▶ 13.9 M clients: largest base in Spain
- ▶ Main banking relationship for almost 1 out of every 4 Spaniards
- ▶ Extensive distribution network
- ▶ Leader in online & mobile banking
- ▶ Highly-rated brand

Strategic Plan 2015-2018: Expected business environment

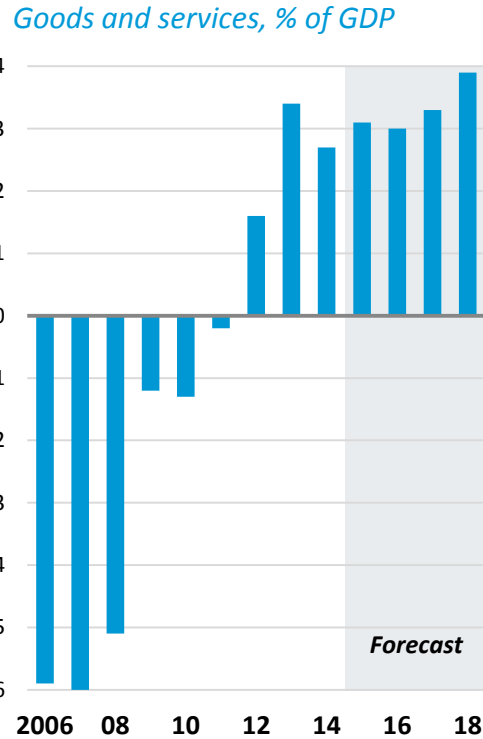


An outlook of Spanish economic recovery

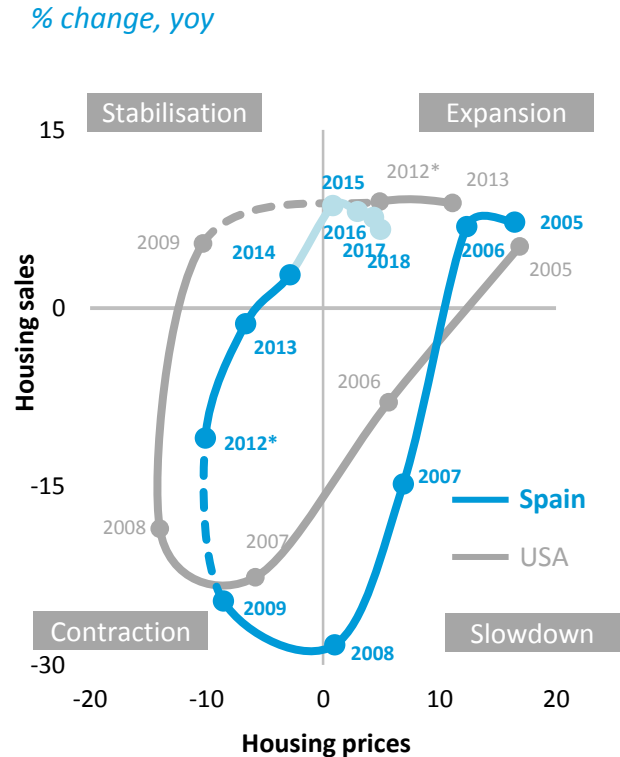
GDP growth



Trade balance

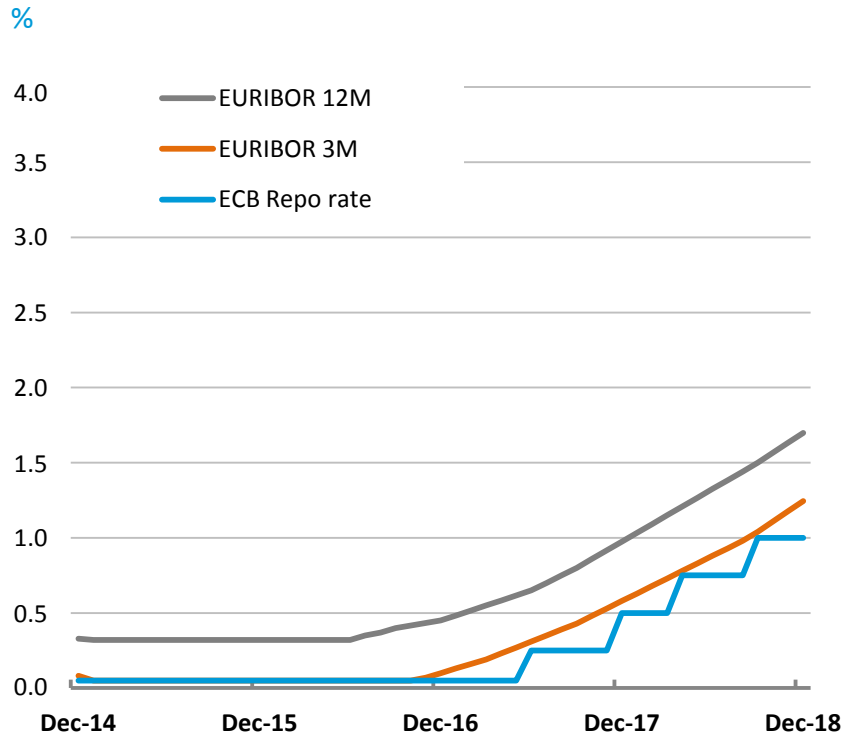


The housing market clock

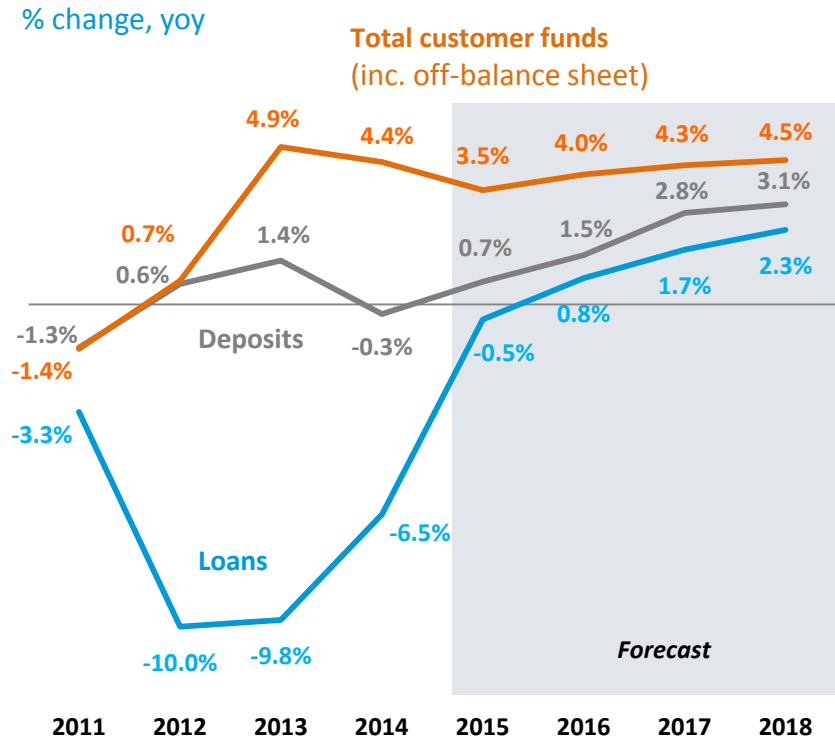


Low interest rates but improving business volumes

Interest rate forecasts: low for long



Spanish banking industry forecasts: Loans and customer funds

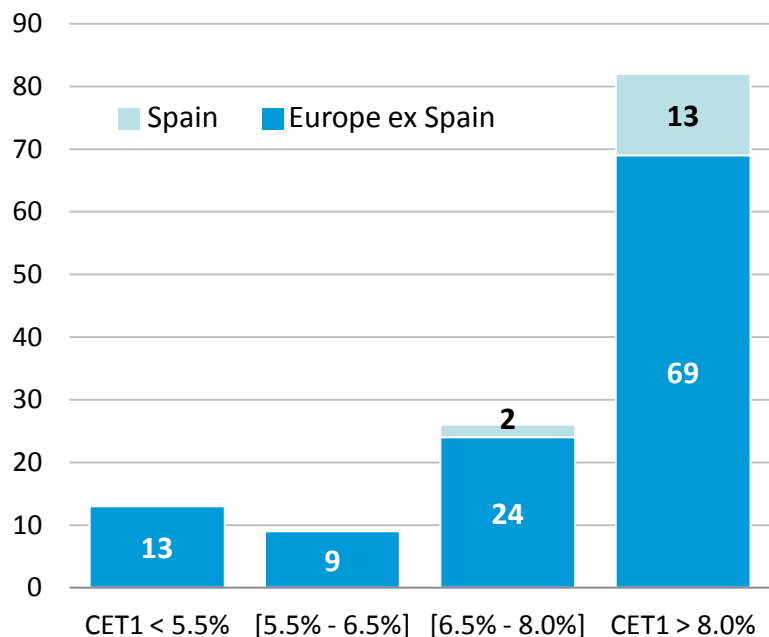


A strengthened Spanish banking industry

ECB/EBA Comprehensive assessment

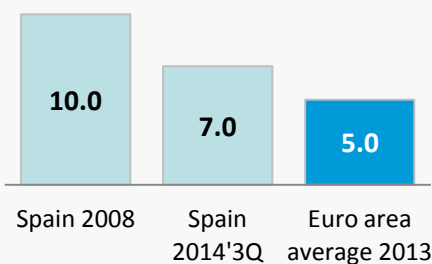
Number of banks by CET1 ratio

(adverse scenario; after 2014 capital measures)

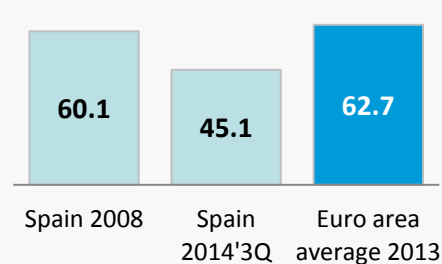


- ▶ RE developer loan book: ∇ 55% 2009-14
- ▶ Cumulative loan loss charges 2008-14: ~25% GDP
- ▶ Sound LTD ratio (119%)
- ▶ Consolidation: from 53 to 14 institutions*
- ▶ Capacity adjustments:
 - ∇ 30% branches and ∇ 25% employees since 2008

Branches / 10,000 people



Employees / 10,000 people



*One less than the number that underwent the ECB/EBA comprehensive assessment because Catalunya Banc has been acquired by BBVA.

Source: ECB / EBA Comprehensive assessment and EU structural financial indicators

Regulation, technology and social trends: Challenges and opportunities



Continued regulatory pressure

- ▶ Increases compliance costs
- ▶ Penalises complexity
- ▶ Favours higher solvency and liquidity



Simple retail banking with solid financials



Digital revolution

- ▶ Increases the value of information
- ▶ Enhances scale and scope economies
- ▶ Empowers the customer



Global leaders in digital banking with a broad product offering



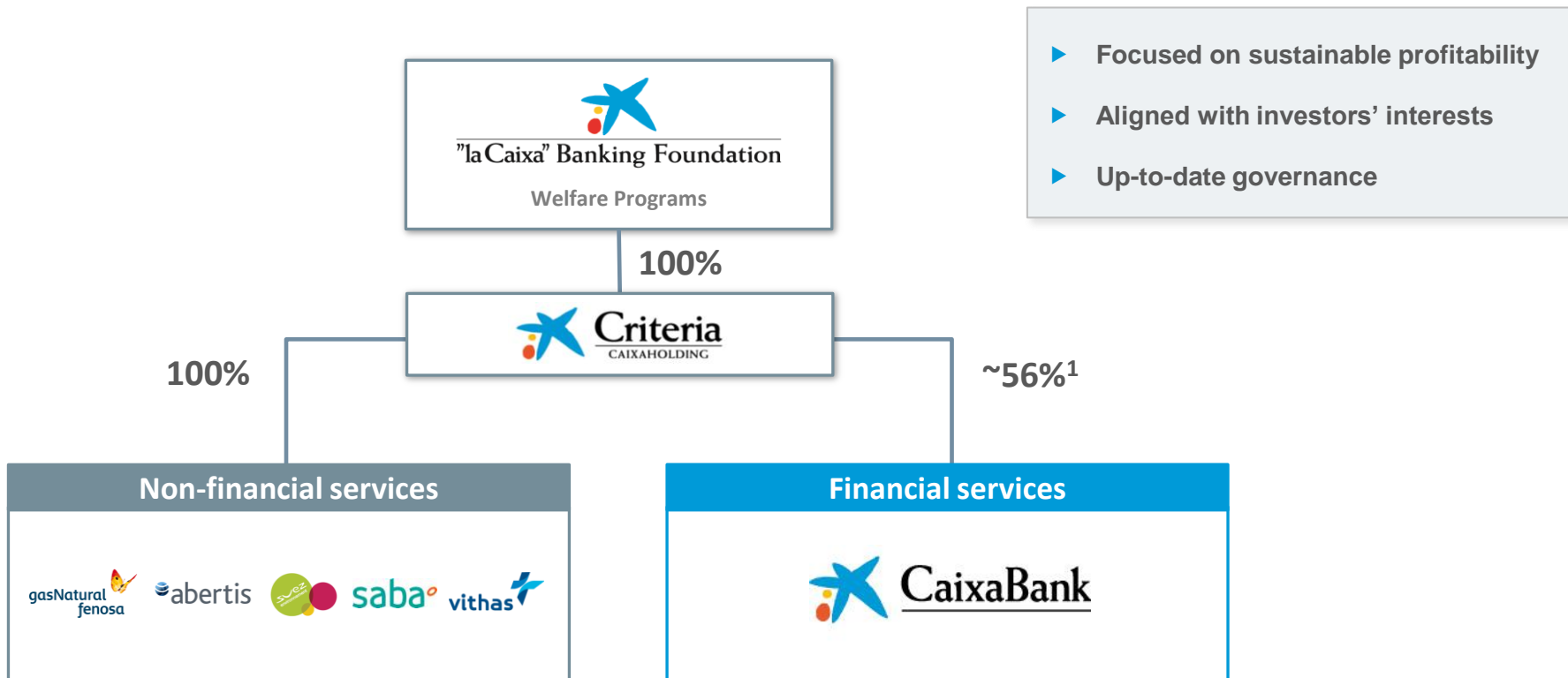
Evolving client demands

- ▶ Building up trust
- ▶ Confidentiality and security
- ▶ Advisory services



Customer-centric, long term relationships, premium franchise

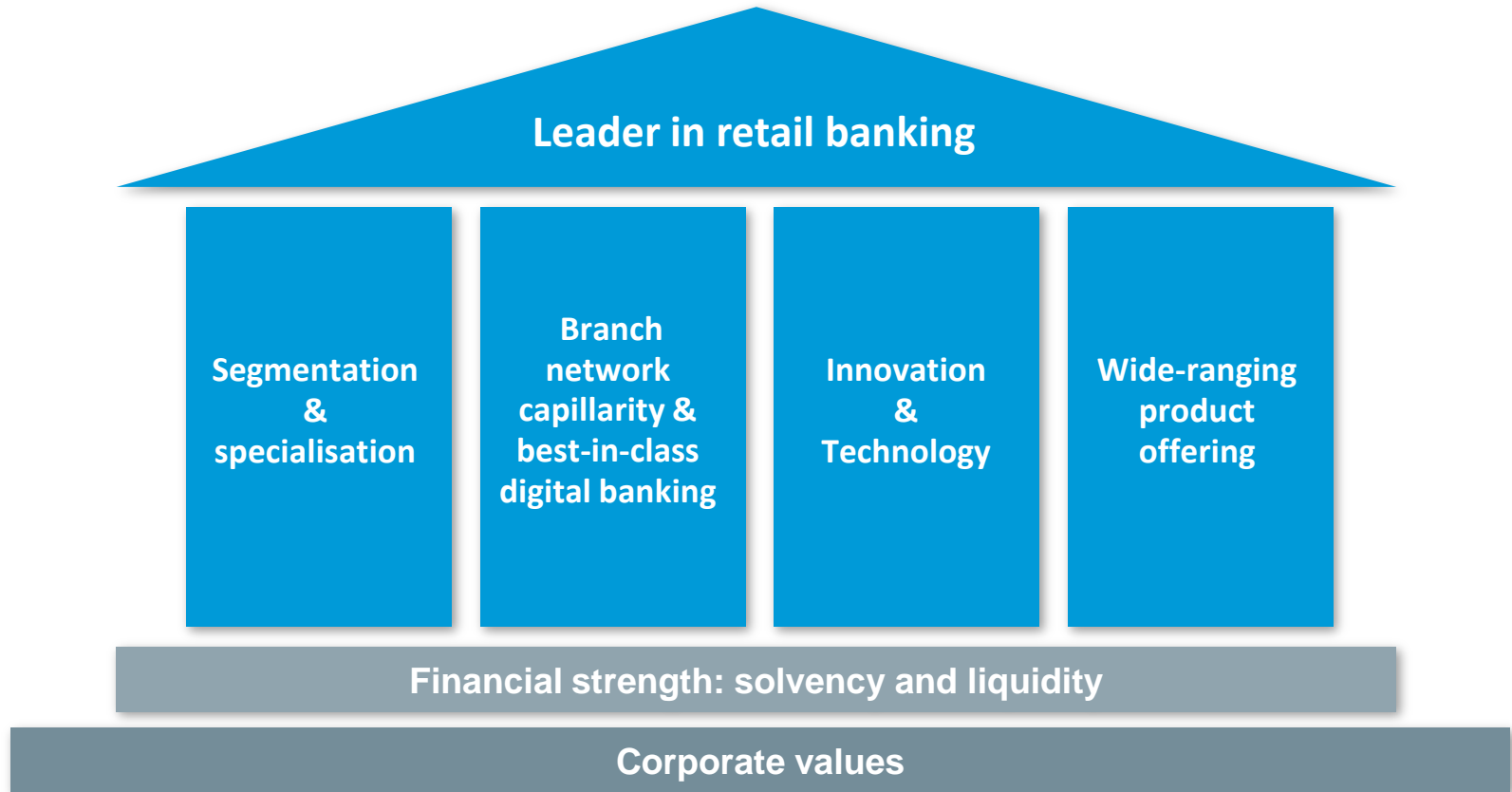
CaixaBank's corporate structure



- ▶ Focused on sustainable profitability
- ▶ Aligned with investors' interests
- ▶ Up-to-date governance

(1) Fully diluted stake in 2017.

CaixaBank's Business Model



A Unique Leadership Model

Values	Quality	Trust	Social Commitment
Principles	Management <ul style="list-style-type: none"> • Pro-activity • Flexibility • Self-assessment • Continuous innovation • Community-oriented 		Organisation <ul style="list-style-type: none"> • Challenge-based goals • Business unit management • Team work • Efficiency • Adaptability
Commercial Model	<ul style="list-style-type: none"> • Personalised treatment • Proximity • Omnichannel approach • Sales planning • Risk control culture 		Empowerment & professional growth of employees



CaixaBank

**Strategic Plan
2015-2018**

**Committed
to trustworthy
and profitable
banking**



**Our
Vision**

**The leading financial group
in Spain**

With a global perspective

Recognised by its:

- Social responsibility
- Quality of service
- Financial strength
- Innovation capacity

2

2015-18 Strategic Plan

Gonzalo Gortázar
CEO

- **CaixaBank 2007-2014**
- Strategic priorities and financial targets
- From here to there

2007-2014: emerging from the crisis as a stronger institution

Building the leading Spanish banking franchise

From # 3 to # 1

Growing organically and non-organically

Strengthening the balance sheet

Best in class

Maintained investment grade ratings throughout the crisis

Transforming the corporate structure

Proactive change

From an unlisted savings bank to 3 institutions with different missions and governance



Unique position to benefit from recovery

- CaixaBank 2007-2014
- **Strategic priorities and financial targets**
- From here to there

Five strategic priorities

1. Best-in-class in quality of service and reputation

2. Sustainable profitability above cost of capital

3. Optimisation of capital allocation

4. Enhance our leadership in banking digitalisation

5. Retain and attract the best talent

Financial Targets

CaixaBank stand-alone targets¹

		2014	Target	From ⁴
Profitability	RoTE ²	3.4%	12-14%	2017
	Cost/Income ratio	56.8%	<45%	2018
Capital	Capital allocated to stakes	~16%	<10%	2016
	CET1 FL	11.5%	11-12%	2015
Shareholder return ³	Cash dividend payout ratio	50%	≥ 50%	2015
	Special dividend and/or share buybacks	n/a	if CET1FL > 12%	2017

- (1) All 2014 data pro-forma the Barclays Bank Spain acquisition, except ROTE, which is stand-alone CaixaBank. Return targets also valid if BPI tender offer is successful
- (2) Tangible Equity is defined as the book value (exc. valuation adjustments) minus all intangible assets, inc. goodwill. For Dec 14, this would be €23.4bn-€5bn, or €18.4bn. For RoTE purposes, average Tangible Equity is used. Implied ROE associated with this ROTE target: 10-12%
- (3) The capital and cash dividend pay-out ratio figures include the pro-forma impact of the 16 February 2015 Board proposal to pay the final 2014 quarterly dividend in cash.
- (4) Ratios apply to year-end, except CET1FL target (throughout) and payout ratio (profit for year in question).

- CaixaBank 2007-2014
- Strategic priorities and financial targets
- **From here to there**

Five strategic priorities

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Restoring our reputation to where it belongs

Reputational issues for the sector

Yet CaixaBank is different...

1 Bail-outs using taxpayer funds

- ▶ Over 3.5 bn contributed to resolve the banking crisis⁽¹⁾
- ▶ Assisted in restoring financial stability through the integration of 8 institutions
- ▶ High solvency and liquidity maintained throughout the crisis

2 Mis-selling of complex products

- ▶ No losses for preferred stock or subordinated debt holders
- ▶ Traditionally focused on simple retail products

3 Weak corporate governance combined with greed-driven culture

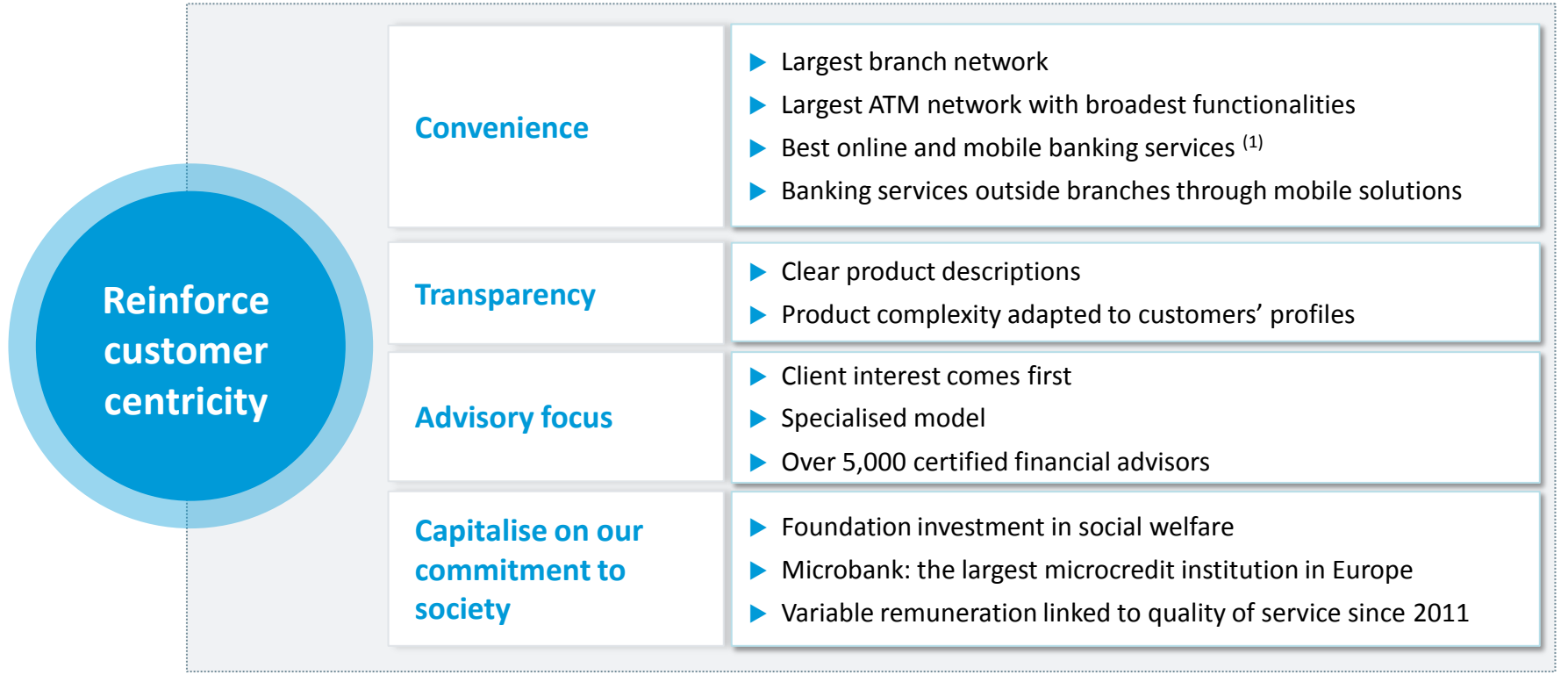
- ▶ No political interference (business focus only)
- ▶ Strong culture of ethics and values
- ▶ Balanced compensation, not oriented to short-term risk-taking

4 Banks seen as a source of instability for the real economy

- ▶ Provided credit throughout the crisis – with particular focus on entrepreneurs
- ▶ Far-reaching distribution network encourages financial inclusion
- ▶ Socially responsible policies for families facing prolonged hardship (>20,000 social housing units)
- ▶ €500M social welfare budget reverted annually to society through the Foundation

(1) Contribution to DGF, FROB (Banca Cívica), Sareb

Recovering trust will be a lengthy process but we are ahead of others



An appropriate and sustainable return on capital will not be possible unless society perceives banks to be useful servers to the community

(1) AQ Metrix ranks CABK online and mobile banking retail banking #1 in Spain /Forrester ranks CABK #2 worldwide in mobile banking

Five strategic priorities

1. Best-in-class in quality of service and reputation

2. Sustainable profitability above cost of capital

3. Optimisation of capital allocation

4. Enhance our leadership in banking digitalisation

5. Retain and attract the best talent

Returning a profit above our cost of capital

How to get there?

Revenue growth

Core income¹
+5.7% CAGR

Credibility: a long-term track record of generating growth

Key levers

1. Fully integrated omni-channel platform
2. Market-leading product factories
3. Distinctive commercial strategy

Stable cost base

Operating expenses **Flat** through 2015-2018
Implies ~ €450M cost savings

Cost of risk normalisation

Cost of Risk: from 1% to <0.5%

Cost-to-income
from **57%** to
<45%

RoTE: from 3.4% to 12-14%

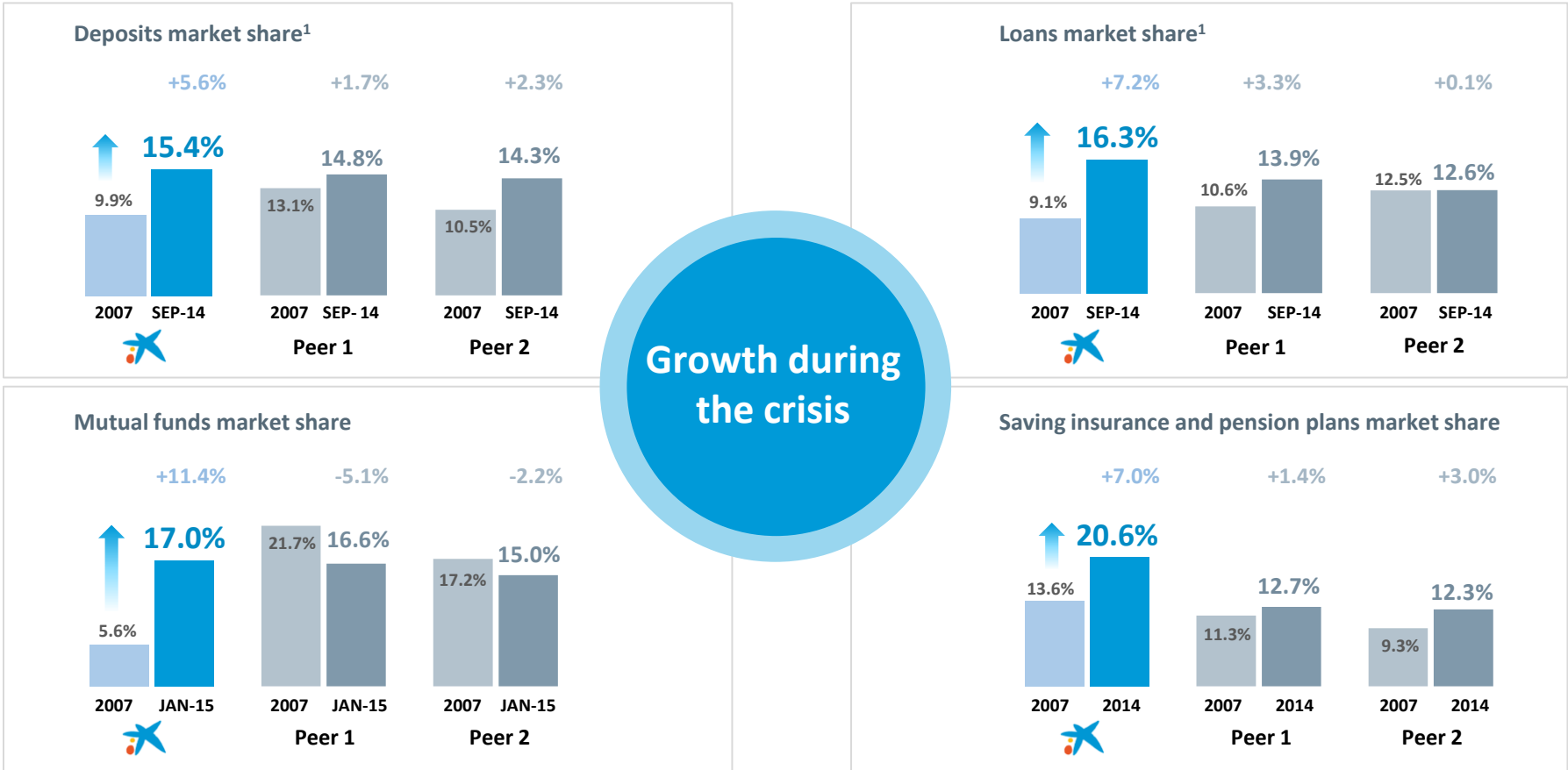


**A long-term track
record of generating
growth**



- Fully integrated omni-channel distribution platform
- Market-leading product factories
- Distinctive commercial strategy

Proven capabilities to increase market shares across a wide range of products

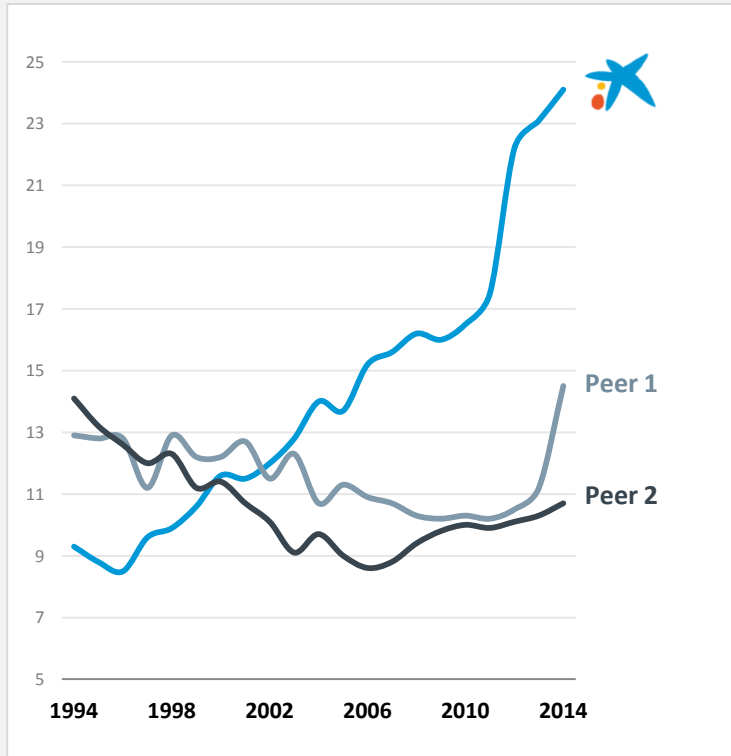


(1) To other resident sectors

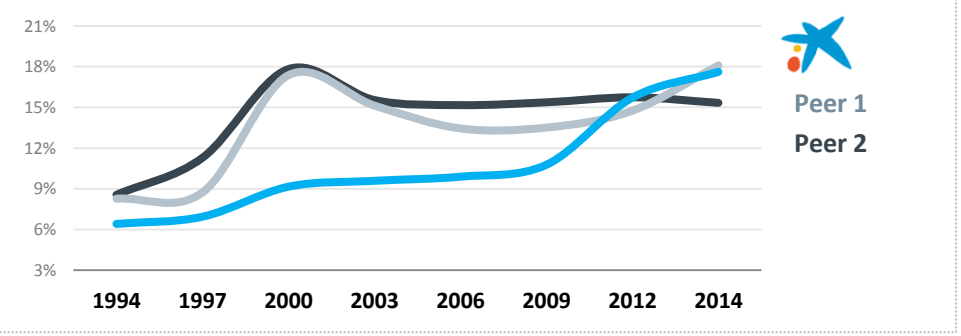
NOTE: 2014 market shares include announced transactions
Sources: Bank of Spain, INVERCO and ICEA

Our successful track record of market share growth extends beyond the crisis

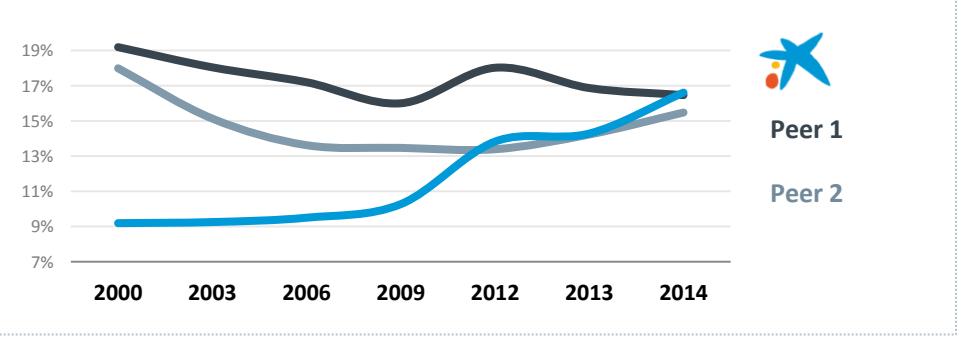
Market penetration for retail clients (primary bank)



Share of total loans¹



Share of total deposits¹ + mutual funds + pension plans



NOTE: 2014 market shares include announced transactions. Loans and deposits market share over total banks and savings banks. Latest available figures

(1) Other resident sectors + public sector+ non resident sector
Source: FRS Inmark, Bank of Spain, INVERCO, ICEA and "la Caixa" Research



A long-term track
record of generating
growth



► **Fully integrated omni-channel
distribution platform**

- Market-leading product factories
- Distinctive commercial strategy

An omni-channel distribution platform combined with multi-product capabilities

The largest branch footprint in Spain



5,251
branches

17.3%
market share²

- Over 9,000 advisory specialists
- 5,000 mobile devices enabling sales outside branches
- 20,000 estimated in 2016

The largest ATM network in Spain



9,544
ATMs

18.9%
market share²

- Over 200 functionalities
- 76% of operational activity during branch opening hours
- 98% availability

European leader in internet banking



4 M
active customers¹

35.8%
customer penetration²

- Web accounts for 32% of transactions
- Video-banking, chat and online completion of in-branch initiated operations

Global leadership in mobile banking



2.2 M
active customers¹

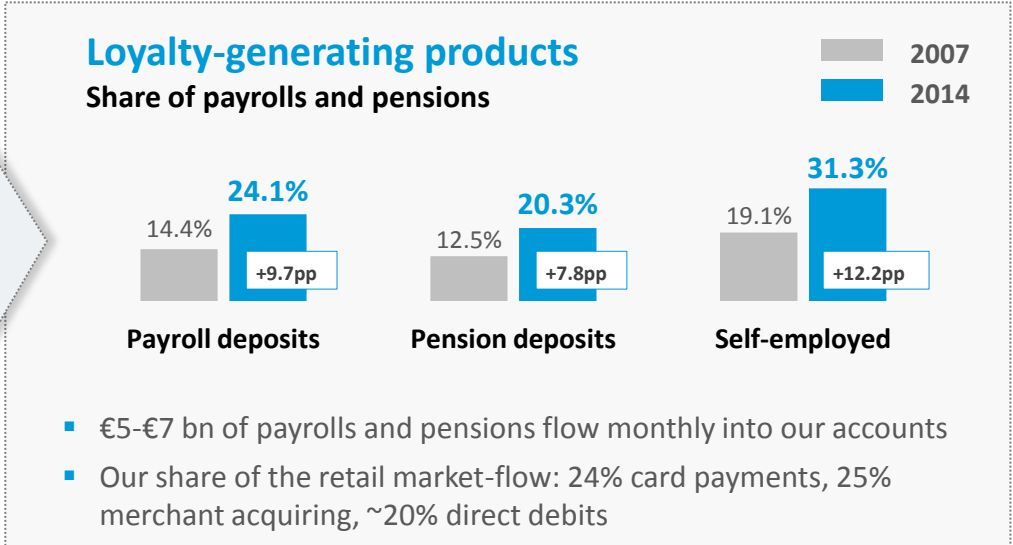
- Mobile accounts for 21% of transactions
- Over 70 apps with new services and functionalities

Powerful IT architecture allows for total seamlessness, flexibility, reliability and sales-force mobility
Staff time is freed-up to concentrate on building relationships and innovation

(1) Customers between 20 and 74 years with at least one transaction through CaixaBank's home banking in the last 2 months

(2) Sources: ComScore (online customer penetration) and Bank of Spain

Our leading market position generates valuable network effects



- ### Capturing income flows is key for relationship value:
- ▶ Provides crucial insights on client behaviours
 - ▶ Provides for better risk scoring and performance
 - ▶ Facilitates cross-selling of value-added products

Source: FRS, individuals >18 years and Social Security. 2014 market shares include announced transactions. Latest available data
 Peers: BBVA, SAN, Bankia and SAB
 (1) Among those of 18 years of age or older, % of respondents who say they do business with a certain bank.



A long-term track
record of generating
growth



- Fully integrated omni-channel distribution platform
- ▶ **Market-leading product factories**
- Distinctive commercial strategy

VidaCaixa Group is the largest and fastest-growing Spanish insurance company



Life insurance and pension plans

100%

€52bn

AuM

3 Million
customers

INSURANCE

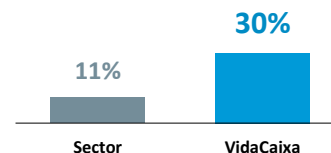
- #1 in Spain
- 21.3% market share
- €32bn AuMs

PENSION PLANS

- #1 in Spain
- 19.4% market share¹
- €20bn AuMs

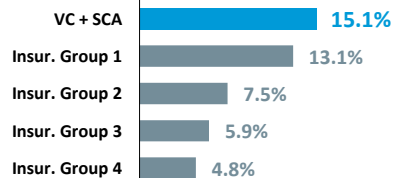
- From 13.6%² market share in 2007 to 20.6% in 2014
- Gaining further traction: VidaCaixa accounted for 60% of total inflows into individual pension plans in 2014
+1.94 p.p. market share in 12 months

Pension Plans to
individuals 2014
AuM growth (yoy)

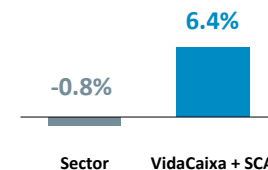


- The largest insurance group by premiums...and growing

Market share by premiums



2014 Growth in premiums² (yoy)



Non-life insurance

49.9%

€2.8bn
premiums

- #1 in health insurance
- #2 Household insurance
- #5 Multirisk insurance

5M customers

InverCaixa is currently the largest asset manager by clients and AuM



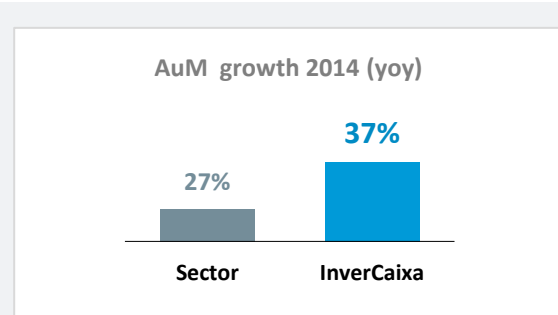


100%

Asset management

€37.5bn
AuM¹

- #1 in Spain
- 17.0% market share
- 1M clients



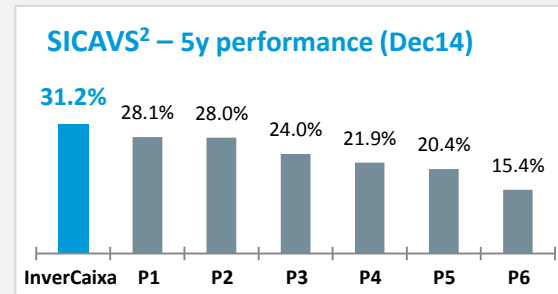
- 2014: from #3 to #2
- Jan15 – from #2 to #1

**+1.92pp market share
in 12 months**

Funds performance (Dec14)


	1y	3y
1st Quartile	44.0%	40.2%
2nd Quartile	39.6%	45.9%

- **Best-in-class investment performance**



(1) Mutual funds, client portfolios and SICAV
 (2) Peers: SAN, BBVA, POP, BKIA, BKT, B.March
 Source: INVERCO

The most extensive card business still growing faster than the market

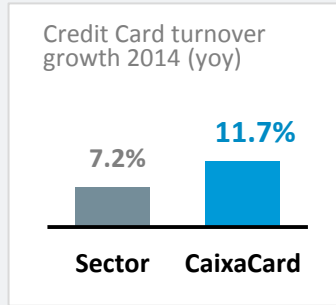


CaixaCard
Credit and debit cards **100%**


€25.4bn turnover

- #1 in Spain
- 21.4% market share
- 13M cards

Leading payments provider



- Growing faster than the market
+ 0.3pp market share in 12 months
- 4,2M contactless cards (54% market share)
→ yoy turnover: +150%

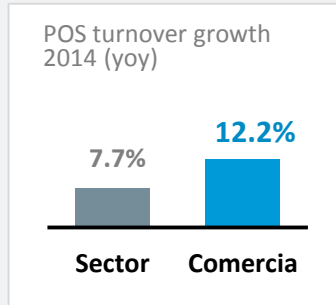


Comercia Global Payments
Merchant acquiring **49%**

€31.3bn turnover

- #1 in Spain
- 24.9% market share
- 266,240 POS terminals

Growing the merchant acquiring business



- Continued growth in market share
+ 0.9pp market share in 12 months
- 80% of POS terminals enabled with contactless technology

A financial supermarket providing a one-stop shop for lifetime finance and insurance needs

A key competitive advantage to lead to higher RoTE than peers

- ▶ **#1 life insurance**
- ▶ **#1 non-life bancassurance**
- ▶ **#1 mutual funds**
- ▶ **#1 credit cards**

**Profitable &
very large
non-banking
leading
business**

- ▶ **3-4% contribution to total RoTE**
- ▶ **Ownership preserved throughout the crisis**
 - Integrated management of client savings and spending needs
 - Agile time-to-market
 - Flexibility in pricing, packaging and distribution
 - No conflicting views with partners

Market- leading product factories provide revenue diversification and benefits from scope



A long-term track
record of generating
growth



- Fully integrated omni-channel distribution platform
- Market-leading product factories
- ▶ **Distinctive commercial strategy**

Opportunities exist in underserved segments and in deepening existing client relationships

1 Underpenetrated regions	<ul style="list-style-type: none"> ▶ Asymmetric market share 	Client Funds + 6% CAGR
2 Retention and cross-selling	<ul style="list-style-type: none"> ▶ Refine offering to specific targets with potential ▶ Lead and capture the digital opportunity (intelligence + delivery) 	AuM + insurance + 2pp <small>market share</small>
3 Long term savings	<ul style="list-style-type: none"> ▶ Qualified advisory ▶ Leading product offering and distribution platform 	Credit + 0.6pp <small>market share</small>
4 Consumer finance	<ul style="list-style-type: none"> ▶ Below our natural potential <i>(i.e. 17.1% market share vs. 24.1% payrolls)</i> ▶ Credit and distribution processes streamlined 	Loan Book + 4% CAGR <i>Performing ex-real estate</i>
5 Business and Corporate banking	<ul style="list-style-type: none"> ▶ High penetration not yet converted to share ▶ Success of recent value propositions ▶ Core strength in transactional services 	

Returning a profit above our cost of capital

How to get there?

Revenue growth

Core income¹
+5.7% CAGR

Credibility: a long-term track record of generating growth

Key levers

1. Fully integrated omni-channel platform
2. Market-leading product factories
3. Distinctive commercial strategy

Stable cost base

*Operating expenses **Flat** through 2015-2018*
Implies ~ €450M cost savings

Cost of risk normalisation

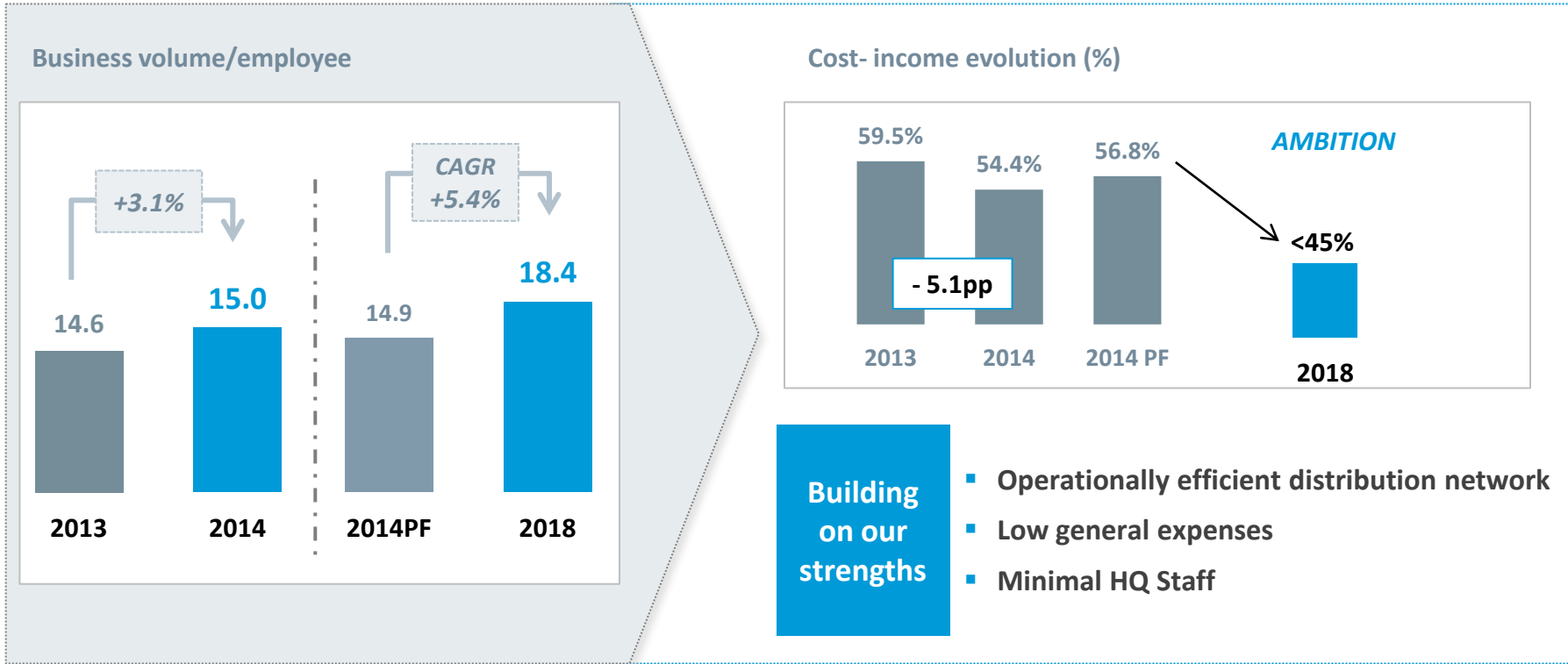
*Cost of Risk: from **1%** to **<0.5%***

Cost-to-income
from **57%** to
<45%

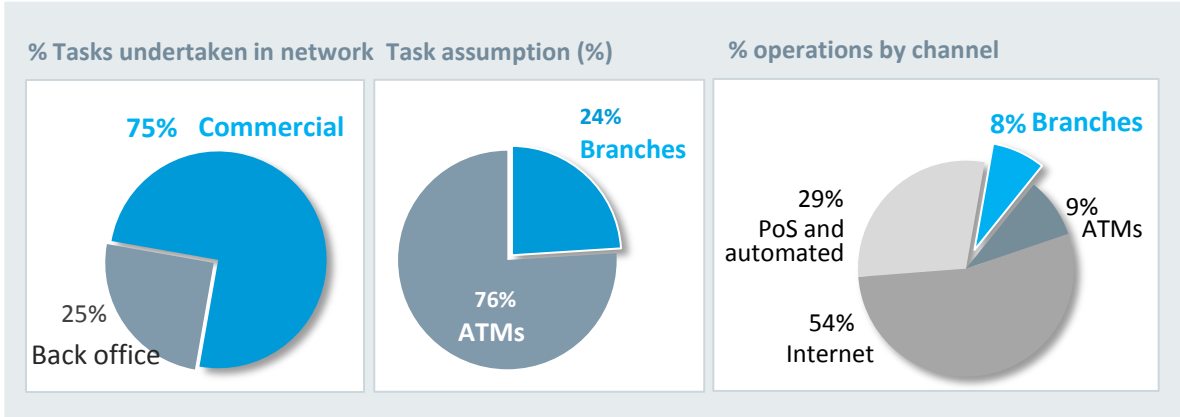
RoTE: from 3.4% to 12-14%

Cost savings ≈€450 M translate into a stable recurring cost base for the period

Tackling underlying cost inflation remains a key management priority



Our distribution network is highly efficient from an operational perspective

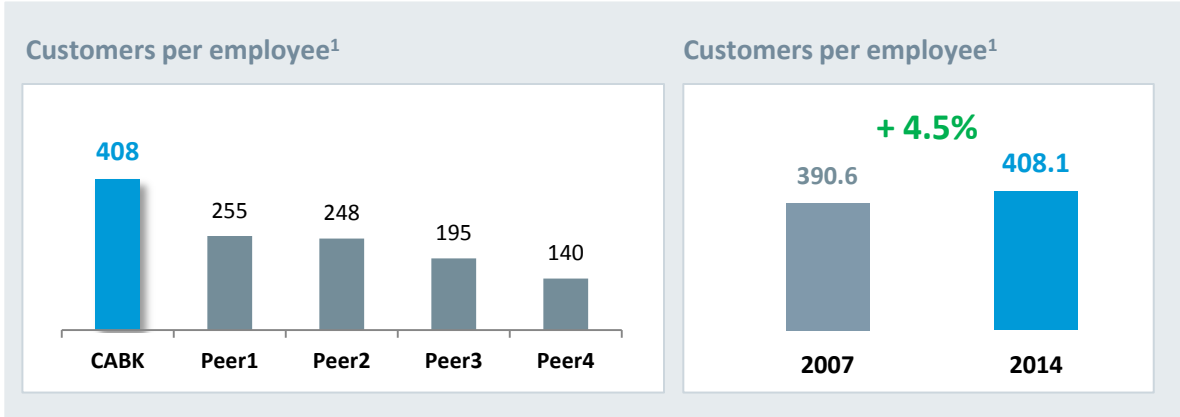


► **Developed an efficient and scalable network over the last 3 decades**

Sales-oriented network

► **Technology plays a fundamental role:**

- ≈ 75% of tasks in a branch are sales-related. Administrative tasks are kept to a minimum
- State of the art ATMs: process 76% of operations during branch hours
- Only 8% of the 7bn transactions are carried out in branches with the rest being directed to alternative channels

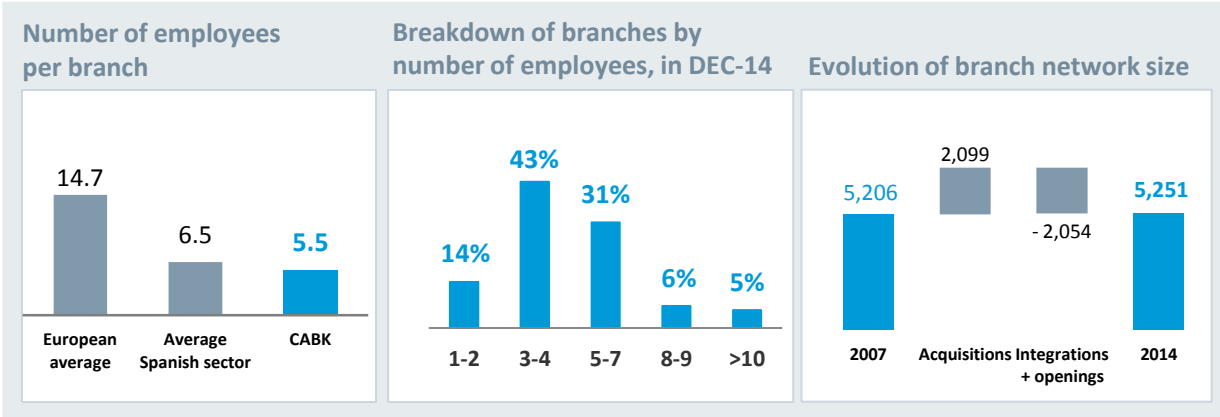


► **Ample product and service range**

► **Continuous improvement processes** centred in removing back-office and paperwork tasks from the branch

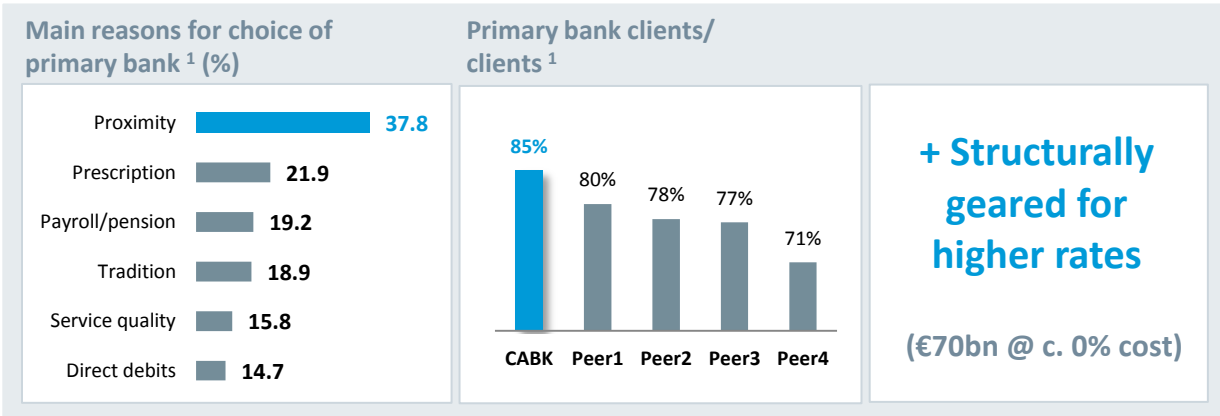
(1) Retail customers, source: FRS Inmark 2014
Peers: SAN, BBVA, SAB, POP

A high number of branches is an indication of reach and client proximity - not a cost driver



Low-cost branches

- ▶ Fully functional branches with low administrative burden: a key differentiating feature
- ▶ 57% of branches are operated by four or less staff
- ▶ Constantly “pruning” the network: *Expect ~600 net branch closures during 2015-18*



Client proximity adds value

- ▶ Spain’s population is disperse and values proximity
- ▶ Our staff focuses on relationship value and increasing customer loyalty.
- ▶ Sales force mobility is a recent and disruptive development.

1 employee = 1 point of sale

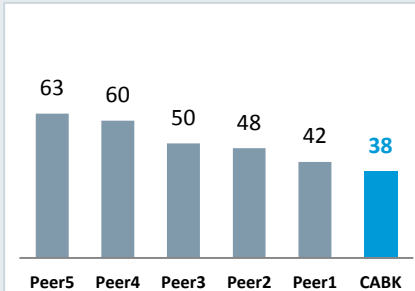
(1) Source : FRS Inmark
Peers: SAN, BBVA, SAB, POP

Economies of scale result in significant cost benefits

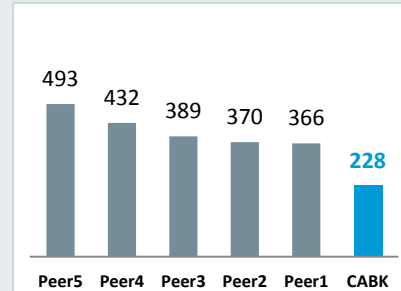
€ Thousand

General expenses¹ are low and falling

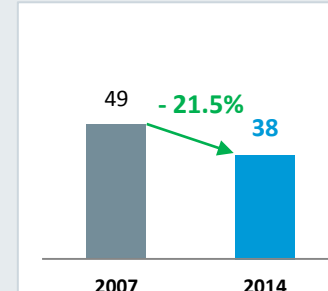
General expenses by employee



General expenses by branch



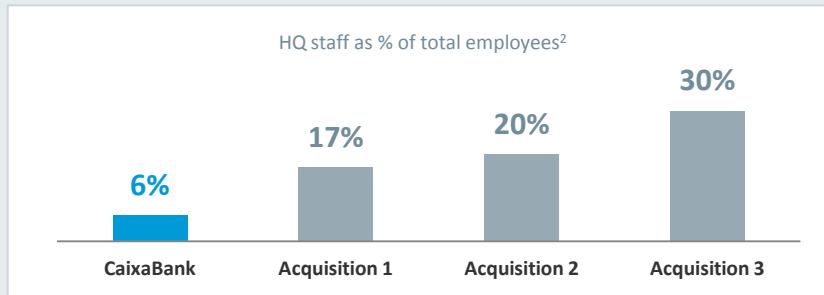
Gral. expenses per employee



► **Extremely competitive general expenses per employee and branch.**

- General expenses have been reduced by c.6% over the last 7 years at a time when loans+deposits have grown 34%.

Minimal HQ staff



► **Process simplicity and a culture of cost efficiency contributes to a minimal HQ structure**

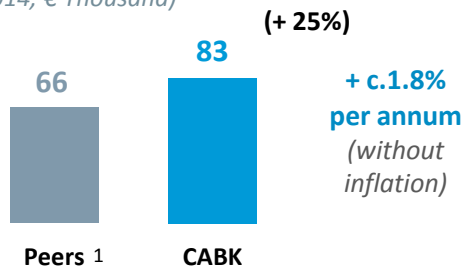
(1) Including amortisations

(2) Source: own estimates as of June 2014 for CaixaBank and as of the acquisition date for the acquired entities (Banca Cívica, Banco de Valencia and Barclays)

High unit labour costs to be gradually reduced over time

Labour cost per employee

(2014, € Thousand)



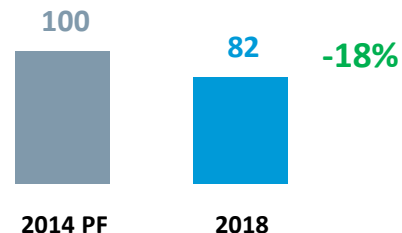
Early retirements plans to reduce unit costs

- 829 early retirements in 2014
- 700 new hires in 2015
- ~ 3,000 departures during 2015-18²

New hires come at much reduced costs (-80%)

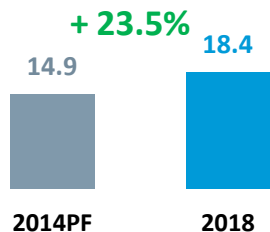
Personnel expense/business³

(Rebased, 2014 =100)

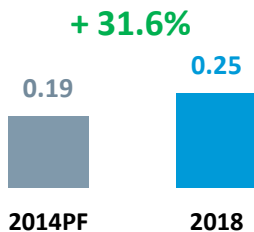


We expect substantial increases in productivity over the life of the plan

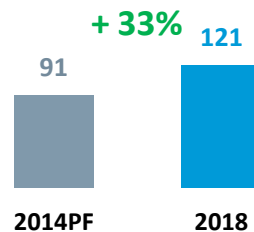
Business³ /employee



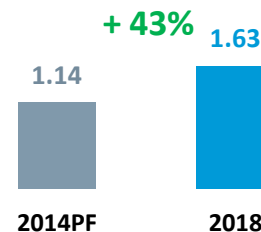
Core income⁴ /employee



Business³ /branch



Core income⁴ /branch



(1) Weighted average → (SAN Spain, BBVA Spain, Bankia, SAB and POP) (2) Partially offset by new hires (3) (Loans+ customer funds) in €M (4) (NII +fees) in €M

Five strategic priorities

1. Best-in-class in quality of service and reputation

2. Sustainable profitability above cost of capital






3. Optimisation of capital allocation

4. Enhance our leadership in banking digitalisation



5. Retain and attract the best talent

Optimising capital allocation

Banking portfolio

CABK participation		Market Value
 BEA 東亞銀行	18.7%	
 Boursorama	20.5%	
 BPI	44.1%	
 ERSTE	9.9%	
 INBURSA Grupo Financiero	9.0%	

Industrial portfolio

 REPSOL	11.9% ^{1,2}	€5.4 Billion³
 Telefonica	5.3% ¹	

2014

- **RoTE** **10.2%**
- **Capital consumption** **~16%**
(/ total consumption B3-FL)

Portfolio background

- A sizeable industrial portfolio (~20bn) was built up by “la Caixa” during 1980-2000 as a result of a diversification strategy
- Portfolio was listed in 2007 through Criteria CaixaCorp
- 2007-2009: rebalancing of the portfolio with the acquisition of international banking minority stakes linked to strategic agreements
- 2011: reorganisation of “la Caixa” group and creation of CaixaBank. The banking portfolio and some of the industrial stakes were left within CaixaBank

(1) As of December 31st 2014.

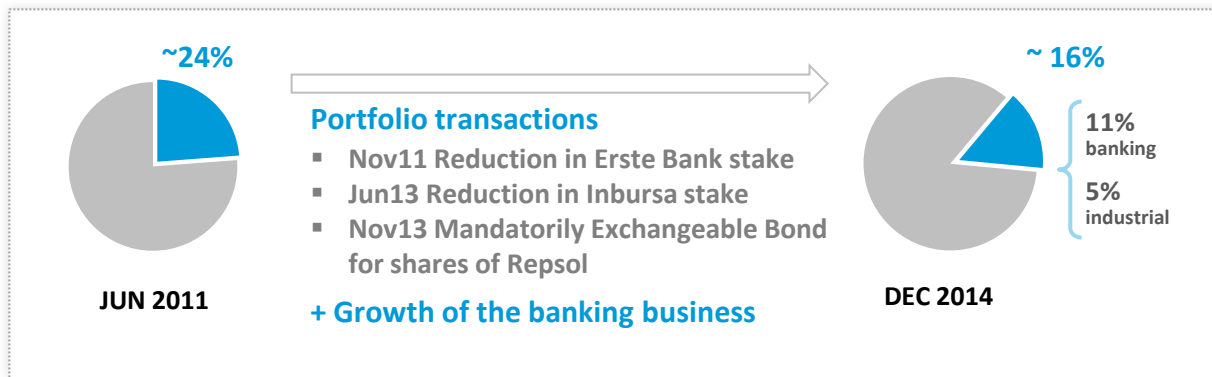
(2) CaixaBank’s stake in Repsol could be reduced by a maximum of 2.5% after the exchange of the €594.3 M mandatorily exchangeable bonds maturing in Nov’16.

(3) Market value of CaixaBank stakes as of December 31st 2014.

Freeing up capital from equity portfolio and real estate exposure

1 Reduction of % of capital consumption of the equity portfolio

We have made significant progress in capital optimisation since the reorganisation of the Group in July 2011



2016 AMBITION

Reduce capital consumption by a third to < 10% of total

2 Further optimisation with the winding down of problematic real estate exposure

Reduction of ~60% over the life of the plan

Taking steps towards developing more synergies with our partners

CaixaBank

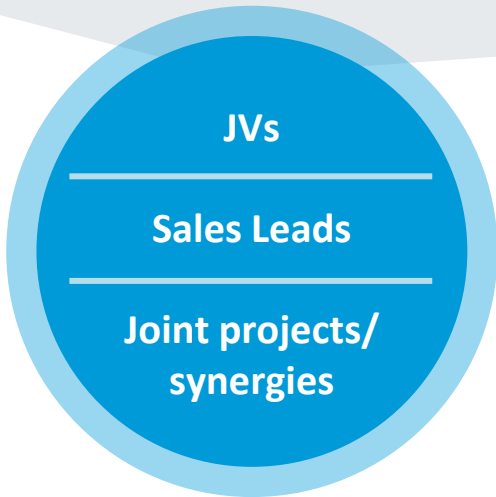
Leverage our know-how and expertise in certain segments

- IT
- Consumer Finance / microfinance
- Mobile banking
- Credit cards (issuance & acquiring)
- Bancassurance
- Electronic payments



Partners

- ▶ Unique positioning within their markets
- ▶ Growth potential
- ▶ Management and execution capabilities



Examples of our cooperation today

- ▶ Car financing JV with BEA
- ▶ Prepaid cards JVs with Erste Bank and BPI
- ▶ Retail Banking know-how transfer with Inbursa
- ▶ Aggregated €2bn credit lending from cross opportunities¹
- ▶ Joint procurement initiatives
- ▶ Capturing trade flows between countries

(1) Includes Spanish desks in Vienna, Mexico and Lisbon

A key step in our international strategy

*Actively
managing the
portfolio*

Tender offer for BPI: Conditional on >50% shareholding and removal of 20% voting cap (requiring broad shareholder support)



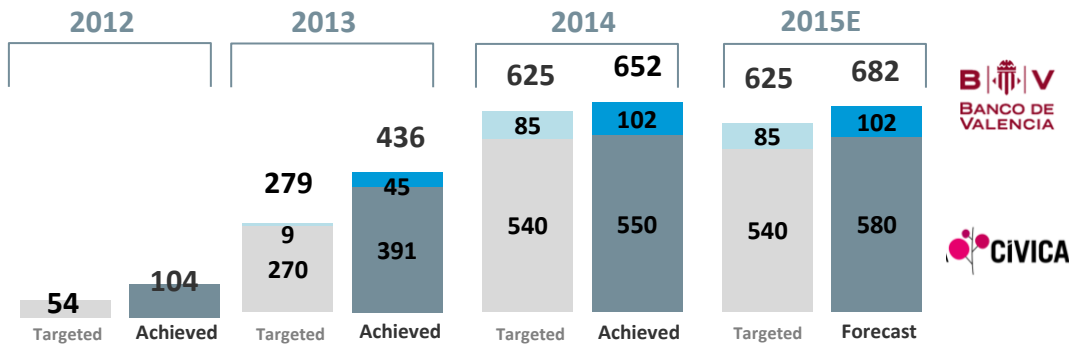
- ▶ **Alignment of voting rights in BPI with economic rights**
- ▶ **Delivery of sizeable synergies to accelerate recovery of BPI's efficiency and profitability in Portugal. Synergy potential of €130 m per annum expected by 2017, with an NPV of €650 m.**
- ▶ **Recurrent EPS accretive from year 1 with ROIC > 10% by 2017¹**
- ▶ **Natural step: In-depth knowledge of BPI and Portugal developed since 1995**

We have a high degree of conviction in delivering the recently announced synergies on a stand-alone basis

(1) Based on Bloomberg broker consensus net income forecasts as of 27 January 2015

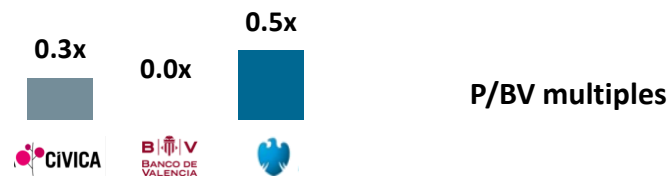
Maintaining a track-record of strict financial discipline for acquisitions

Effectively delivering synergies and exceeding both size and timing of targets



- Cost savings from BBSAU confirmed post 25 Feb restructuring agreement
- 2016E ROIC > 15% (vs. 10% original target)

Recent transactions made at attractive multiples



Foregoing opportunities when not meeting our targets



Five strategic priorities

1. Best-in-class in quality of service and reputation

2. Sustainable profitability above cost of capital

3. Optimisation of capital allocation

4. Enhance our leadership in banking digitalisation

5. Retain and attract the best talent

Leading the digital transformation to meet evolving customer preferences

IT: integral to our culture

Strong track-record in IT and innovation

- ▶ Leading omni-channel platform with flexible and agile IT architecture
- ▶ Expertise in process automation (minimal back-office at branch level)
- ▶ Innovation in products and services
- ▶ Broad functionality in our online and mobile banking



The largest user base of active digital customers¹

Web
4.0 M



Mobile
2.2 M

PRIORITIES

1
Continue improving commercial effectiveness and customer experience

2
Drive personalisation and improve customer intimacy



Most innovative bank in 2011 and 2013



Most innovative bank in 2013



2^o best bank worldwide in mobile banking 2014



Best retail bank for IT Innovation 2013 y 2014

(1) Customers between 20 and 74 years with at least one transaction through CaixaBank's home banking in the last 2 months

1 Improving commercial effectiveness and customer experience with our digital strategy

IMPROVE COMMERCIAL EFFECTIVENESS



- **Mobile solutions for our employees:** sales outside branches (full functionality)
- **Digital signature and paperless processes:** shorten and simplify sales processes
- **Ready2Buy:** online completion of in-branch initiated sales

INNOVATIVE TOOLS TO BETTER SERVE OUR CUSTOMERS' NEEDS



- **Video banking and chat solutions** to connect customers and relationship managers
- **Personal Finance Management tools** to plan, budget and organise spending



- **More than 70 mobile applications**

Mobility **5,000** **>20,000**
managers in 2016

- Commercial effectiveness

i.e.: **CaixaNegocios**

- **1,421** specialised managers
- **257,700** new accounts

2014 % sales through digital¹ **10%**

(1) % units sold in last twelve months through Linea Abierta of total sales

2 Drive personalisation and improve customer knowledge through data and technology

Well-positioned to capture the data opportunity

▶ **A single information repository**

From **>10 datamarts** To **1 data pool**

▶ **Processing capacity and availability**

- 4,505 transaction per second in rush hours
- 3M card transactions processed in busy days
- 1 M web connections in a busy day

▶ **Analytical skills to drive insights from data**

▶ **Omni-channel platform to deliver improved experience and offering to our customers**



Big data
offers clear potential to improve key business areas

Areas of opportunity

- Customer knowledge to improve targeting and commercial offering
- Personalisation taking into account customer preferences
- Incorporation of new data in risk models
- Streamline processes with improved customer knowledge

i.e. Consumer lending (pre-approved)

34% branches	27% web
19% mobile	19% ATM

Not just “anytime, anyplace, anywhere” but also bespoke service

Five strategic priorities

1. Best-in-class in quality of service and reputation

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4. Enhance our leadership in banking digitalisation

5. Retain and attract the best talent

Building on talent to take ownership and execute the plan

An excellent starting point

- Business-oriented structure
- Strong commercial, operational and technological skills
- Free of “silos” and decentralised
- Best from each culture has been reinforced in consecutive integrations

Taking a step further

- Continue to invest in training of a highly skilled workforce
- Develop top quality advisory capabilities
- Empowering employees (key role of the branch)
- Fostering meritocracy and diversity

Big & Simple

- *CaixaBank has the advantage of scale*
- *At the same time we operate in one single big market so we have a lean, no-silos, no-complexity structure*
- *Decision making and execution is simple, fast and focused*

Key competitive advantage

3 The roadmap to sustainable profitability

Javier Pano
CFO

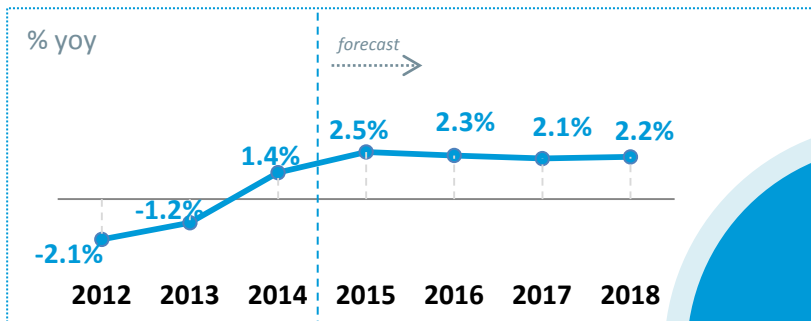


The roadmap to sustainable profitability

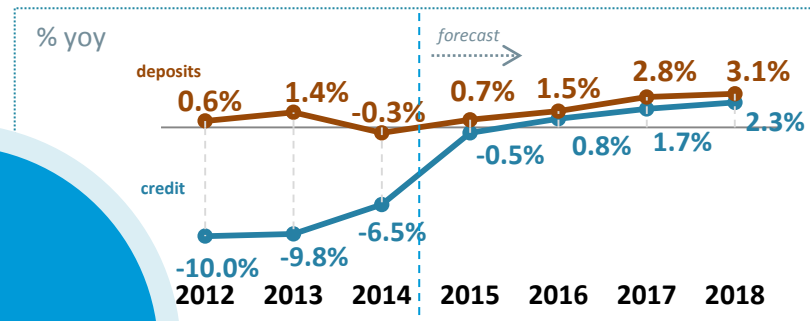
- **In a nutshell**
 - Value creation
 - Capital management
 - Key takeaways and financial targets

Well-positioned to capitalise on the recovery

GDP growth

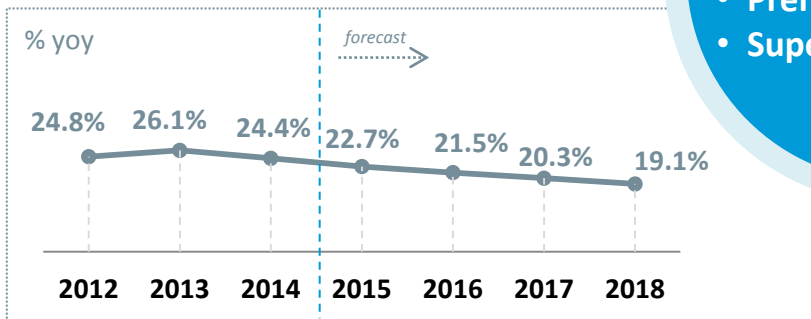


Credit¹ and deposit² growth (Industry forecasts)

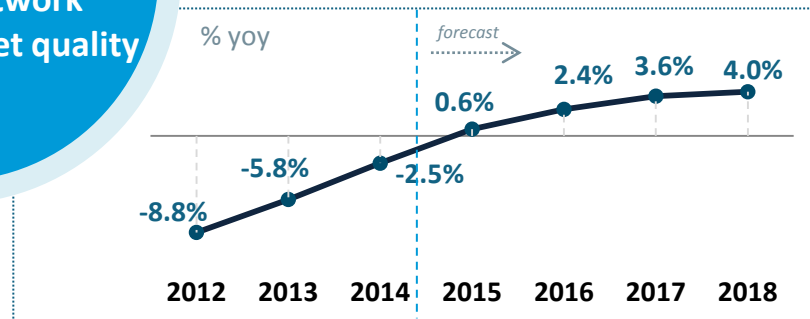


- Largest client base
- Premium network
- Superior asset quality

Unemployment rate



Housing prices (nominal change)



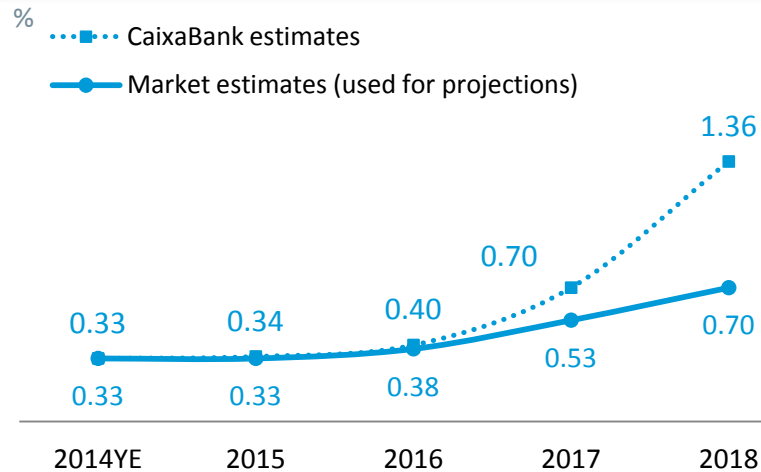
Macro dynamics support volume growth and improved asset quality

(1) Loans to the "Other Resident Sector" as per Bank of Spain definition

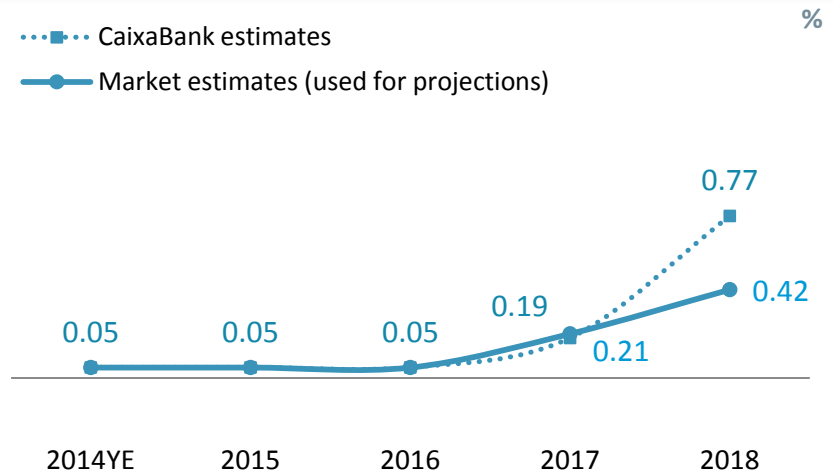
(2) Includes time and demand deposits, as well as promissory notes

“Low rates for long” is the paradigm on which we base projections

12-Month Euribor¹



ECB refinancing rate¹



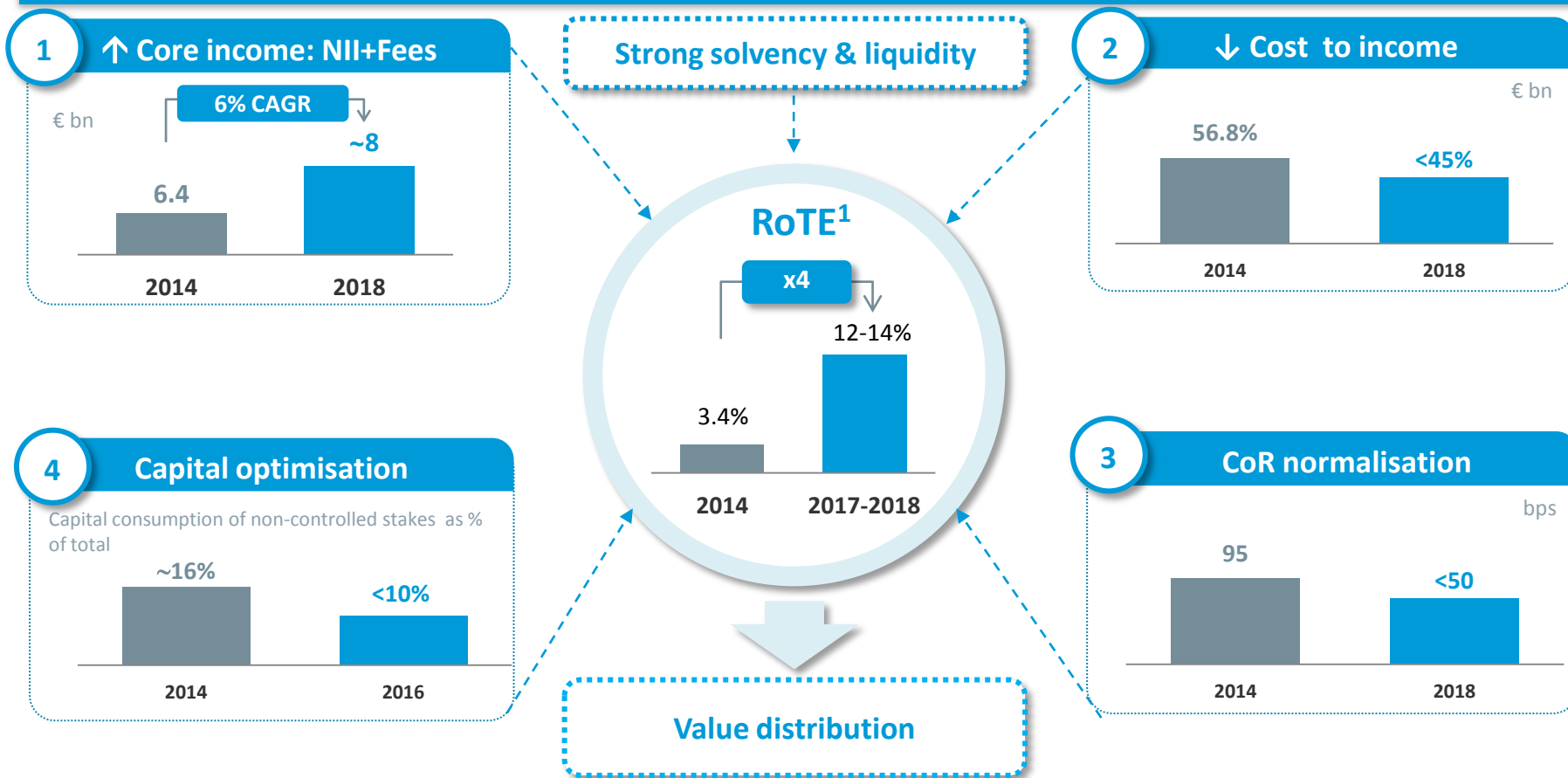
Strategic plan base case scenario:

- Based on market forward-rate estimates as of 31/12/14
- Dec'14 figures are pro forma the acquisition of Barclays Bank Spain throughout the presentation
- Based on organic growth; also valid if the Banco BPI VTO succeeds

(1) Year-end for 2014, annual averages 2015-2018

Source: Bloomberg and “la Caixa” Research. Market estimates refer to interest rate forward rates; the ECB refinancing rate forward estimate is based on 3-month Euribor forward rates

RoTE boosted by improved operating performance and cost of risk normalisation



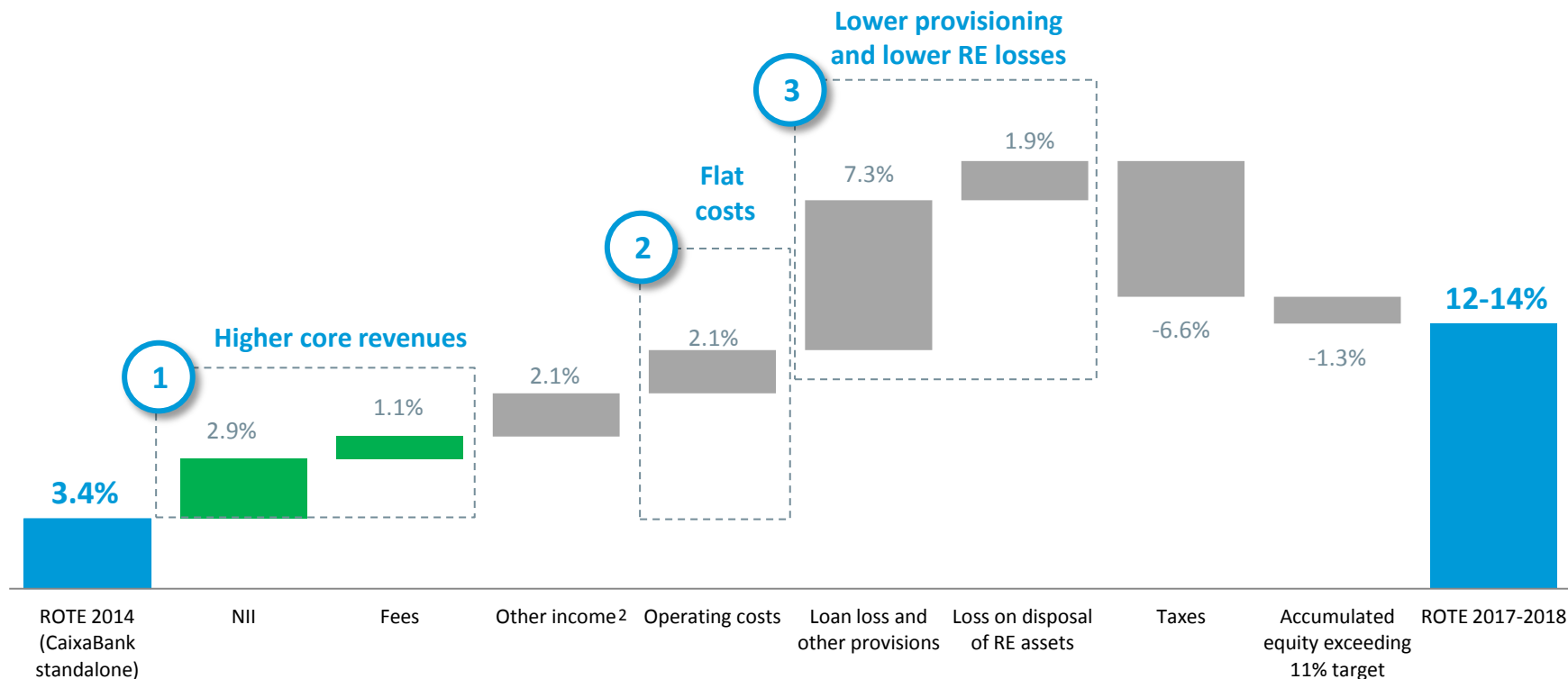
Note: 2014 data is pro forma the acquisition of Barclays Bank Spain except RoTE data, which corresponds to CaixaBank standalone

(1) Breakdown of €4.95 bn of intangible assets as of December 2014: €2.91 bn from the banking business; €1.05 bn from the insurance business and €0.99 bn for banking stakes

The roadmap to sustainable profitability

- In a nutshell
- **Value creation**
- Capital management
- Key takeaways and financial targets

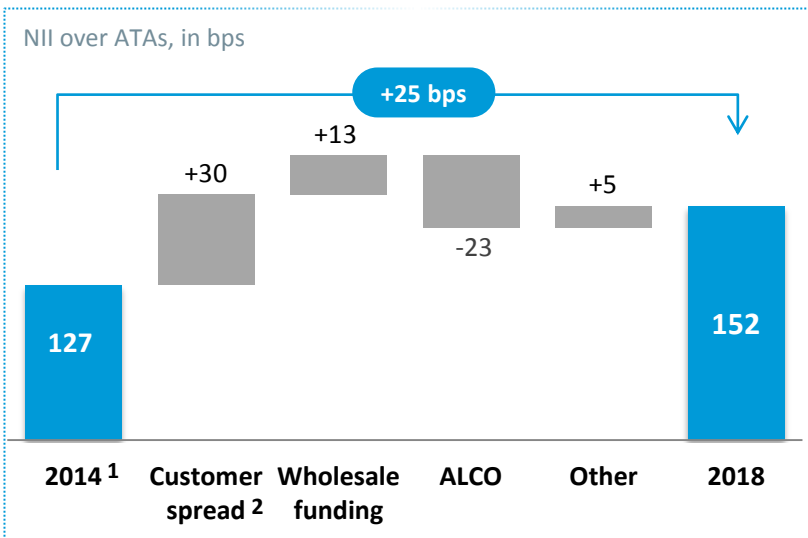
Increased revenues combined with a lower cost of risk are the key RoTE drivers¹



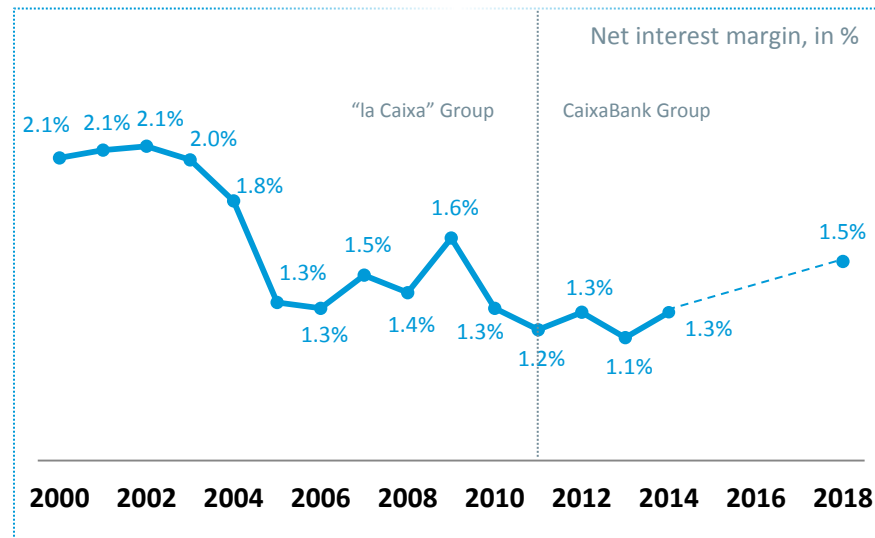
- (1) RoTE decomposition by change of contribution of P&L lines (2014 pro forma the acquisition of Barclays Bank Spain) as % of regulatory capital excluding intangibles. The item labelled "Accumulated equity exceeding 11% target" measures the decrease in RoTE associated with a higher capital base.
- (2) Other income includes dividends and income from associates, trading income and "other income" as defined in quarterly reporting.

1 NIM improvement on more productive assets and increased customer spread

Drivers of NIM evolution



NIM improvement in line with historic norm

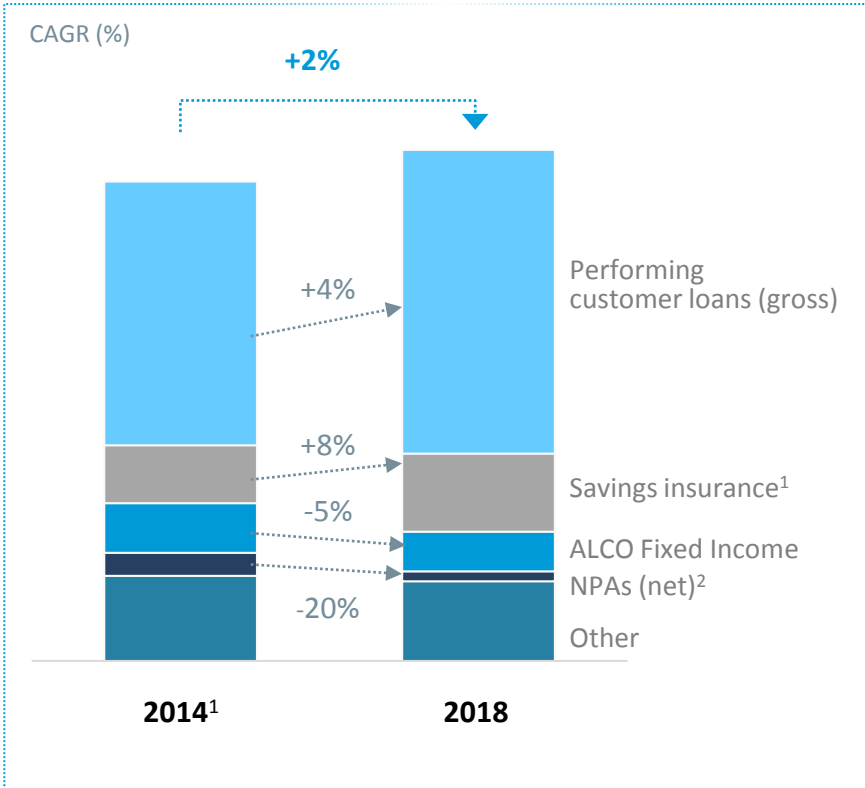


- **Customer spread contributes 30 bps to NIM improvement over the period²**
 - Deposit back-book re-pricing to stabilise by year-end 2016
 - Low rates limit contribution of large base of cheap sight deposits
 - Leveraged to higher rates: NIM improvement >10 bps if rates increase by 100 bps
 - Positive impact on NIM from increase of share of performing assets
- **Lower ALCO contribution due to smaller portfolio and lower reinvestment rate; partly offset by cheaper wholesale funding**

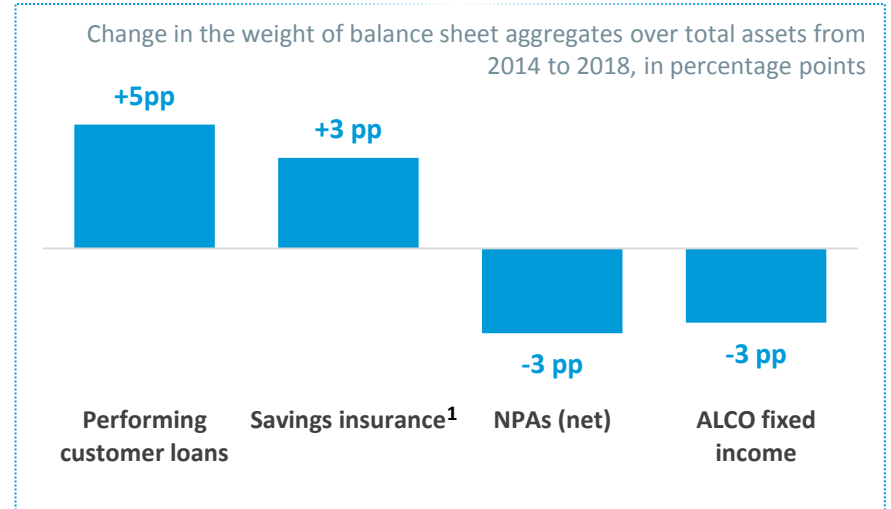
(1) Pro forma Barclays Spain acquisition
 (2) Customer spreads improves by 50 bps in the period

1 Client-driven asset growth is a key component of the strategic plan

Asset breakdown



Shifting balance-sheet aggregate mix



- Focused on client business : balance sheet growth skewed toward customer loans
- Gradual and sustained reduction of NPAs

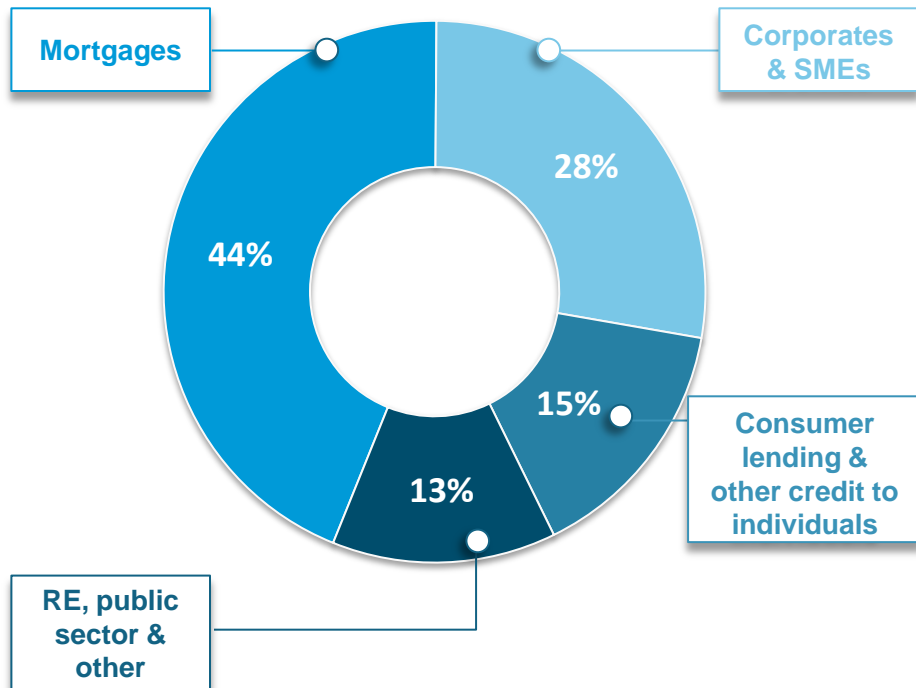
(1) Assets backing savings insurance contract liabilities
 (2) NPAs include NPLs and repossessed RE assets available for sale, all net of provisions

1

Loan portfolio mix provides yield resilience in a low rate environment

Loan book composition - 2014

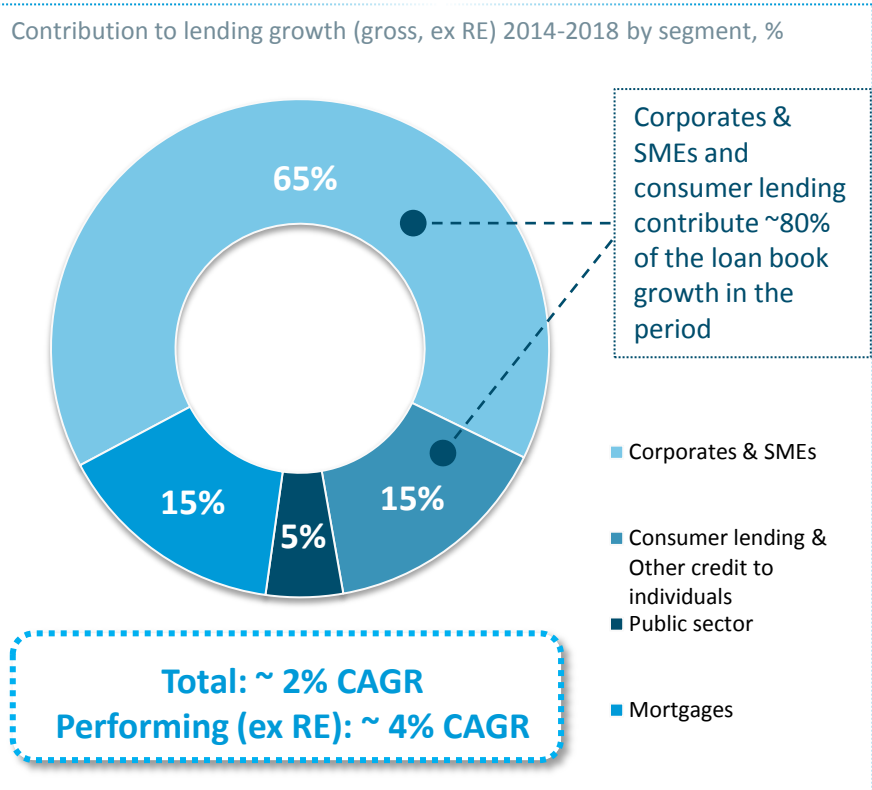
% of total gross customer loans portfolio by segment, 2014 pro forma the acquisition of Barclays Bank Spain



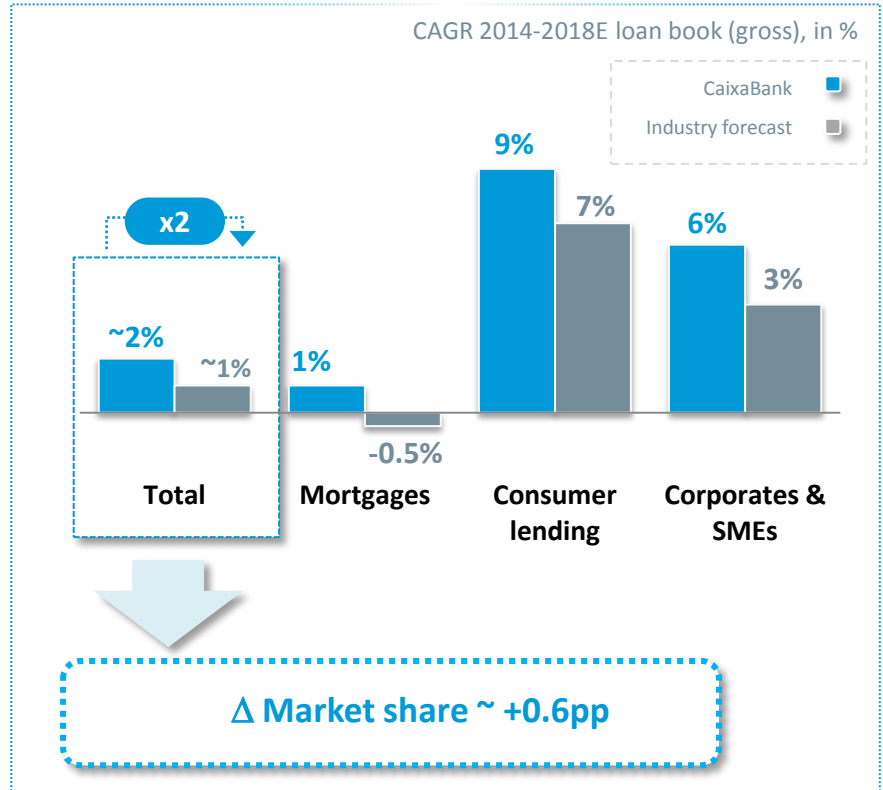
- Mortgages make ~46% of the performing loan book (ex RE):
 - Low risk profile
 - Limited reinvestment risk
- Lower weight of products where front-book spreads are compressing
- 2015-2018 growth focused in Corporates, SMEs and consumer lending

1 Gaining market share in growing segments

Toward a more diversified loan book



Gaining market share

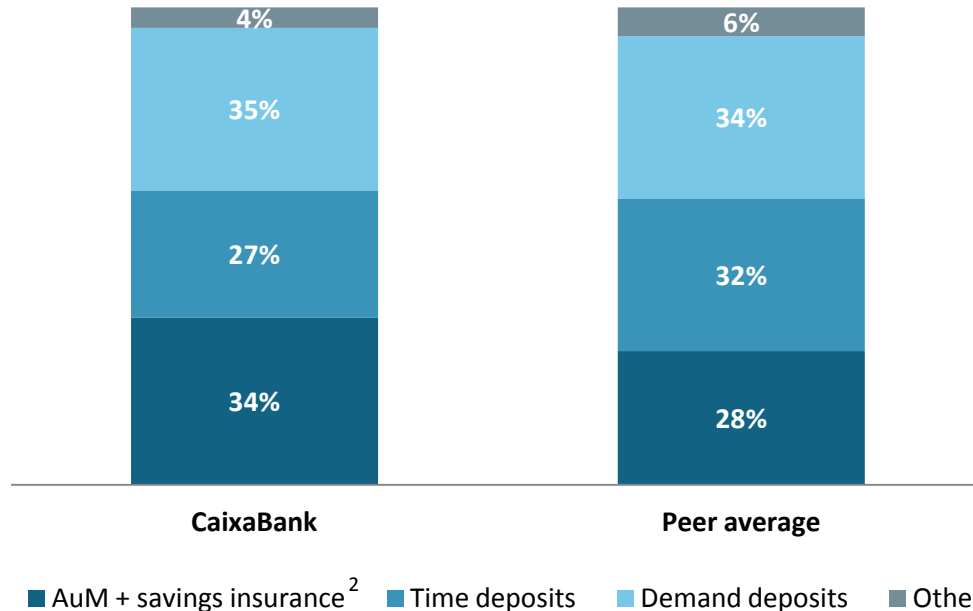


1

Mix of client funds is a reflection of our capillarity and retail focus

Better client funds mix than peers¹

Customer funds breakdown by main category, 2014 in %



- Higher proportion of off-balance sheet funds → more profitable in a low-rates environment
- Heavy weight of zero cost retail deposits provides upside to a change in the rates cycle
- Stable client funds (highly granular) derived from large retail client base

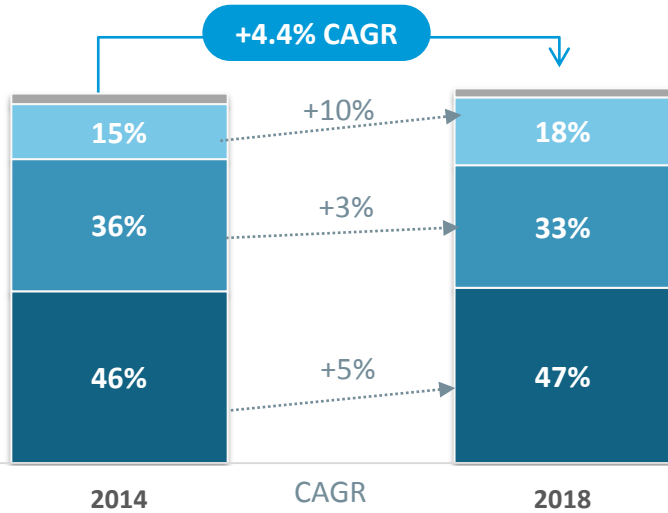
(1) The "Other" category includes repurchase agreements, among other. Peers include: Bankia, BBVA, Popular, Sabadell, Santander Spain. Data as of YE2014 except Bankia as of September 2014. CaixaBank data is pro-forma of the Barclays Spain acquisition.

(2) AuM: includes mutual funds and pension plans

1 Savings insurance and AuM to propel NII and fee growth

Insurance activity grows in importance

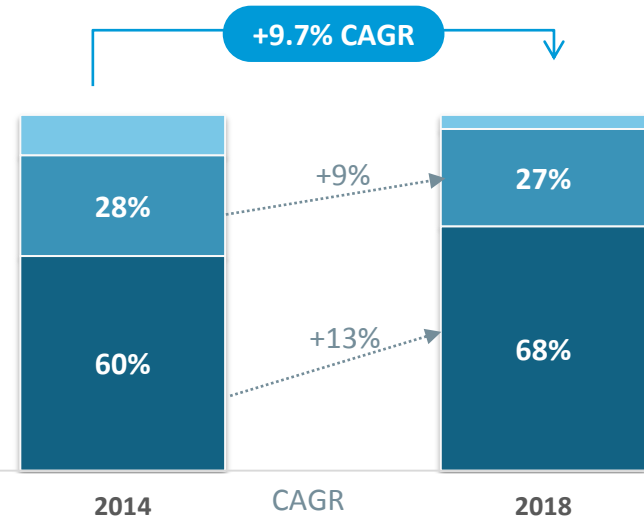
On-balance sheet client funds: breakdown by balance aggregates as % over total assets & % CAGR over the period



- Demand deposits
- Time deposits
- Savings insurance¹
- Other

Profitable shift in client savings mix

Off-balance sheet client funds: breakdown by balance aggregates as % over total assets & % CAGR over the period



- Mutual funds
- Pension plans
- Other

Total client funds: +5.8% CAGR

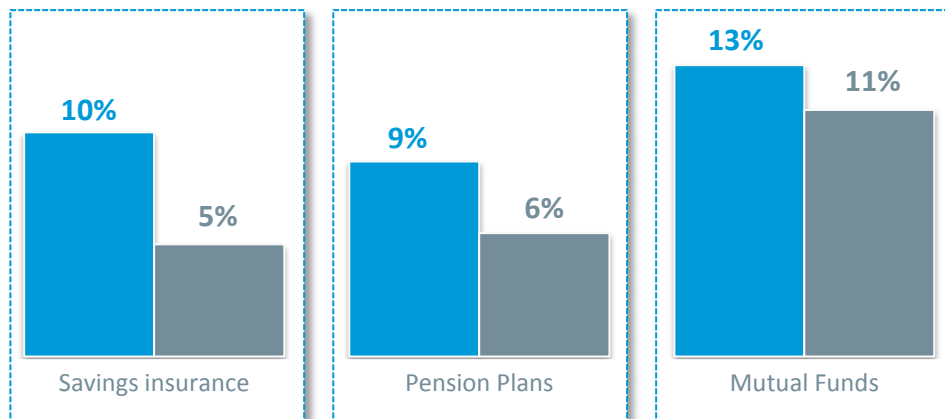
Note: 2014 data is pro-forma the acquisition of Barclays Bank Spain
 (1) CAGR of insurance contract liabilities over the period

1 Higher market shares in fee-generating products

Sustained growth of volumes across the board

CAGR 2014-2018E, in %

■ CaixaBank
■ Industry forecast



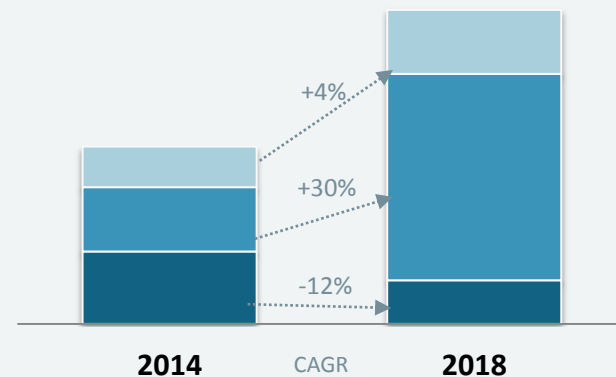
**Δ Market share
~ +4pp**

**Δ Market share
~ +3pp**

**Δ Market share
~ +1pp**

Wide range of funds and insurance offering provides an operating hedge for low rates

Mutual funds by type of investment vehicle¹



■ Passively managed
■ Actively managed
■ Other

Note: 2014 data is pro-forma with the acquisition of Barclays Bank Spain

(1) The actively managed funds category includes stock, balanced and fixed income funds; the passively managed funds category includes guaranteed funds with a target return; other include SICAVs, managed portfolios and third party funds

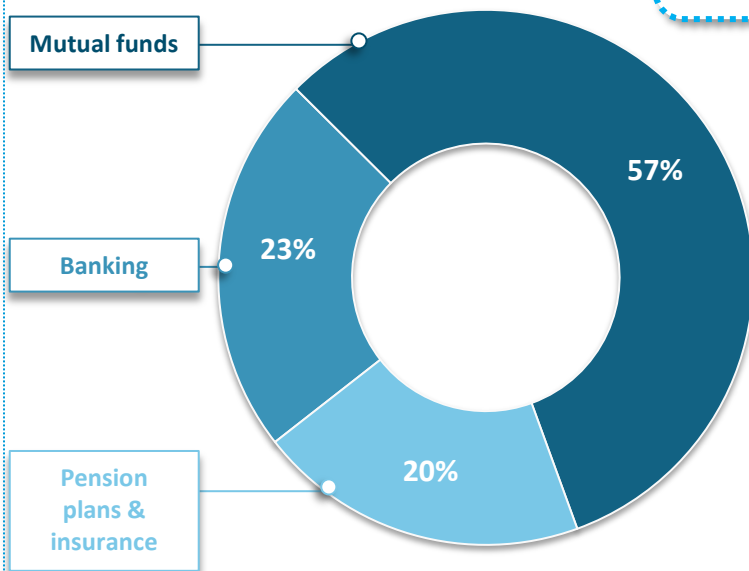
1

Strong focus on advisory drives up fee income and life-risk insurance premiums

Fee growth driven by off-balance sheet products

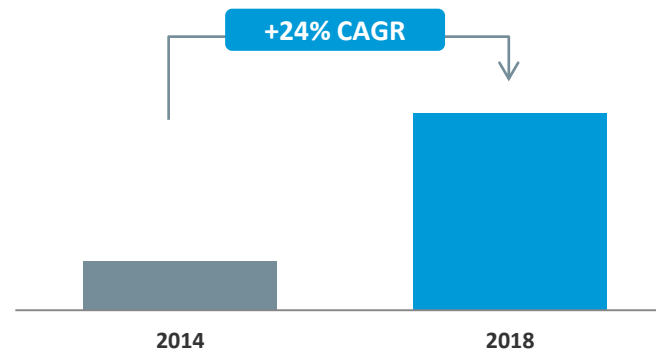
Contribution to fee growth 2014-2018

↑ Fee revenue:
~5% CAGR



Savings insurance boosts other income line¹

Savings insurance premiums, in €bn



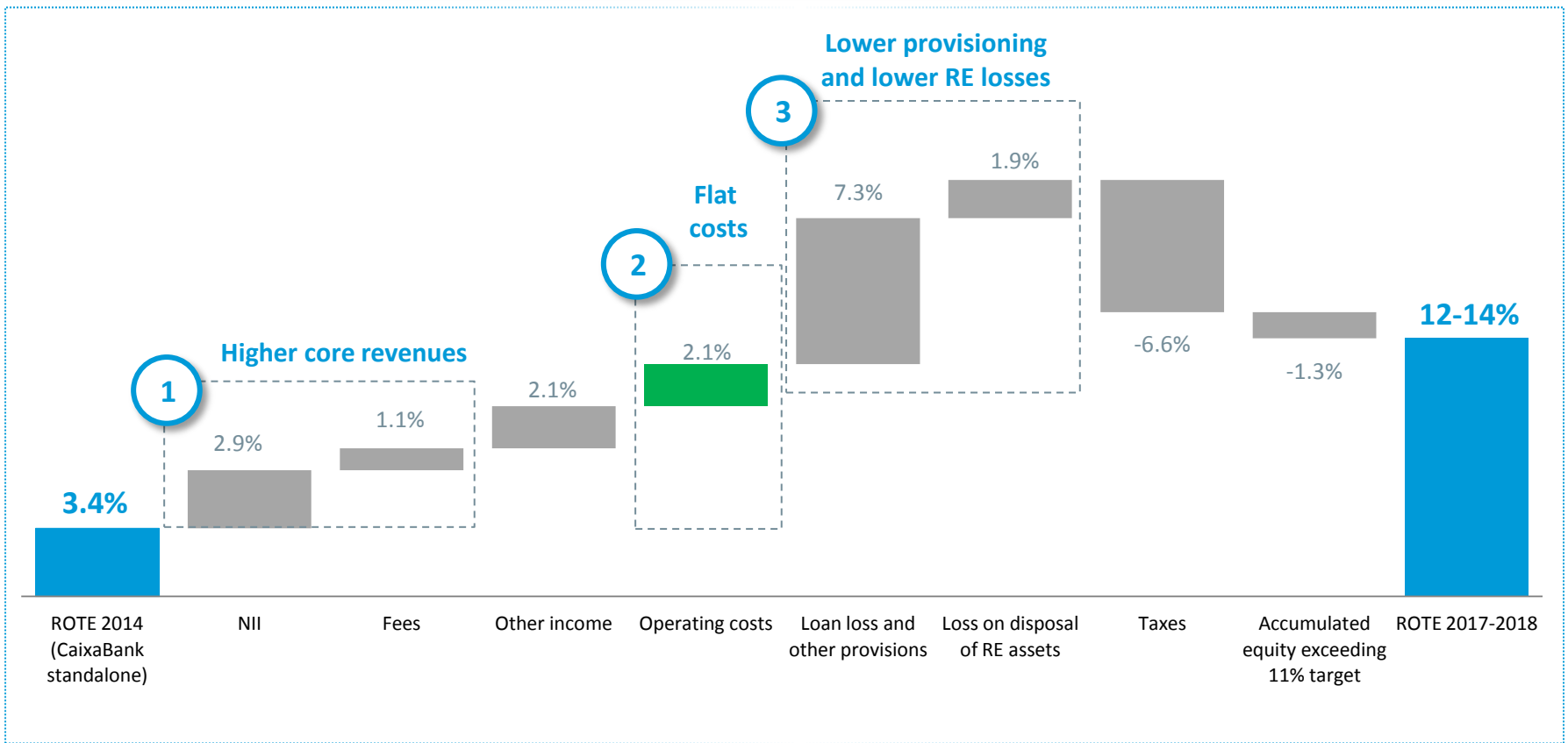
- Other income turns positive in 2018 as strong risk insurance growth more than offsets DGF contributions
- Increase in insurance revenues from 2017 (c. 100M per year) as value-in-force reinsurance contract expires²
- Asset management mix improves towards higher value added products

Note: 2014 data is pro forma the acquisition of Barclays Bank Spain except for income from life-risk insurance

(1) Other income line includes DGF contributions, savings insurance premiums and taxes on deposits

(2) Berkshire Hathaway reinsurance agreement to risk transfer a portfolio of life-risk policies signed in 4Q12 matures in 2017

Increased revenues combined with a lower cost of risk are the key RoTE drivers

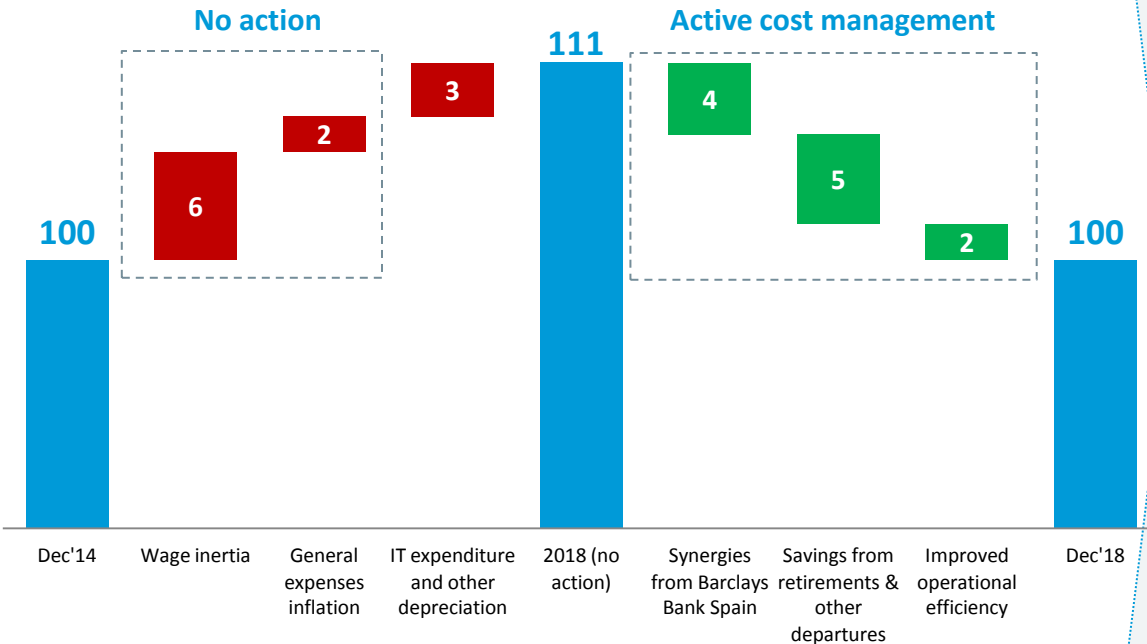


2

Strict cost discipline to keep operating costs flat in nominal terms

Stable cost base

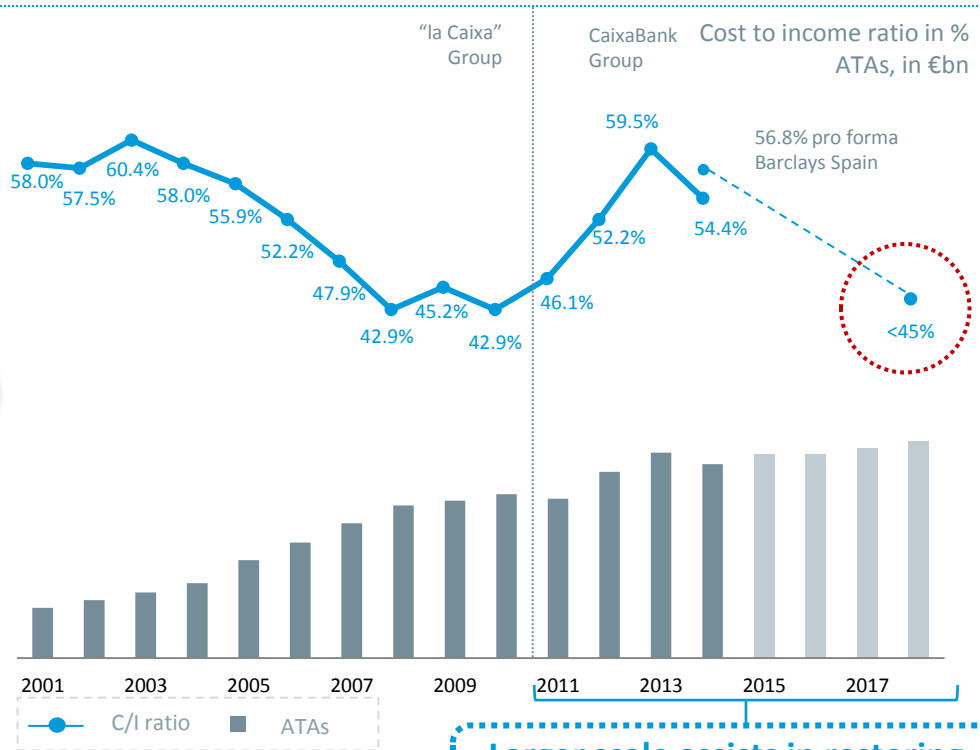
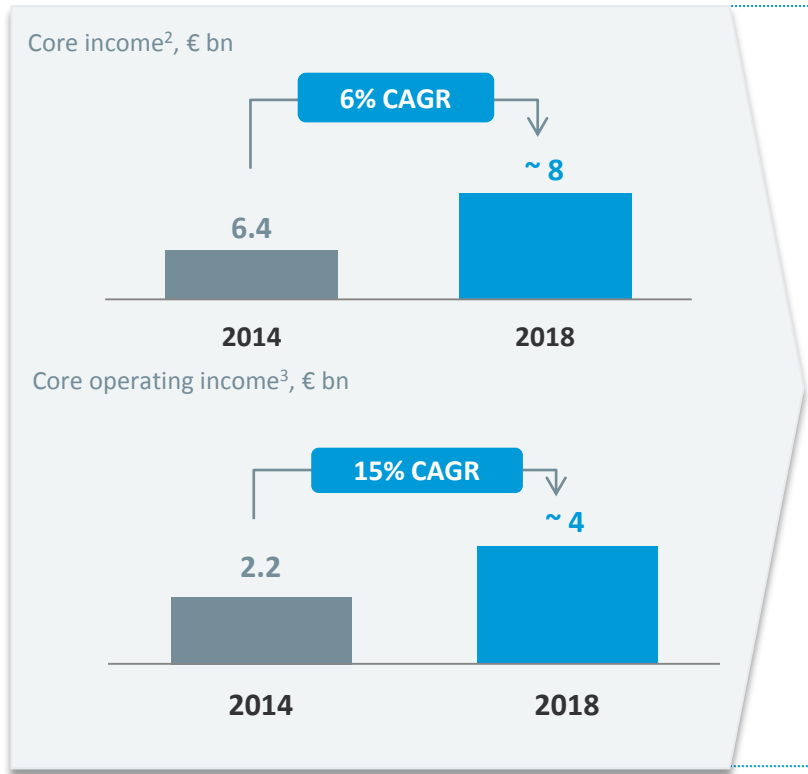
Operating costs base evolution, 2014 CaixaBank pro forma Barclays Spain = 100



- **Costs grow at 2.8% per year on:**
 - Wage inertia 1.8% per annum, without inflation
 - General expenses inflation
 - increased IT expenditure (digitalisation) and other depreciation
- **Target: ~€450 M annual cost savings by 2018**
 - Synergies from Barclays Spain (~€150M per year)
 - Other departures: c.2,200 (mostly offset by cheaper new hiring):
 - ✓ Early retirements and other departures
 - Scale yields cost management opportunities
 - Cost optimisation leading to additional c.~350 branch closures

2 Cost-efficiency improves as costs remain stable and revenue grows

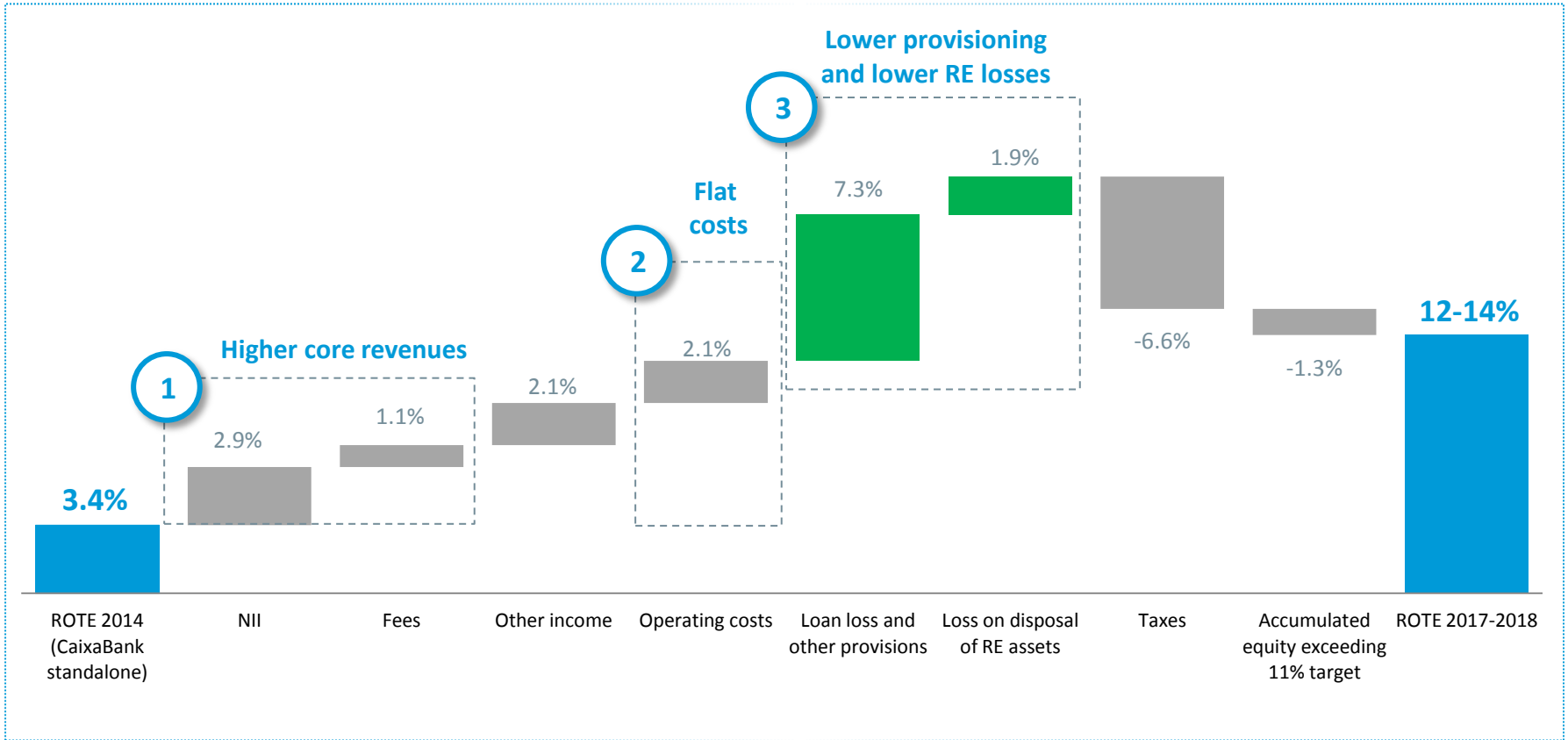
Operating income growth helped by stable cost base drives efficiency gains ¹



Larger scale assists in restoring historical cost efficiency levels

(1) All 2014 data is pro forma the acquisition of Barclays Bank Spain
 (2) NII + Fees
 (3) NII+Fees-recurrent operating costs

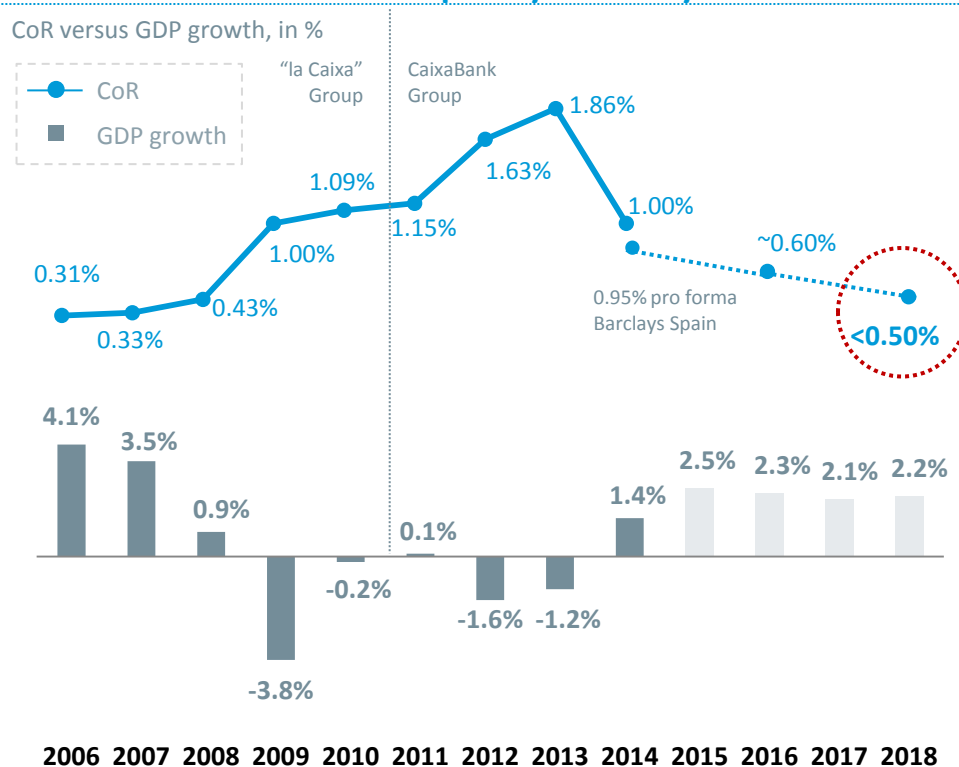
Increased revenues combined with a lower cost of risk are the key RoTE drivers



3

Cost of risk declines on reduced NPL formation and high provisioning levels

Reduction of Cost of risk helped by macro dynamics

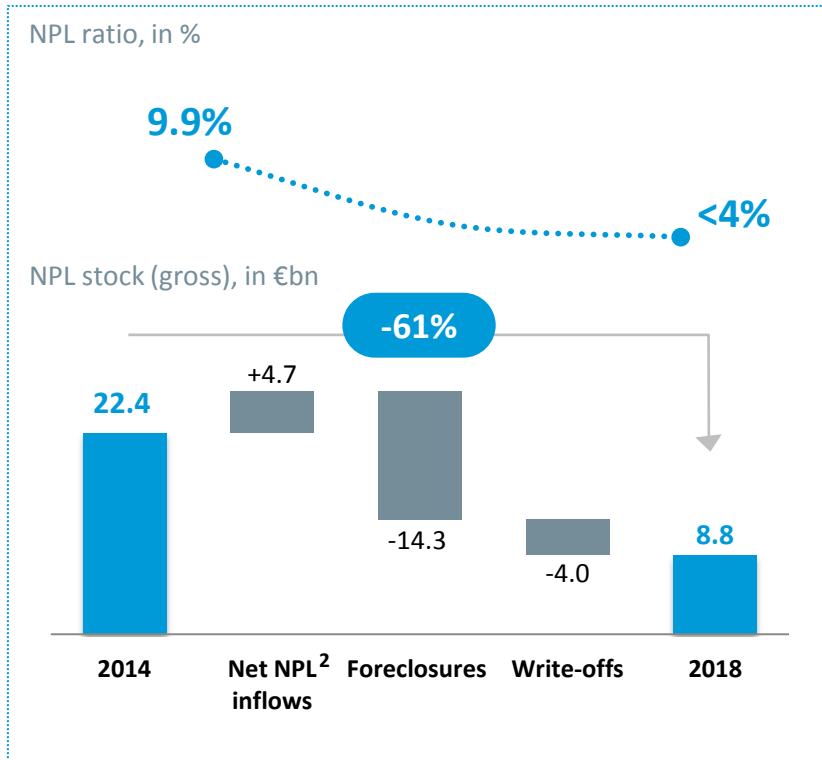


- CoR normalisation boosts after-tax RoTE by ~5pp during 2014-2017/18
- CoR nearing ~60bps by 2016 consistent with macro environment and high coverage
- Expecting reduced loan loss charges on:
 - Lower net NPL formation
 - Smaller RE developer book and associated impairment losses— especially 2015-16
 - Improving trend in both average PD and collateral values
- High levels of coverage maintained

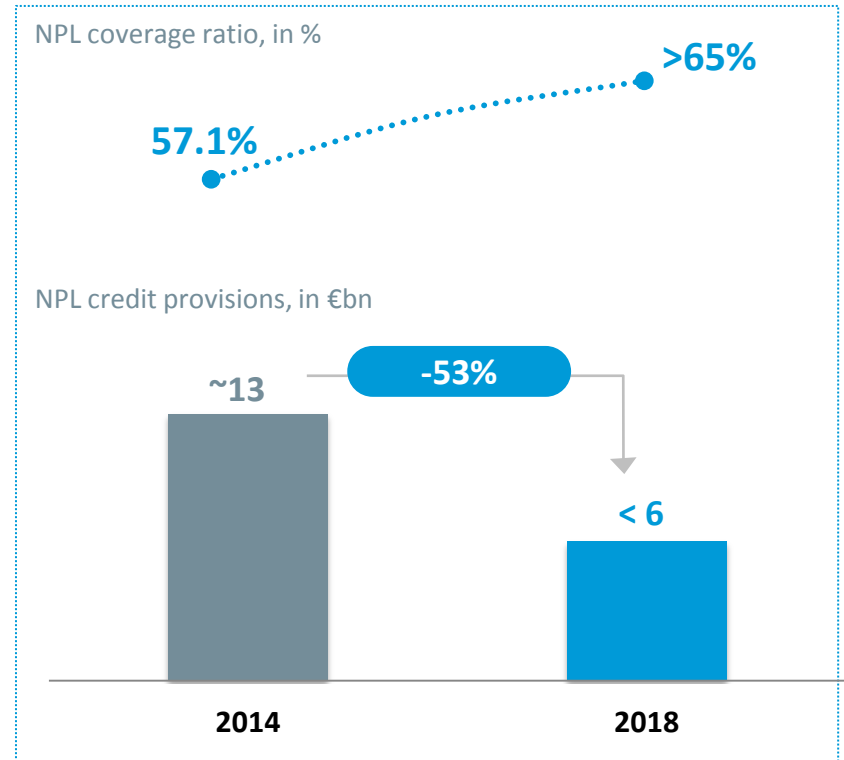
Note: 2014 data is pro forma the acquisition of Barclays Bank Spain

3 Accelerating balance-sheet normalisation on improving risk metrics and...

Significant reduction in NPLs expected¹



Robust coverage¹



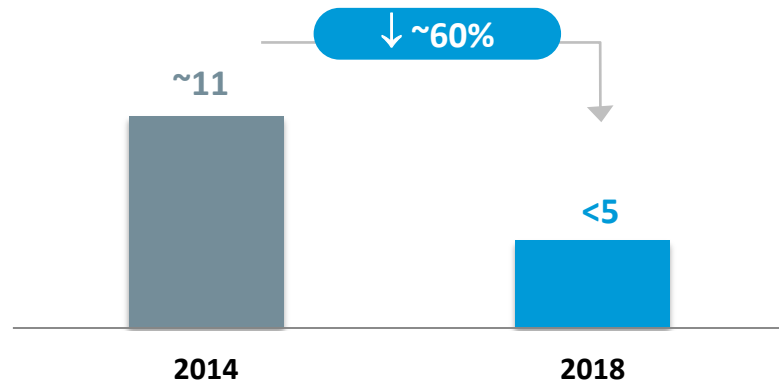
(1) 2014 data pro forma the acquisition of Barclays Bank Spain
 (2) NPL inflows net of recoveries

3

... intensive clean-up of RE exposure

Continued wind-down of RE exposure

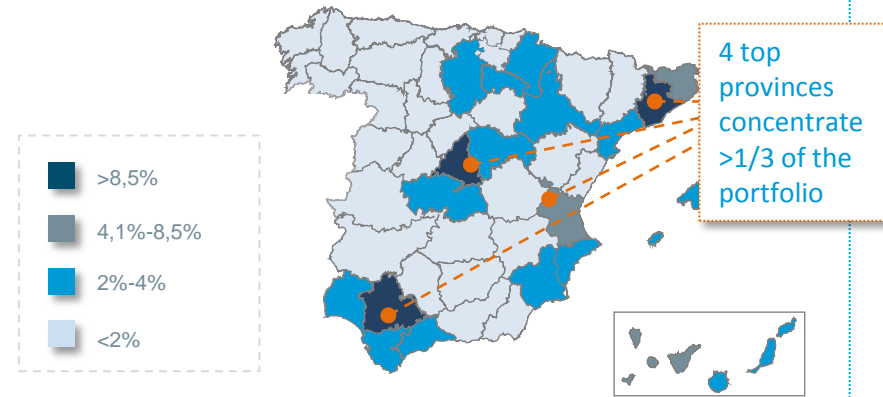
OREO+ RE NPLs (net of provisions), in €bn



- RE developer NPL to be reduced by ~80%
- Other real estate owned (OREO) portfolio to be reduced by ~40% on higher disposals and lower inflows
- Access to institutional investors a consideration in disposals

Balanced disposal to sustain quality of the portfolio

Geographical distribution of the RE portfolio, % of total per province



- Serviced by the leading RE servicer in Spain
- Potential benefit from improving RE markets
- Balanced-quality RE sales
- RE sales target: >€11 bn 2014-2018¹

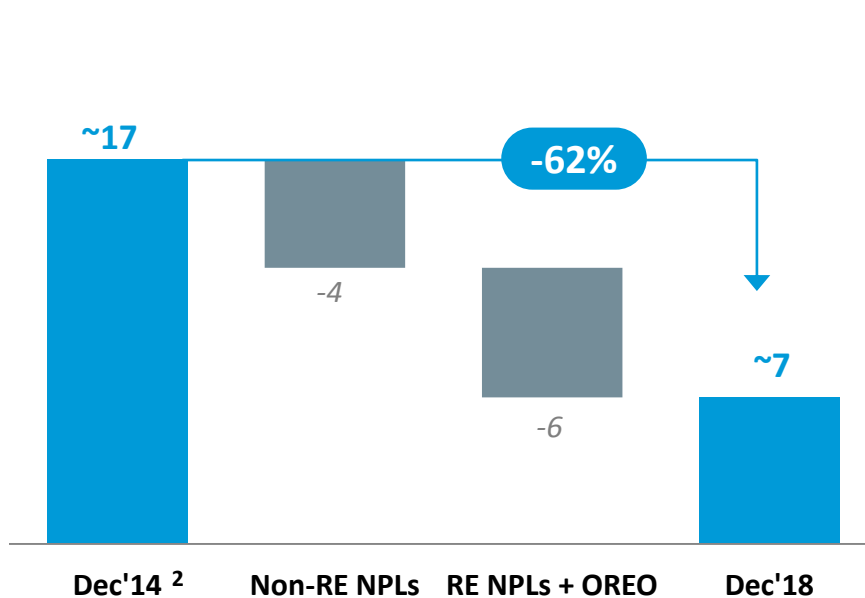
(1) At sales price

3

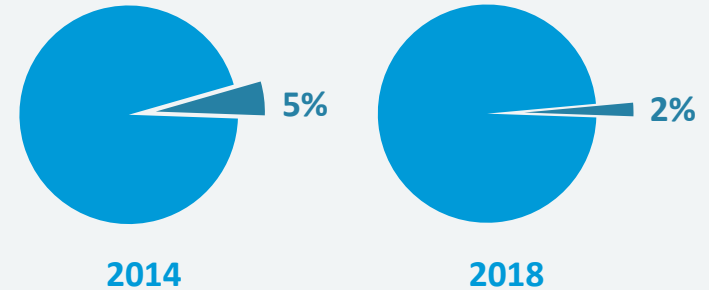
NPAs down two-thirds by 2018 on declining NPLs and RE exposure

Expected NPA evolution

Net NPAs¹, in €bn



Net NPAs¹, as % of total assets



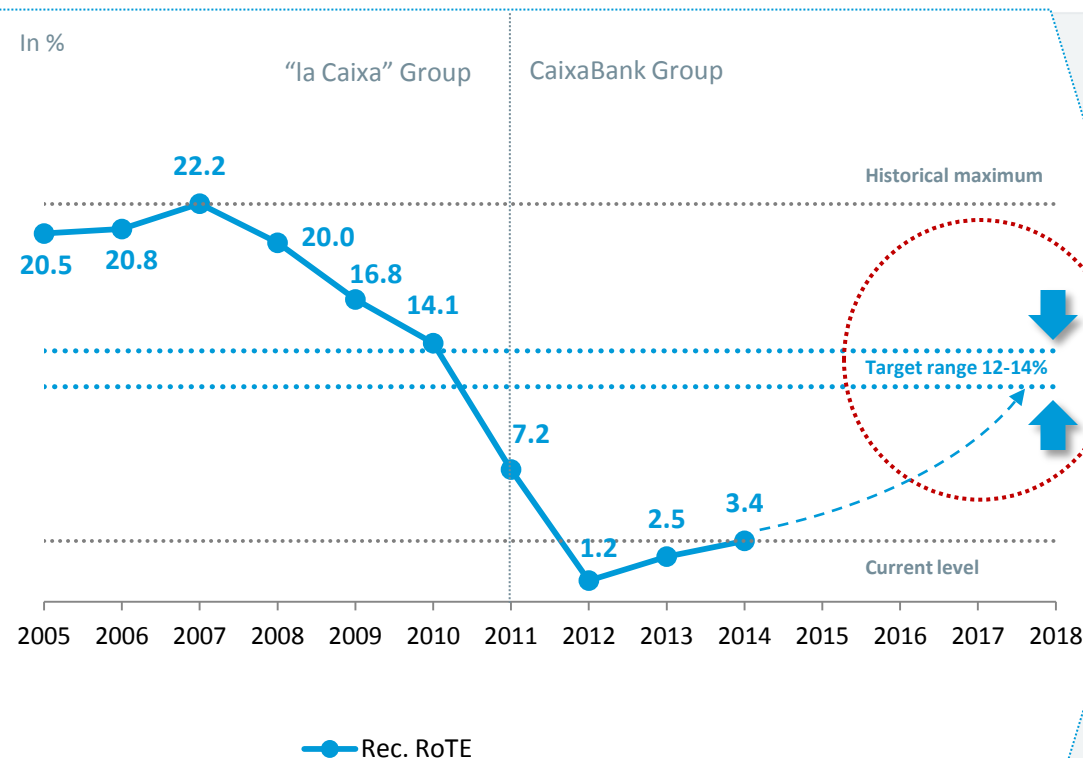
- Prudent management of credit risk
- Ongoing clean-up of RE exposure to continue
- Tailwinds derived from improving macro
- Reduction in non interest-bearing assets

(1) Net NPAs include both NPLs and OREO.

(2) All data pro-forma Barclays Bank Spain. Net NPLs are difference between gross NPL stock (€22.4 bn in 2014) and provisions (€12.8 bn in 2014). Net RE assets available for sale amounting to €6.9bn in 2014.

RoTE targets well below history given changed environment

Historical RoTE¹



- Regulatory environment has tightened significantly since the crisis began
- Funding shock has distorted NII with the “deposit war”
- Crisis has also impacted loan loss charges
- The gradual GDP recovery is unwinding these effects
- While scale and scope are boosting operational efficiency

¹ RoTE calculated as recurring profit of the period divided by Average Tangible Equity reported in the annual accounts adjusted for write downs of intangibles.

Ample liquidity a key advantage to capitalise on new lending opportunities

Anticipating regulatory requirements	2014	2018
LTD ratio (%)	109%	~110%
Retail funds / total financing ¹	73%	>80%
LCR	>130%	>130%
NSFR ²	>100%	>100%

- Improving liability mix: growing customer deposits at expense of wholesale funding (net issuance: - €8bn)
- LCR ratio well \geq 100% (requirement 60% from Oct' 15)
- Sensible use of TLTRO ECB facilities to fund lending growth in corporate, business and consumer lending
- Planning to be active in primary markets for both Funding and AT1/Tier 2 instruments
- Intend to maintain an investment grade rating

(1) Total financing defined as wholesale and retail funding plus net interbank deposits. Retail funds encompass both time and demand deposits, as well as subordinated liabilities and retail debt securities

(2) Pending final definition

The roadmap to sustainable profitability

- In a nutshell
- Value creation
- **Capital management**
- Key takeaways and financial targets

Continued strengthening of balance sheet metrics

	Dec' 14 ¹	Target	From
Capital targets	CET1 FL	11-12%	2015
	Total Capital FL	>16%	2016

- **Capital metrics will continue to be strengthened:**
 - CET1 target of 11-12% throughout 2015-18
 - Tier 1 and Total Capital ratios to be raised further
- **Standing out for quality of capital and low leverage:**
 - RWA/assets ratio expected to remain stable at around 40%
 - FL leverage ratio of 5.1%^{1,2} as of Dec'14, expected to further strengthen

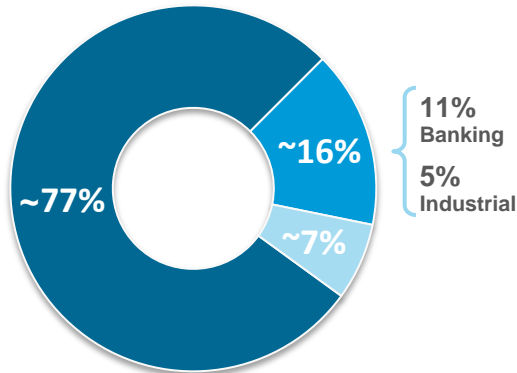
(1) Pro forma the Barclays Bank Spain acquisition

(2) As per CRR/CRD IV rules

Capital consumption¹ of non-controlled stakes is reduced below 10% by YE 2016

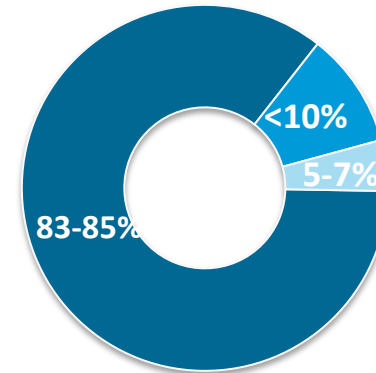
2014

Capital consumption by segment as % of total consumption¹



From 2016

Capital consumption by segment as % of total consumption¹



■ Banking & Insurance ■ Stakes ■ Real Estate²

- **Active capital management to release capital from the Equity Investments and Real Estate segments³**
- **Profitable investments: €9.8 bn market value by YE2014 with a RoTE of 10.2% in 2014⁴**
- **Limited contribution of the stakes to the Group's overall RoTE: c.1% by 2018**

(1) Capital allocation defined as the capital consumption of the investment portfolio divided over the total capital consumption of the CaixaBank Group (at 11% target CET1 FL), which amounts to €24.5bn at YE14

(2) 2014RE includes reclassification of RE exposure into a run-off portfolio

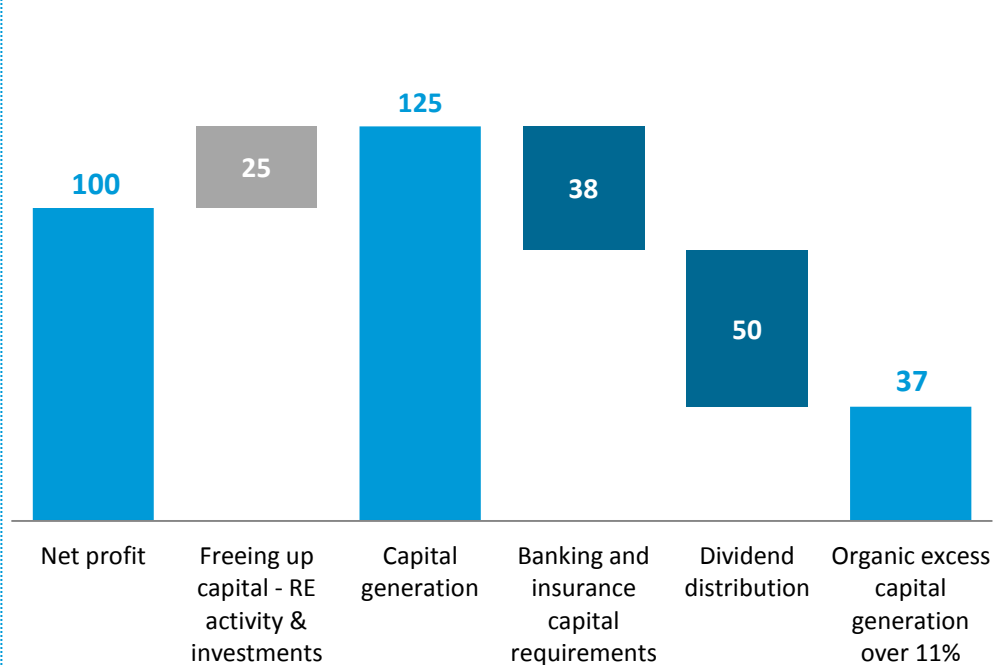
(3) The success of the Voluntary Tender Offer of BPI Bank, S.A. shares would contribute towards that goal

(4) Computed considering a 10% CET1 target

Capital management 2015-2018

Capital generation sufficient to fund core business and targeted payout

Breakdown by source and use (2015-18 cumulative net income=100)

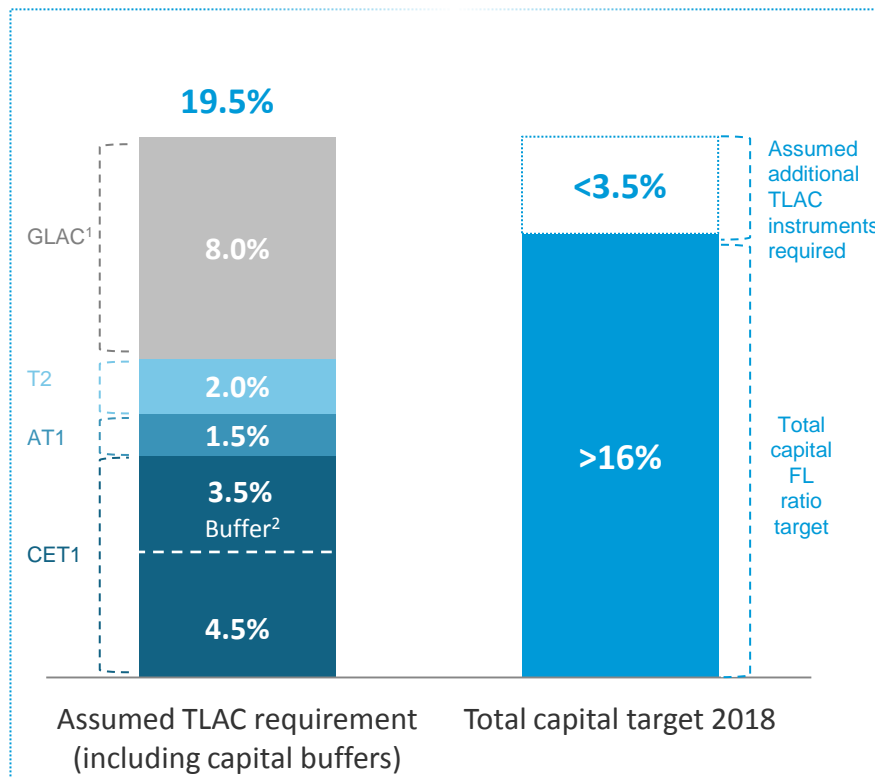


- **Strong capital generation capacity:**
 - Earnings generation
 - Capital released from stakes and RE
- **3.8% CAGR overall credit related RWA growth**
- **Target payout ratio to shareholders: $\geq 50\%$**
- **Maintaining CET1 ratio above 11% translates into excess capital**
 - Up to 12% would be a buffer:
 - Regulatory bar not settled
 - Room for RWA growth
 - Potential acquisitions
 - Above 12% intention to return to shareholders

Annual organic capital generation after distributions: 50-70 bps from 2016 onwards

On track to meet potential TLAC requirements

Potential TLAC requirement and 2018 Total Capital target



- TLAC requirements still being evaluated for G-SIFIs
 - Might trickle down to D-SIFIs
- Assuming TLAC requirement at 19.5%, target would be comfortably met by 2018 with:
 - Organic growth of own funds
 - Issuance of AT1 securities to reach 1.5% of RWAs
 - Replacing maturing senior debt with TLAC eligible debt instruments if needed

(1) Assuming minimum GLAC of 8%

(2) Assumed combined buffer requirement: 2.5% conservation buffer + 1% estimated systemic buffer

Strong capital position supports high dividend yield

Cash dividend payout

Strong solvency



Excess capital position



Full cash dividend from 2016



$\geq 50\%$
from 2015

From 2017:

Capital exceeding 12%
intention to distribute via :

- Buy-backs
- Special dividend

Actively seeking to return capital to shareholders

The roadmap to sustainable profitability

- In a nutshell
- Value creation
- Capital management
- **Key takeaways and financial targets**

Key Takeaways

Balance sheet normalisation

- Sustained wind-down of NPAs
- Taking advantage of improving macro dynamics

Geared for growth

- Client-driven asset growth: grow market shares
- Performing loan growth: +4% CAGR
- Off balance sheet funds: +10% CAGR

Sustained profitability

- Improved cost to income ratio on flat cost base
- Cost of risk normalisation
- Our track record supports targets

Strong cash dividend payout

- By-product of capital strength
- Increased capital allocation to core business
- Actively seeking to return capital to shareholders

Financial Targets¹

		2014	Target	From ⁴
Balance Sheet	Performing (ex RE) loan-growth	-1.7%	+4%	2014-18 CAGR
	LCR ratio	>130%	>130%	2015
Profitability	RoTE ²	3.4%	12-14%	2017
	Cost/Income ratio	56.8%	<45%	2018
	Cost of risk	95 bps	<50 bps	2018
Capital management	Capital allocated to stakes	~16%	<10%	2016
	CET1 FL	11.5%	11-12%	2015
	Total Capital FL	14.6%	>16%	2016
Shareholder return³	Cash dividend payout ratio	50%	≥ 50%	2015
	Special dividend and/or share buybacks	n/a	If CET1 FL >12%	2017

- (1) All data pro-forma the Barclays Bank Spain acquisition, except RoTE and loan growth 2014 which are stand-alone CaixaBank. Also valid if the Banco BPI tender offer succeeds
- (2) Tangible Equity (TE) is defined as shareholder's equity (exc. valuation adjustments) minus all intangible assets, inc. goodwill. As of Dec'14 intangible assets amounted to €4.95 bn, including: €2.91bn from the banking business; €1.05 bn from the insurance business and €0.99 bn for the banking stakes. As of Dec'14, TE amounted to €23.4bn-€5bn, or €18.4bn. Implied ROE associated with this RoTE target: 10-12%
- (3) The capital and cash dividend pay-out ratio figures include the pro-forma impact of the 16 February 2015 Board proposal to pay the final 2014 quarterly dividend in cash.
- (4) Ratios apply to year-end, except CET1FL target (throughout) and payout ratio (profit for year in question).

4 Business model

Juan Antonio Alcaraz
CCO



- **Business model**
 - Our strategy 15-18
 - Ambition 2018

**Unique
business
model**

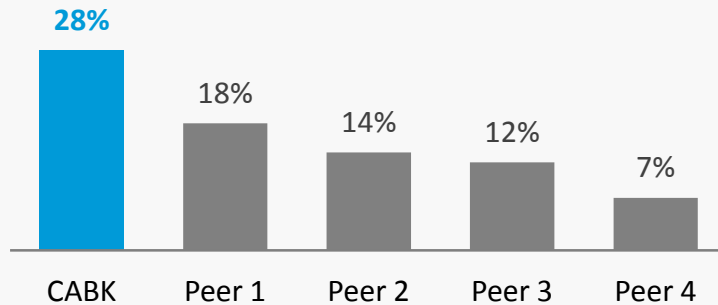


- 1 Strengthened business model to capture customer lifetime value**
- 2 Revenue diversification through business segmentation and specialisation**
- 3 Inorganic transformation**

1

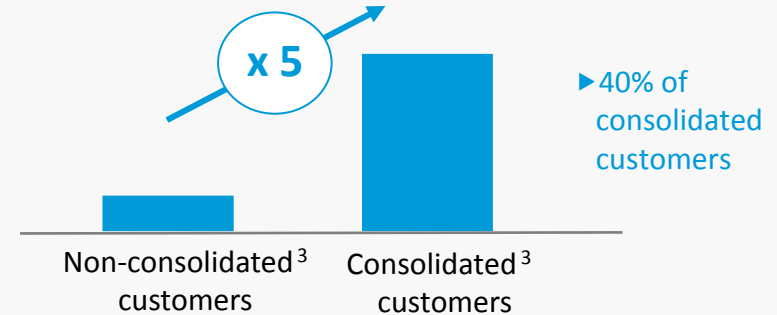
CaixaBank is the leading retail banking franchise in Spain

Customer penetration^{1,2}



- ▶ Largest customer base with **13.9 M customers²**
- ▶ Leadership in **payroll deposit market share with 24.1%**
- ▶ **Gathering customer income inflow is key to capture relationship value**

Gross margin per customer (retail)



- ▶ Development of **banking relationship throughout customers' lifetime**
- ▶ **Commercial excellence to drive business volume and margin**
 - Cross-selling of value-added products
 - Managing long-term savings

(1) Among those of 18 years of age or older, % of respondents who say they do business with a certain bank. Latest available data

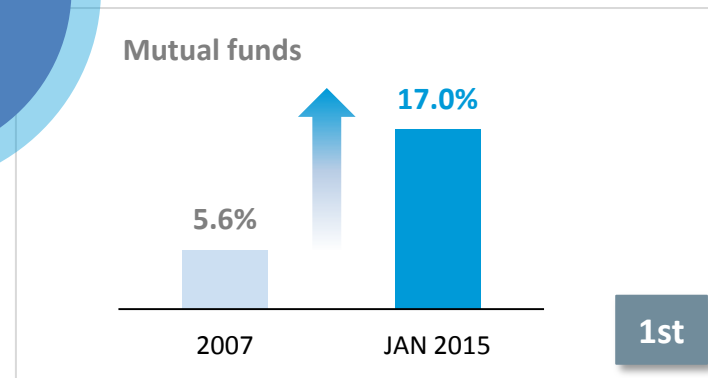
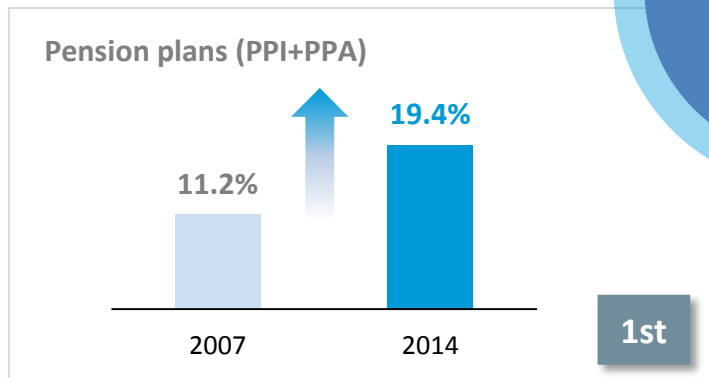
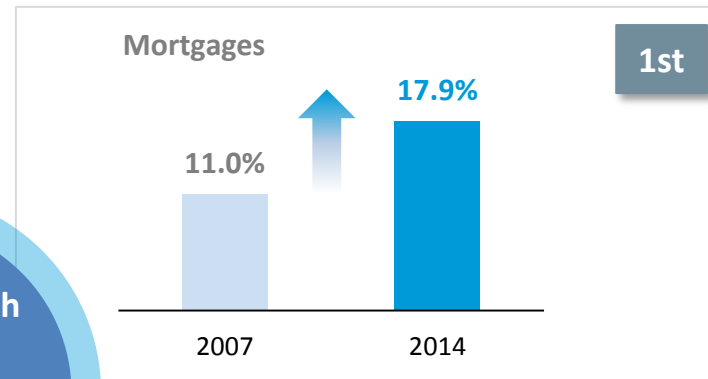
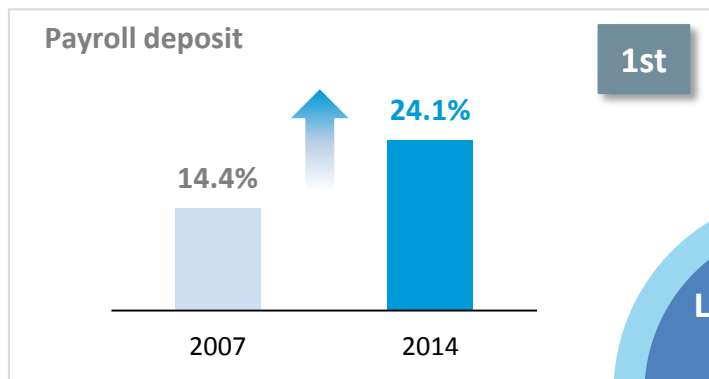
(2) Figures are pro forma the acquisition of Barclays Spain

(3) Consolidated customer has a minimum of 3 transactional, banking and/or insurance products (from a selected list of 25)

Source: FRS Inmark; Annual Results 2014, internal data

1 Proven capabilities to grow above market in all key products throughout the crisis

Market shares¹



Leading growth in retail banking through the crisis

(1) Figures are pro forma the acquisition of Barclays Spain. Payroll deposit market share: number of payrolls CABK / total Social Security payrolls; Mortgage market share: volume CABK / total market volume; Pension Plans market share: volume managed CABK / total market volume; Mutual Funds market share: volume managed CABK / total market volume
 Source: Social Security, BoS, INVERCO, ICEA, AHE, internal data

1

Leadership position supported by unique competitive advantages

Leading omni-channel platform and largest branch and ATM network

- ▶ **Focus on sales and advisory services** to drive employee productivity
 - ATM network accounts for 75% of operational activity during branch opening hours
- ▶ **38% active online customers, over 65% in business segment¹**

Wide range of products offered through an integrated platform

- ▶ **Integrated product factories provide agility, time to market and price flexibility**
- ▶ **Open architecture for mutual funds**
 - First entity in commercialisation of both own and third-party mutual funds

Strong track-record in technology and innovation

- ▶ **Leading** adopter of **banking mobility solutions** for employees
- ▶ Implementation of **digital signature and paperless processing**
- ▶ Leading introduction of **new technologies and services**: mobile banking, PFM services, mobile and contactless payments

Socially responsible

- ▶ **Microbank, largest microcredit in Europe focused on entrepreneurs and self-employed, has helped to create over 134,000 jobs throughout the crisis**
- ▶ Far-reaching distribution network **encouraging financial inclusion**
- ▶ **Social welfare budget reverted locally** and managed through the branch network

(1) Customers between 20 and 74 years with at least one transaction through CaixaBank's home banking in the last 2 months over total number of customers
Source: Internal data

Business segmentation provides revenue diversification

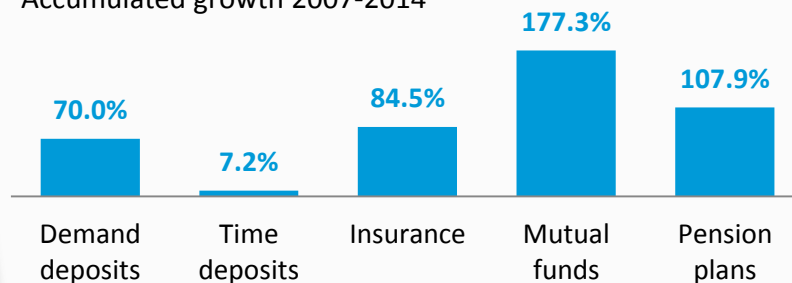
Business segmentation based on a specialised advisory model

2014

		Number of branches ¹	Dedicated managers	Branch managers
Retail banking	Retail		-	
	<i>Negocios</i>	5,096	1,421	5,031 ²
Affluent and Private Banking	Affluent		1,258	
	Private	35	345	35
Business and Corporate	Corporate Banking	3	118	
	Business Banking	85	661 ³	82 ²
	Institutional and other	32	313	

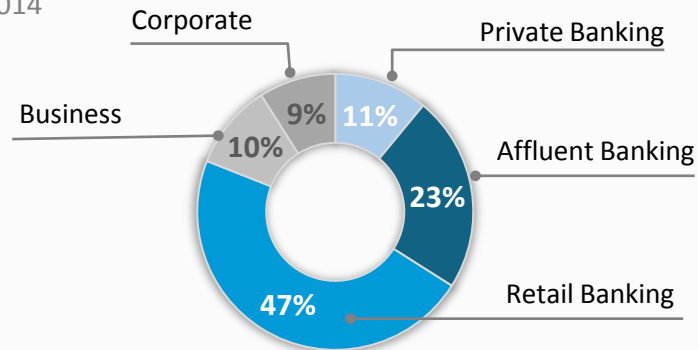
Client funds growth

Accumulated growth 2007-2014⁴



Business volume breakdown by segment

2014

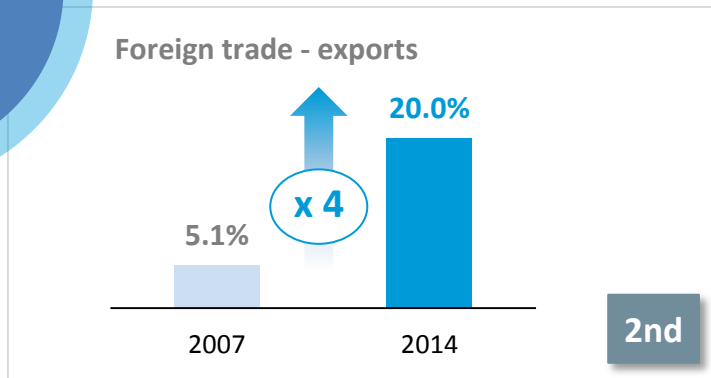
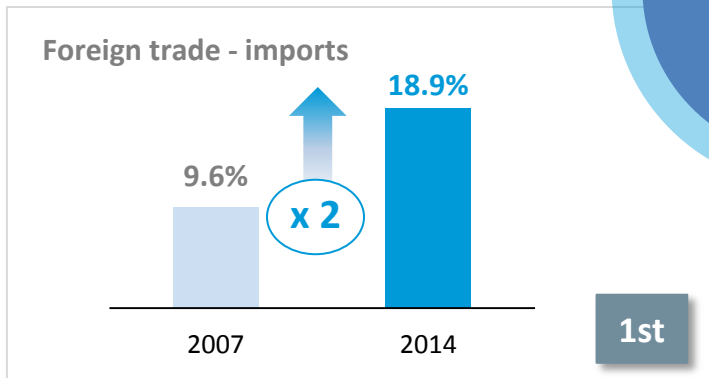
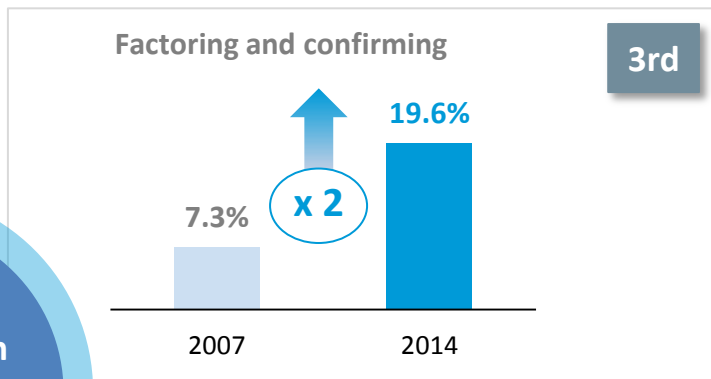
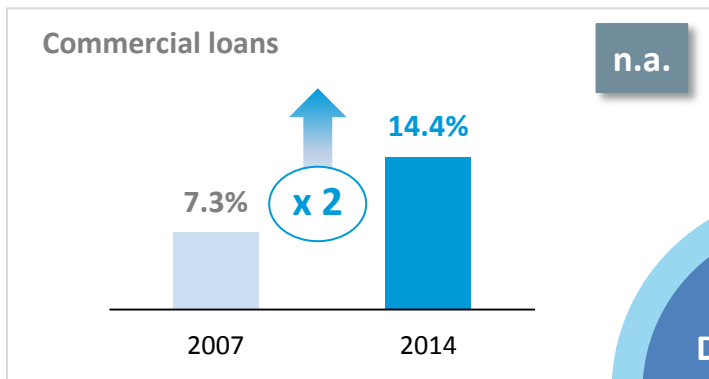


(1) It only includes branches in Spain
 (2) Smaller number than branches due to existing vacancies
 (3) It includes product specialists (foreign trade, financing, factoring and confirming)
 (4) 2007 data refers to La Caixa Group consolidated accounts

Source: internal data

2 Growth above market in business and corporate banking

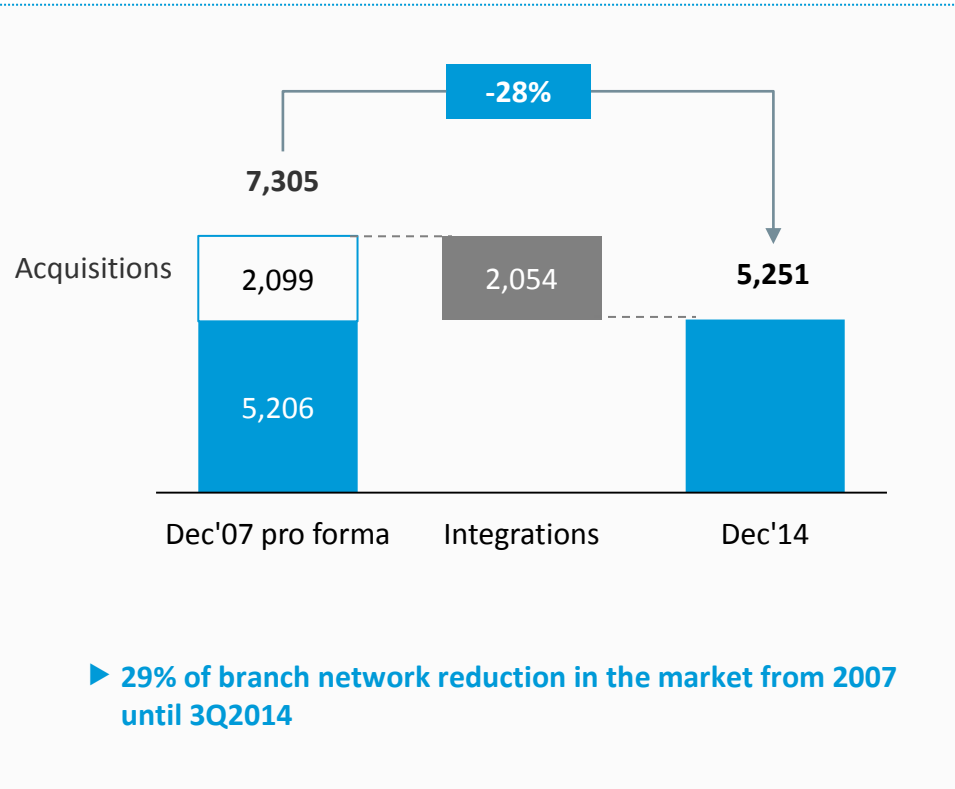
Business and Corporate banking. Market shares¹



Driving growth while deleveraging

(1) Figures are pro forma the acquisition of Barclays Spain. Commercial loans market share: loan volume to non-financial institutions CABK / total market volume; Factoring and confirming market share: volume of yearly operations managed CABK / total market volume; Foreign trade market share: number of operations through Traffic Watch by CABK / total number of operations in the market
 Source: BoS, Traffic Watch for Swift, AEF, internal data

Evolution of branch network size¹ in Spain



- Integration of 2,054 branches while growing business and margin growth
 - Gross margin per employee evolution over 18 months in integrated branches doubled that of non-integrated
- Overall margin improvement since 2012 through active branch management
 - 31.9% gross margin increase per branch since 2012

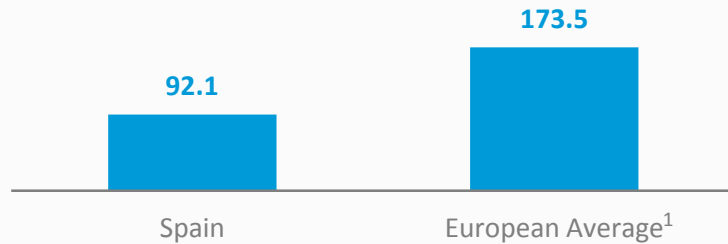
(1) Figures exclude de-located client support centres, attached to another branch. Figures for 2014 exclude the acquisition of Barclays Spain
Source: BoS; internal data

3

Largest branch network covering 90.2% of the Spanish population

Low population density in Spain

2013; Number of inhabitants per km²



Efficient branches managed by few employees

Number of employees per branch



► Efficient branch management supported by automation and multichannel capabilities

- Ability to efficiently manage small branches with just 2.1 employees
- Total number of banking employees aligned with EU average but higher number of points of sale

► High capillarity needed to cover Spanish market

- 53.2% coverage of population living in villages <10,000 inhabitants
- 328 small and low-cost branches are the only branch in a village and represent €5,922M in business volume
- Lower Internet penetration than EU averages

(1) Simple average of European countries

(2) For comparability reasons, branches in Spain exclude de-located client support centres, attached to another branch; employee data exclude subsidiaries

Source: Eurostat; ECB; World Bank; Internal data

- Business model
- **Our strategy 15-18**
- Ambition 2018

Commercial Strategy 2015-2018: Five levers to drive growth and reinforce our leadership

1

Drive growth and profitability in retail banking

- **New added-value offering for high-value retail and commercial programs in mass retail**
- **Growth of consumer lending to reach our fair market share**

2

Capture growth opportunity in underpenetrated regions

- **Personalised commercial plan at branch level, with detailed commercial actions to capture opportunity in existing and potential customer base**

3

Deliver best-in-class advisory services to manage long-term customers' savings

- **Time and demand deposits transformation into fee-based products**
- **Specialised organisation** supported by omni-channel platform
- **New branch format** to increase focus on sales and advisory

4

Grow penetration in business and corporate banking

- **Growth in customer penetration and loans in business and corporate banking**

5

Lead and capture digital opportunity

- **Employees' mobility** to drive sales and improve in-branch experience
- **Growth in active digital customers and in non-physical sales**

1 Develop new value-added offering for high-value retail customers and drive cross-selling in mass retail

Priorities 2015-2018

New value-added offering for high-value retail: self-employed, micro enterprises, agriculture and merchants

- ▶ Dedicated branches and specialisation in retail network
 - 386 branches dedicated to agriculture customers
 - New service model for self-employed and micro enterprises with more than 1,300 dedicated managers
- ▶ Deployment of mobility solutions to increase commercial effectiveness
- ▶ New and tailored product offering

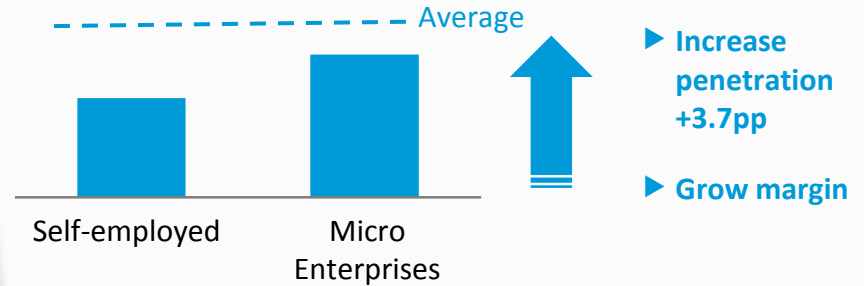


Innovation in products, services and commercial programs to increase cross-selling and grow margin



High value retail customers

Gross margin per customer comparison



Mass retail customers

- ▶ 40% consolidated¹ customers

Gross margin consolidated¹ customers vs. non-consolidated

x 5

▶ Increase business volume and cross-selling

(1) Consolidated customer has a minimum of 3 transactional, banking and/or insurance products (from a selected list of 25)
Source: Internal data

1 Grow consumer finance business to capture our fair market share

Priorities 2015-2018

Increase commercial efforts in network

- ▶ €1 M volume in consumer lending managed per employee
- ▶ Drive sales through non-physical channels: 10% of total sales online over last 12 months

Leverage analytical skills and the new big data infrastructure

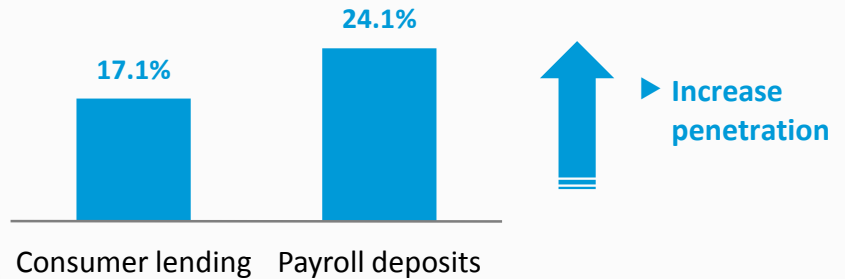
- ▶ Increase pre-approved loans to streamline approval process
- ▶ Improve new customers scorings through better data usage

Develop third-party partnerships to capture point-of-sale opportunities



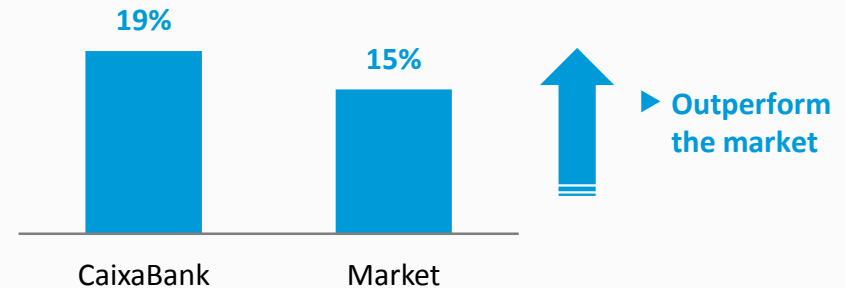
Market share¹

2014



Consumer lending: new lending growth

2014; growth of gross loan book amounts



(1) Figures are pro forma the acquisition of Barclays Spain. Consumer lending market share: non-mortgage volume of lending to retail customers by CABK / total market volume
Source: Social Security, BoS, internal data

2 Capture growth opportunity in underpenetrated regions

Priorities 2015-2018

Excel at branch management through differentiation and personalisation of commercial campaigns

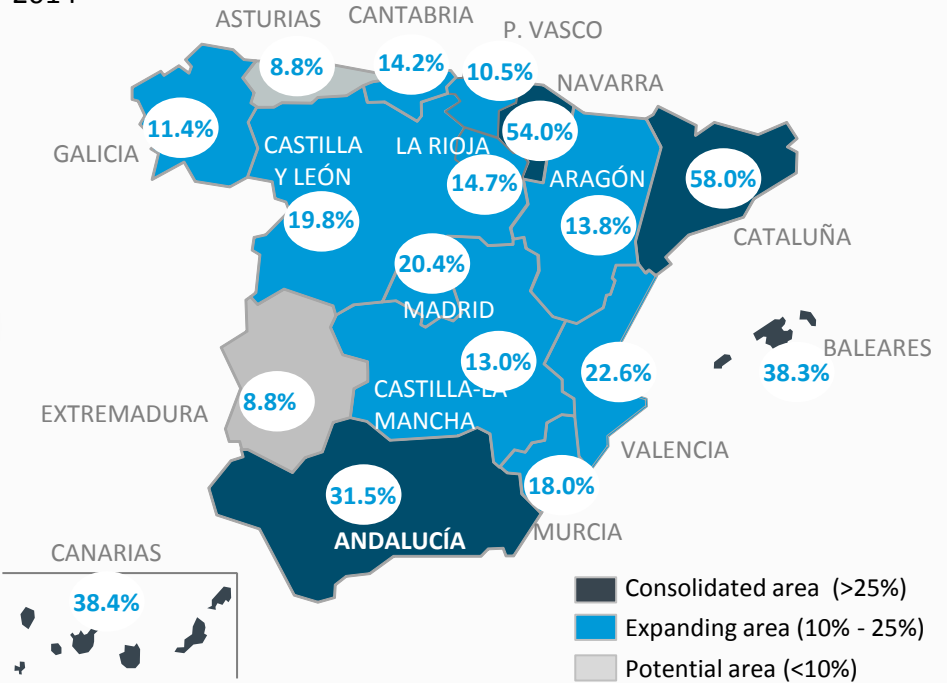
- ▶ Drive margin in consolidated areas
- ▶ Capture new customers in expanding areas

Deploy personalised plan at branch level with detailed commercial actions

Consider new consolidation opportunities in underpenetrated regions with local players

Customer penetration^{1,2}

2014



(1) Among those of 18 years of age or older, % of respondents who say they do business with a certain bank per region.

(2) Figures include the impact of BBSAU pro forma

Source: FRS Inmark

Grow fee-based products through delivering best-in-class advisory services

Priorities 2015-2018

Manage customers' long-term savings

- ▶ Daily average inflow of €80 M in mutual funds in 2015 (2x daily average inflow of last 12 months)

Increase the ratio of off-balance sheet assets over total assets for affluent customers

- ▶ Affluent segment with over 50% of investable assets

Provide best-in-class advisory to help our customers plan their future (CaixaFuturo program)

- ▶ Ageing population and decreasing public pension funding



Client funds breakdown and growth

In billion Euros

	Dec.'14	y-o-y
Demand deposits	93.6	16.3%
Time deposits	72.7	-10.5%
Insurance	32.3	4.7%
Other funds	8.7	0.4%
Funds on balance sheet	207.3	2.5%
Mutual funds ¹	37.5	34.1%
Pension plans	19.9	18.7%
Other managed resources ²	7.0	-37.4%
Off balance sheet funds	64.4	15.2%
Total customer funds	271.7	5.2%

Channel savings to fee-based products

(1) This category includes SICAVs and managed portfolios besides mutual funds.

(2) Includes regional government debt and subordinated debt issued by "la Caixa" Banking Foundation
Source: Internal data

Leverage the highly qualified organisation and the omni-channel platform

Qualified advisory and own offer design for Private Banking customers



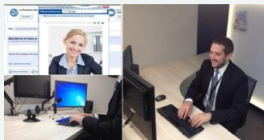
- ▶ Model based on **personalised advice and investment strategy design**
- ▶ Collaboration with **InverCaixa** in product –offering design
- ▶ Open architecture to offer selected third-party funds
- ▶ **Best Private Bank in Spain, Private Banking Survey Euromoney 2015**
- ▶ The most Innovative business model in Private Banking (Private Banker International)

Specialised and certified organisation for affluent banking



- ▶ **1,300 managers dedicated to affluent customers in retail branches**
- ▶ **5,200 employees certified in the Financial Advisory program** from UPF and Chartered Institute for Securities & Investment

Online tools and functionalities to facilitate relationship



- ▶ **On-line simulation tools** to plan for retirement and to manage payments and expenses
- ▶ **Chat and video banking available to facilitate communication** between customer and relationship managers

3

Innovate our branch model to increase productivity and ensure best advisory practices

Facilitate communication and relationship among managers and customers

- ▶ Open-spaces and private rooms
- ▶ Tablets and technology for a bespoke service

Leverage technology inside the branch to improve customer experience and advisory

- ▶ Content sharing and bespoke offering
- ▶ Digital signature

- ▶ **>80%** time for advisory and sales activity
- ▶ **+62%** commercial visits/employee
- ▶ **x 3** new customers/employee



Capture the opportunity in business lending

Priorities 2015-2018

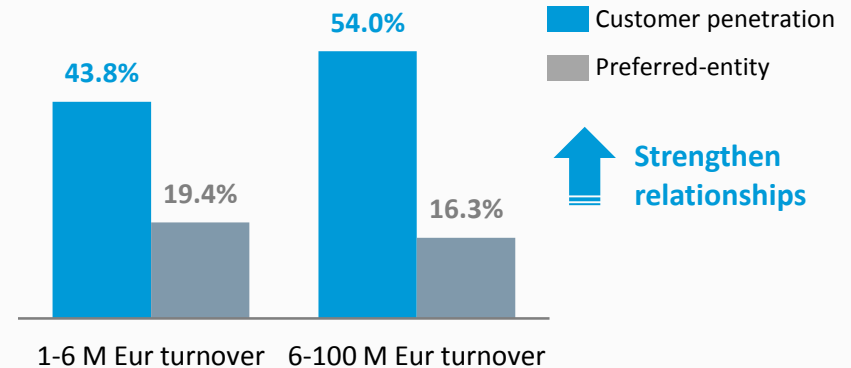
Increase customer penetration and strengthen preferred-entity relationship

- ▶ Dedicated organisation with support of product specialists
- ▶ Deployment of mobile devices to foster commercial effectiveness

Streamline risk approval process

- ▶ Pre-approved loans according to business profile
- ▶ To promote “Plan Estímulo Inversión” (PEI) to ensure agile approval process

Customer penetration in business banking^{1,2}



New lending³ growth

Y-o-y growth (2014 vs. 2013) of gross loan book amounts

+48%

(1) Figures are pro forma the acquisition of Barclays Spain.

(2) Customer penetration: % respondents who say they do business with CaixaBank; preferred entity: % of respondents who work with the entity as the main one. Latest available data

(3) New lending to business and corporate: new loan and syndicated loan production, variation in working capital facilities and drawdowns from revolving credit lines

4 Strengthen relationship with large corporates to drive business growth and diversify margin origination

Priorities 2015-2018

Lead the corporate banking segment in Spain

- ▶ Capitalise on existing relationships to originate value-added products and services
- ▶ Increase share of wallet among current customers
- ▶ Leverage analytical capabilities to improve current risk processes to foster lending

Internationalise the offering

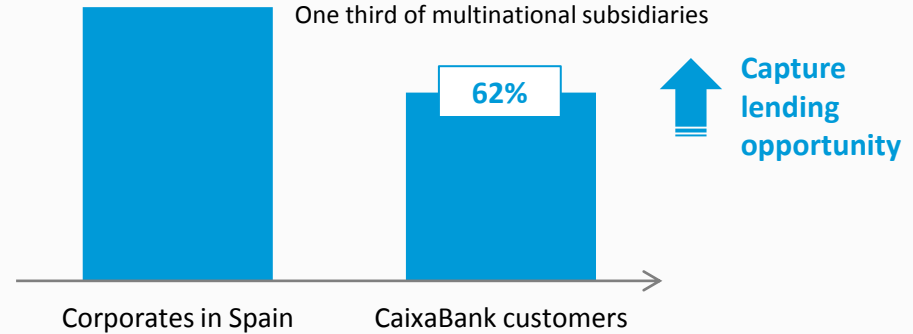
- ▶ Capture new business opportunities
- ▶ Leverage distinctive transactional services

Customer penetration in corporate¹ banking

2014

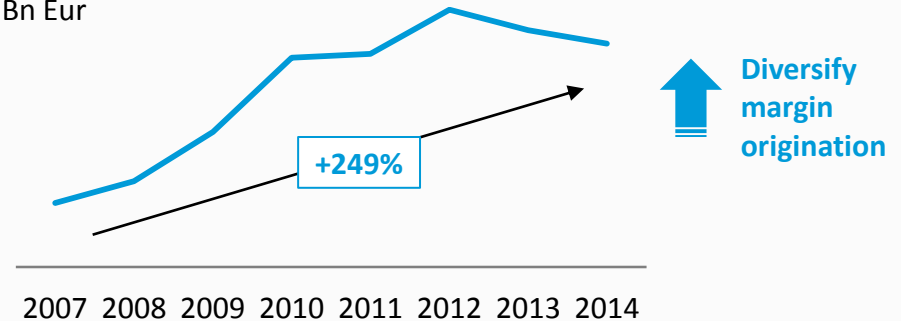
Over 90% of Spanish corporations

One third of multinational subsidiaries



Gross margin evolution

Bn Eur



(1) Companies over €100 M turnover
Source: Internal data

Priorities 2015-2018

Increase commercial effectiveness

- ▶ Visit customers outside branches with full functionality
- ▶ Finalise sales process at the time of the visit
- ▶ Commercial information and on-line simulations shared with customers

Support commercial processes and increase efficiency

- ▶ Apps development to help employees prepare, conduct and follow-up customers' visits
- ▶ Paperless processes



- ▶ 5,000 tablets/pc deployed to specialised networks and specialists in retail banking
- ▶ Internal processes reviewed to ensure full functionality also outside branches
- ▶ Digital signature implemented with over 50% of adoption¹ in CaixaNegocios and Private Banking
- ▶ Suite of apps for employees to work in mobility under development (internal App Store)

(1) % adoption: % of documents digitally signed / total of documents signed (monthly average)
Source: Internal data

5 Increase active digital customers and sales through non-physical channels

Priorities 2015-2018

Increase sales through non-physical channels

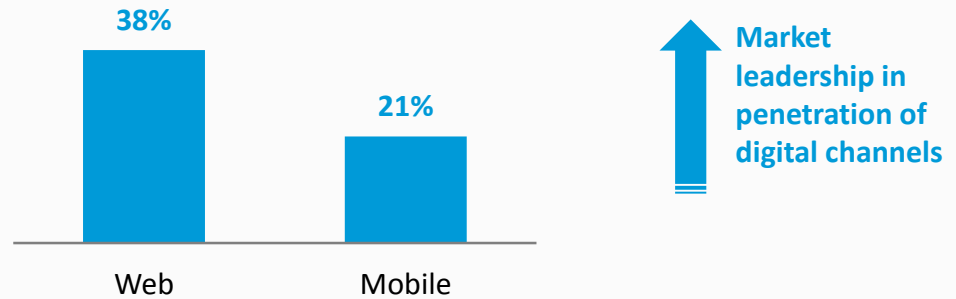
- ▶ Over 10% of mutual funds, pension plans and consumer credit sold online
- ▶ Implement chat, video and new solutions to increase proximity of the non-physical channel

Continue developing our omnichannel platform to meet younger customers' expectations

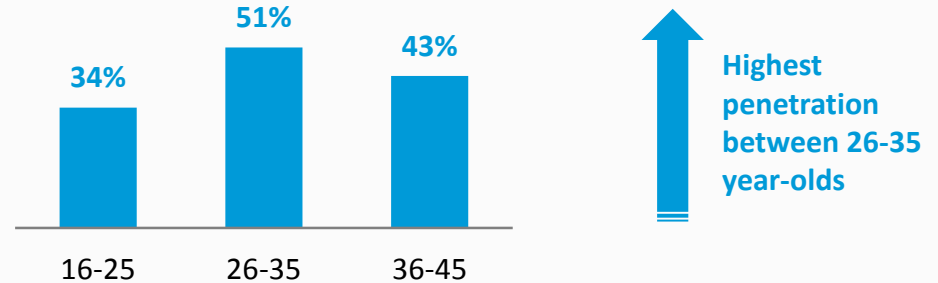
- ▶ Higher penetration with 54% for 28 years old
- ▶ Opportunity to engage digitally with younger customers; current online banking doesn't meet their needs
- ▶ Lead the introduction of new services and products to compete with new entrants

Active digital customers

% of customers active in the last 2 months



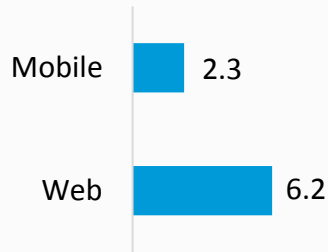
% of active digital customers between 16-45 year-olds



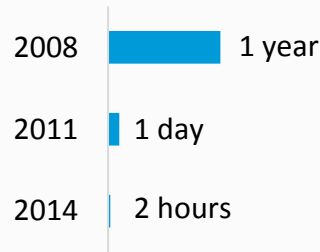
Lead the introduction of new products and services and differentiate through innovation

Ambition to continue to lead in mobile banking

Years to reach 3M customers



Time to reach 100,000 mobile connections



- ▶ App store with over 70 apps
- ▶ Fastest growing channel
- ▶ Exclusive channel for some customer segments
- ▶ Sales channel for consumer lending
- ▶ Technology allows to deliver new services and functionalities

Foster innovation to compete with new entrants

Payments



- ▶ NFC/mobile
- ▶ Contactless
- ▶ Wearable

PFM functionalities



- ▶ Expense categorisation, alerts
- ▶ Integrated in online banking platform
- ▶ Available for mobile
- ▶ 0.9 M users

New channels and technologies

- ▶ Smart TV
- ▶ Google Glass

- Business model
- Our strategy 15-18
- **Ambition 2018**

1 Drive growth and profitability in retail banking

2 Capture growth opportunity in underpenetrated regions

3 Deliver best-in-class advisory services to manage customer long-term savings

4 Grow penetration in business and corporate banking

5 Lead and capture the digital opportunity

AMBITION 2018

Strengthen our market leadership growing above market and improving profitability



Strategic Plan 2015-2018

Committed to trustworthy and profitable banking