



**'17**

**Shareholders'  
Annual  
General Meeting**








'17

Shareholders'  
Annual  
General Meeting

Chairman **Jordi Gual**



## **Economic and financial environment**

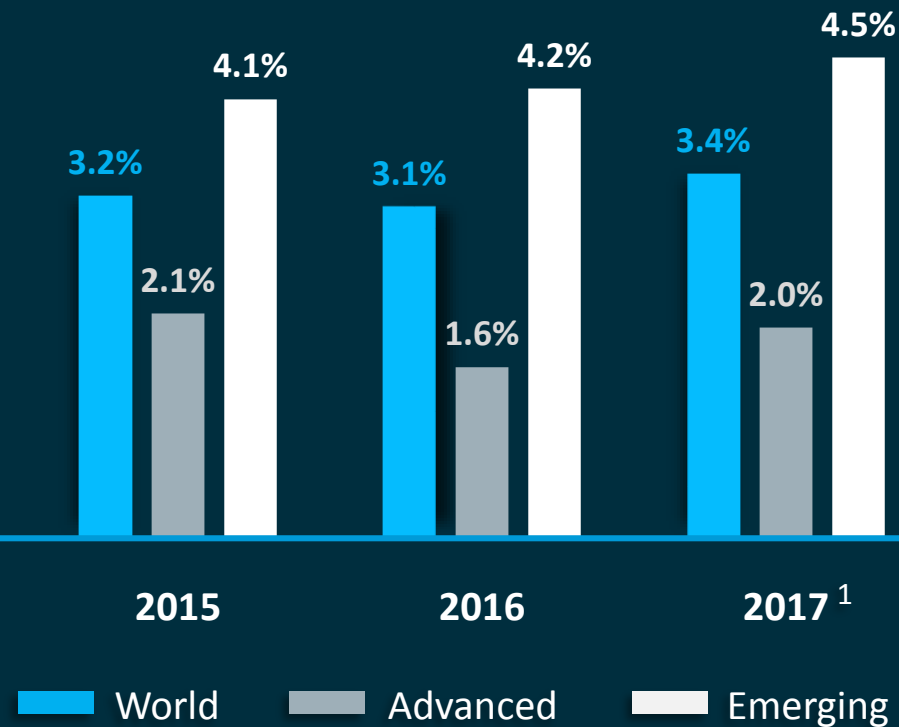
-  CaixaBank's 2016 Results
-  Strategic Plan 2015-2018
-  CaixaBank and social responsibility



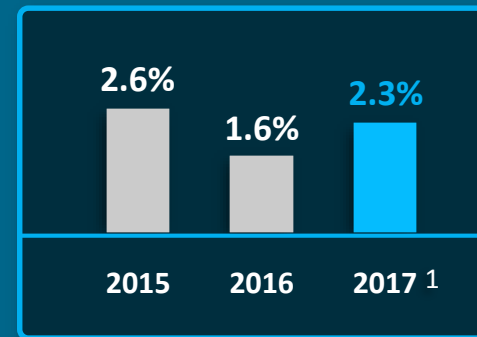
# Improvement in global growth

## Real GDP growth

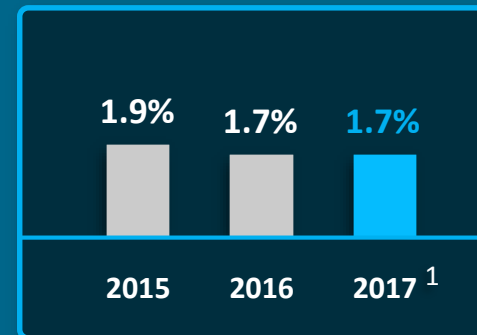
Annual growth, %



## United States



## Euro area



## Risks

- ▶ Policies under Trump Administration
- ▶ Elections in Europe
- ▶ Geopolitical conflicts
- ▶ End of unconventional monetary policy
- ▶ China indebtedness

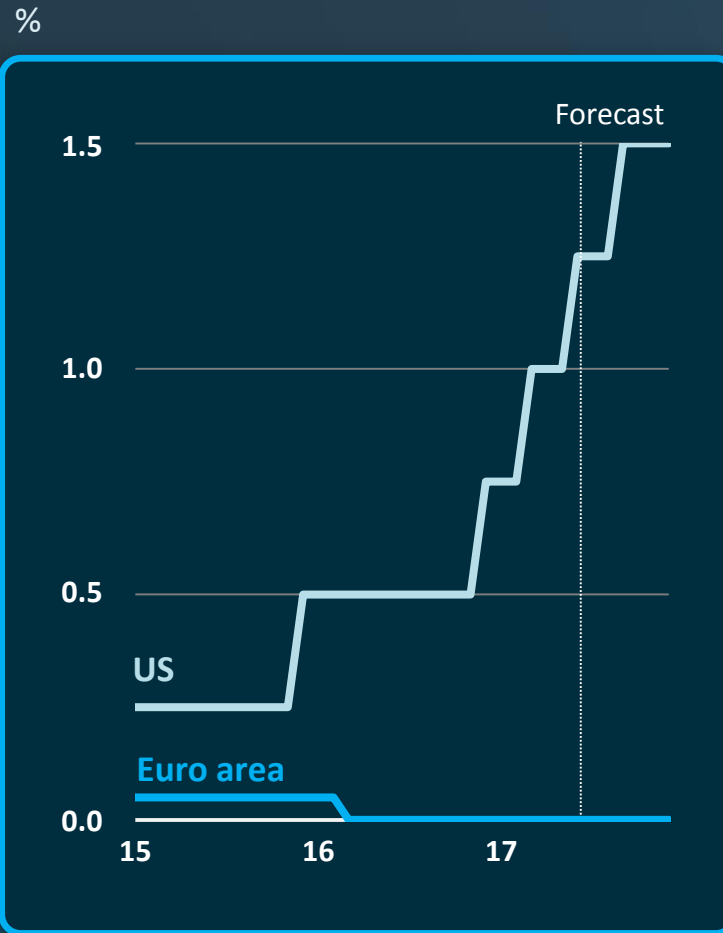
Note: <sup>1</sup> Forecast.

Sources: CaixaBank Research and IMF.

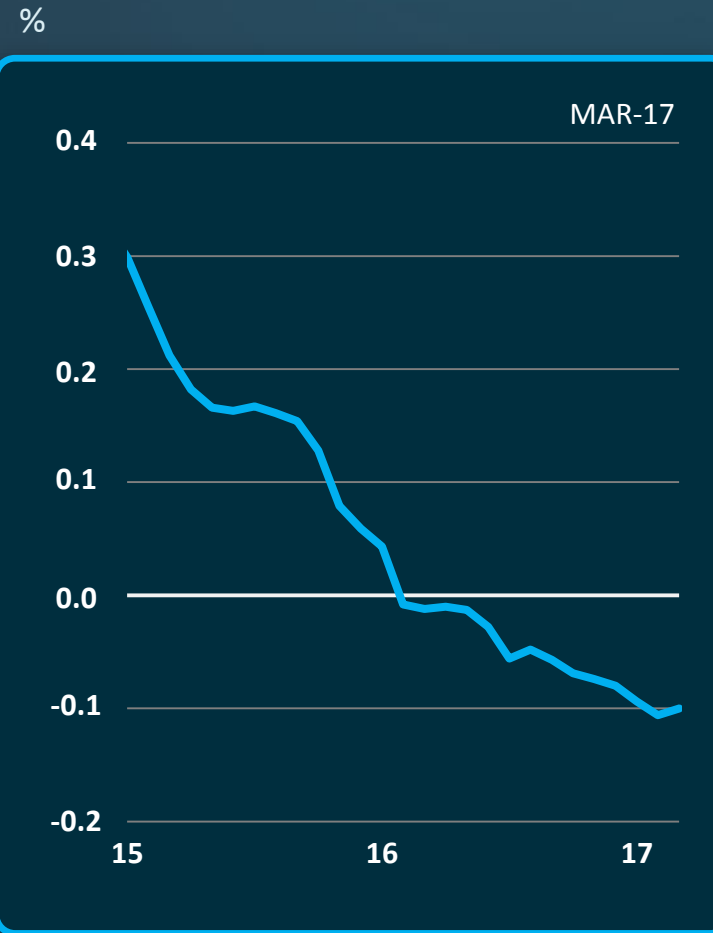


## Monetary policy: Fed opens the way towards normalisation

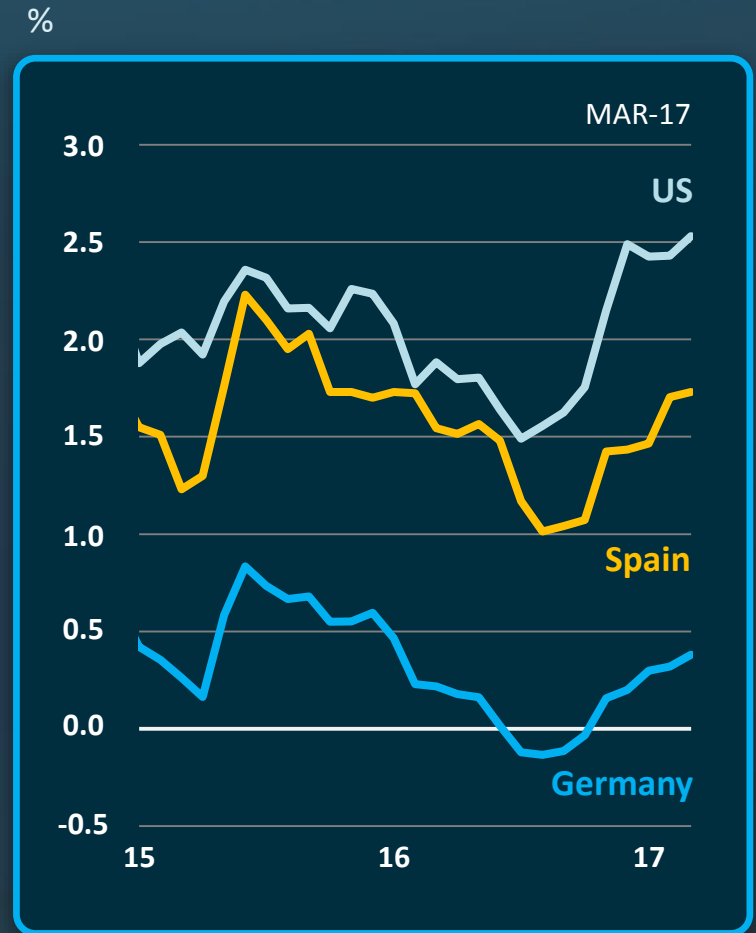
Policy interest rates



12M Euribor



10Y government bonds yield

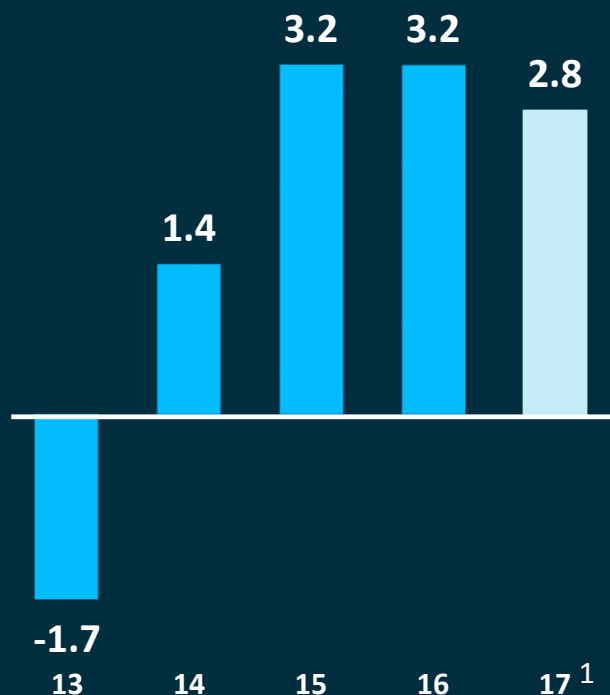




## Spain will achieve further progress in 2017

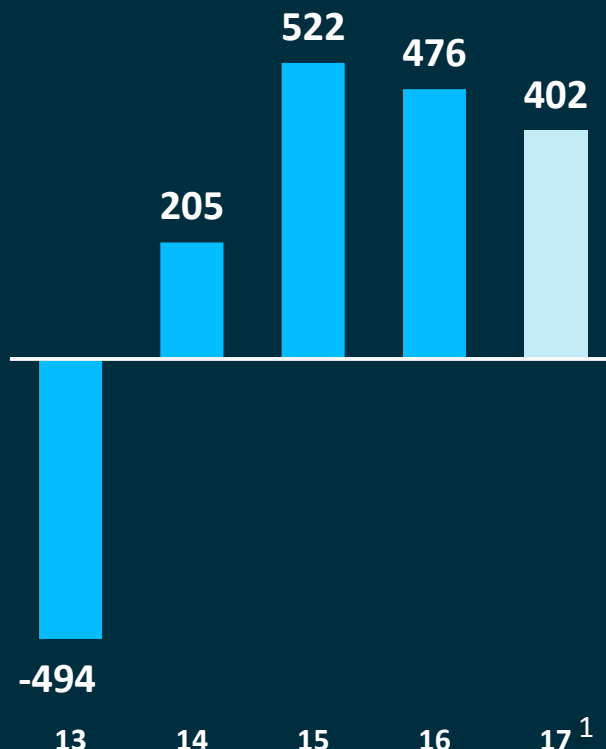
### Real GDP

Annual growth, %



### Employment

Annual growth, thousands



### Remaining challenges

#### Unemployment rate 2016

<b>Spain</b>	<b>Euro area</b>
<b>19.6%</b>	<b>10.0%</b>

#### Fiscal balance 2016

<b>Spain</b>	<b>Euro area</b>
<b>-4.5%<sup>1</sup></b>	<b>-1.7%<sup>2</sup></b>

**Notes:** <sup>1</sup> Including assistance to financial institutions. <sup>2</sup> Forecast.

**Sources:** INE, The Ministry of Finance and Civil Service, European Commission and CaixaBank Research.



## Evolution of key variables for the sector in 2016

### Growth in new lending

#### New loans

Year-on-year change, %

Households -  
Mortgages<sup>1</sup>

+17.4

Consumer  
lending

+28.4

SMEs  
(< €1 M)

+2.7

### Focus on mutual funds and insurance

#### Customer funds

Year-on-year change, %

Deposits<sup>2</sup>

-2.8

Mutual  
funds

+7.1

Pension  
plans

+2.2

Savings  
insurance

+5.9

### Pressures on bank profitability

- ▶ Low interest rates
- ▶ Subdued volumes
- ▶ Regulatory pressure
- ▶ New competitors
- ▶ Digitalization

Sector – Return on  
Equity (ROE)

3.4%

**Notes:** <sup>1</sup> Excluding effect of renegotiations. <sup>2</sup> Deposits from other resident sectors, promissory notes and deposits from general government.

**Source:** CaixaBank Research, based on data from Banco de España, Inverco and ICEA.



→ Economic and financial environment

→ **CaixaBank's 2016 Results**

→ Strategic Plan 2015-2018

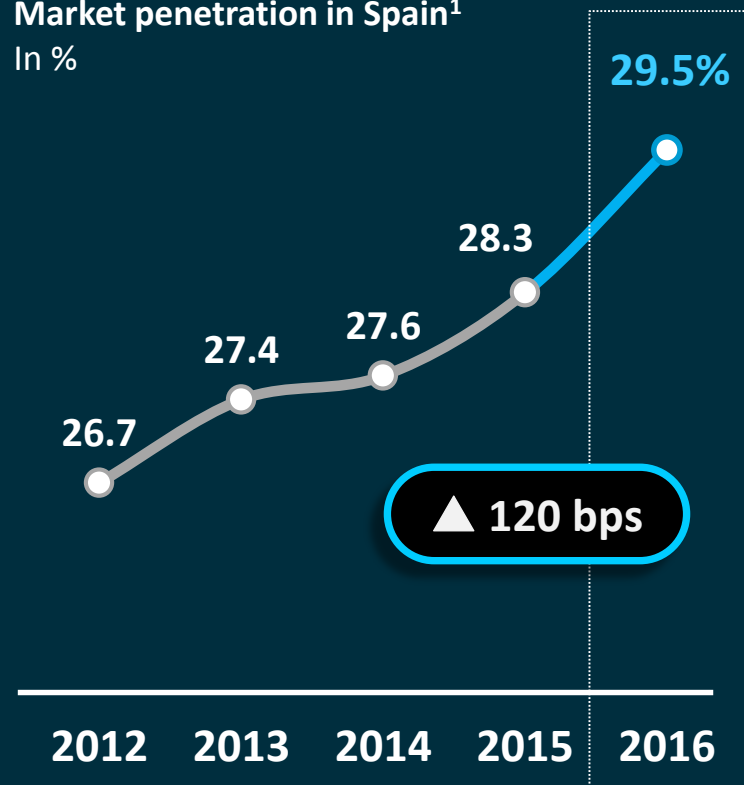
→ CaixaBank and social responsibility



## Consolidating our leadership: #1 financial institution in Iberia

### Leadership and unique market positioning in Spain

Market penetration in Spain<sup>1</sup>  
In %



Clients

13.8 M

Digital  
penetration<sup>3</sup>

32.4 %

### CaixaBank + BPI<sup>2</sup>: new leader in the Iberian market



1<sup>st</sup>

- ▶ Business volume
- ▶ Total assets
- ▶ Clients

Clients in Portugal ~ 1.7 M

**Notes:** <sup>1</sup>Spanish customers older than 18 years old (FRS Inmark).

<sup>2</sup>Proforma CaixaBank and BPI Portugal.

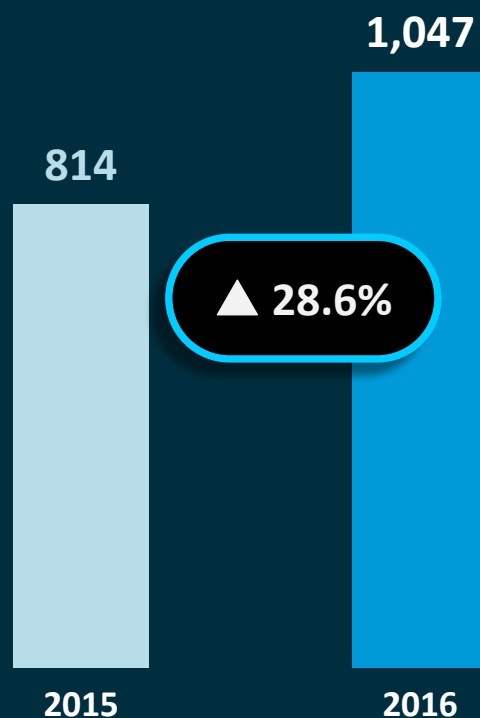
<sup>3</sup>Comscore.



## Improved profitability and maintenance of financial strength

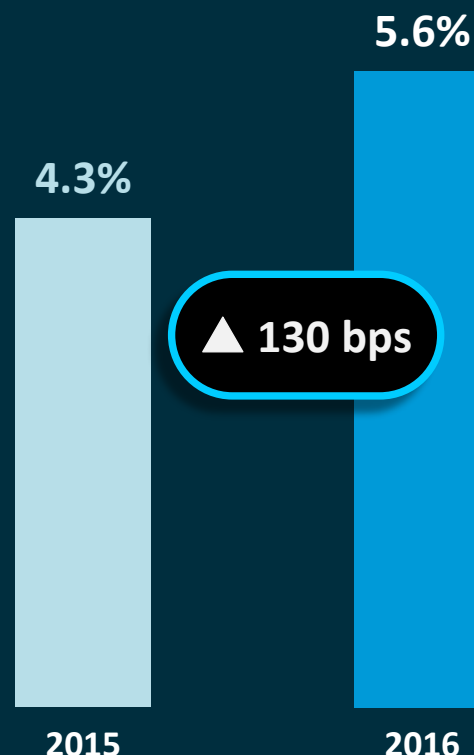
### Attributable profit

In million euros



### ROTE

In %



Ratio<sup>1</sup>

**CET1** *fully loaded* **12.4%**

Proforma BPI<sup>2</sup> **11.2%**

**NPL** **6.9%**

**Liquidity** **50,408**  
(in €M)

**Notes:** ROTE: Return on tangible equity; CET1: *Common equity tier 1*.

<sup>1</sup>Data as of Dec-16.

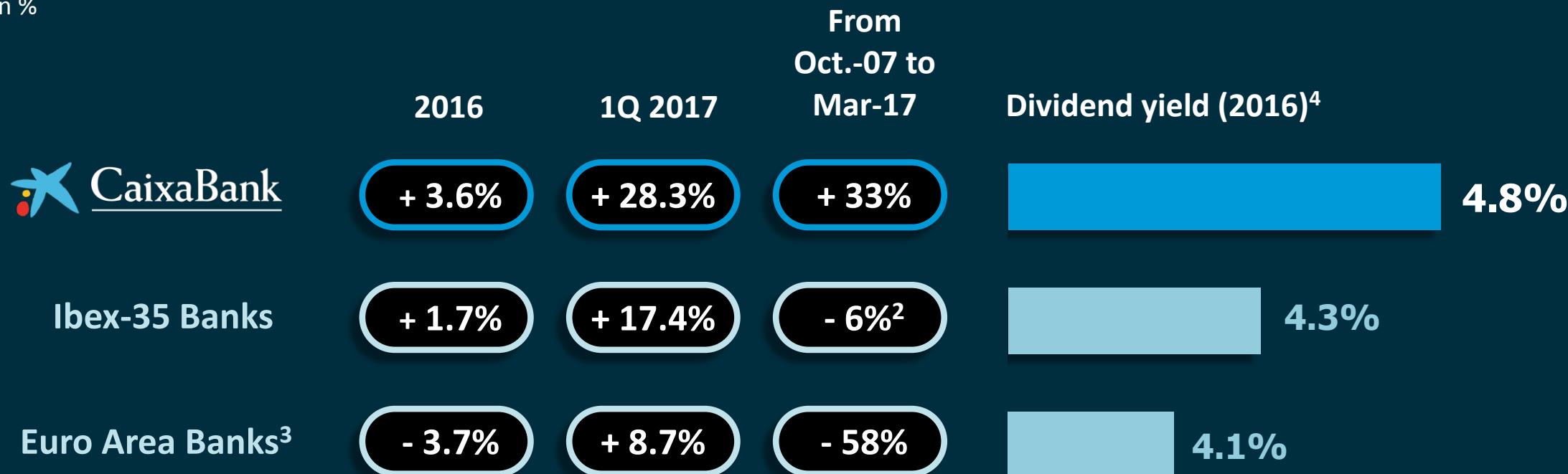
<sup>2</sup>Considering the issuance of subordinated notes in Feb-17.



# CaixaBank shares outperform industry indices

## Total return<sup>1</sup> and dividend yield

In %


**Price/Tangible Book Value**

(MAR-31)

**1.2x<sup>5</sup>**

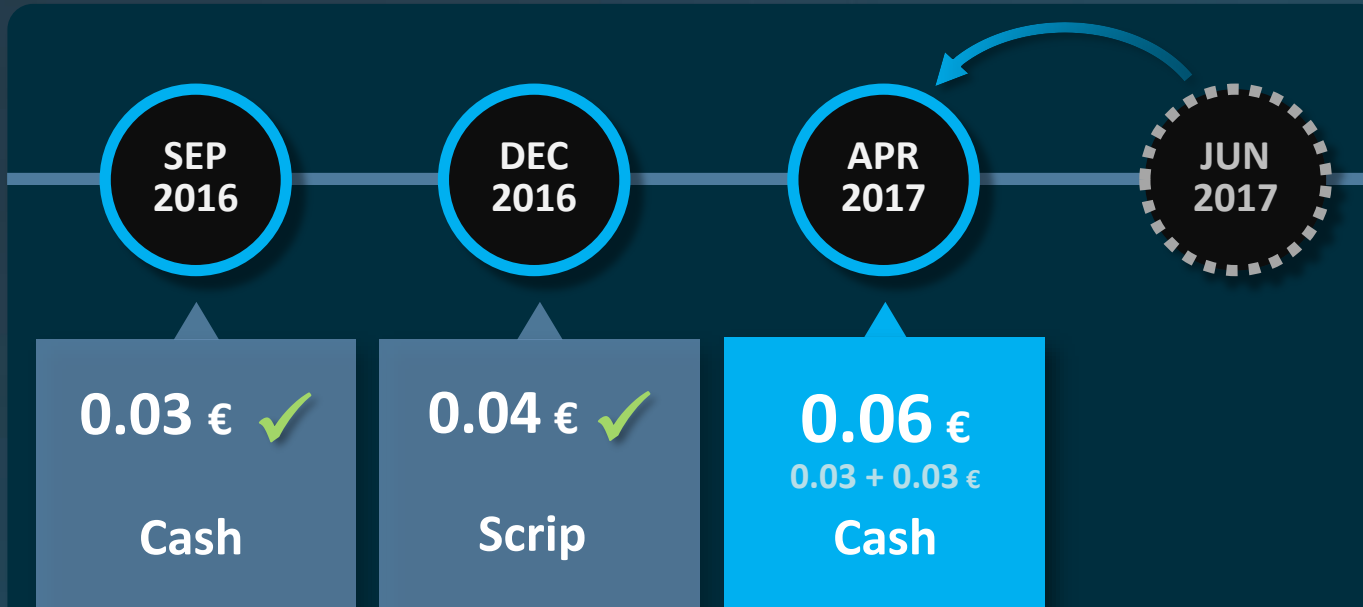
**Notes:** <sup>1</sup>Including reinvestment of dividends. <sup>2</sup>Own estimates. <sup>3</sup> Euro Stoxx Banks Index. <sup>4</sup>Dividends paid in the last 12 months. <sup>5</sup>Share price as of 31 March 2017 over tangible book value as of 31 December 2016.

**Sources:** Bloomberg and CaixaBank.



## Shareholder remuneration

### Remuneration FY2016



- ▶ 2 payments in cash + 1 scrip
- ▶ Cash pay-out  $\geq 50\%$

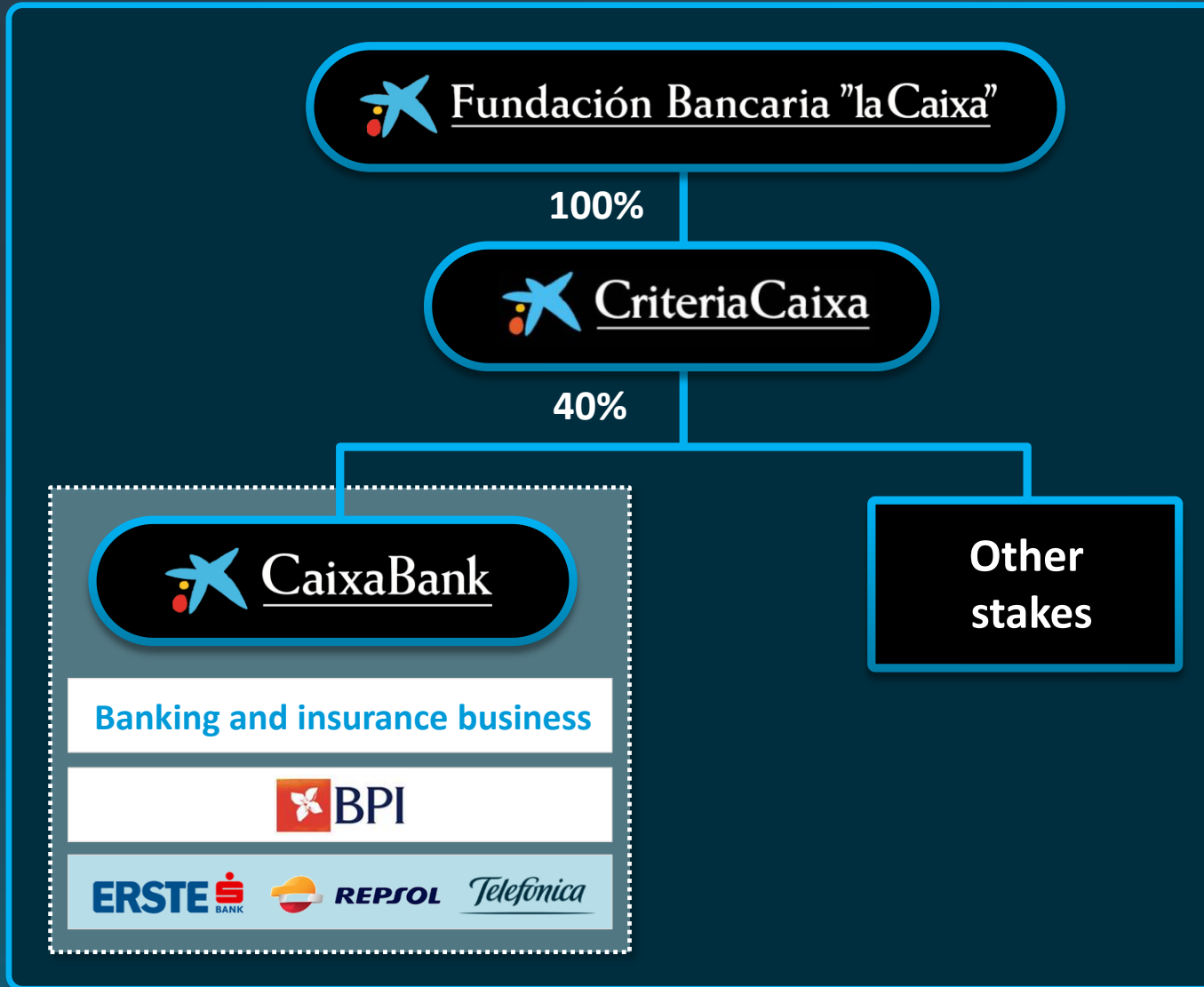
### Remuneration FY2017



- ▶ 2 payments in cash
- ▶ Semi-annual frequency
- ▶ Cash pay-out  $\geq 50\%$



## Progress towards deconsolidation



### Well-defined roadmap

- ▶ Clear separation of roles
- ▶ CaixaBank: supervised banking group
- ▶ Increase of *free-float*

Stake of Criteria in CaixaBank	JUL-2011	FEB-2017
	81%	▶ 40%

### Strengthening of corporate governance












- Economic and financial environment
- CaixaBank's 2016 Results
- Strategic Plan 2015-2018**
- CaixaBank and social responsibility



## Progress in our strategic goals

“Committed to trustworthy and profitable banking”

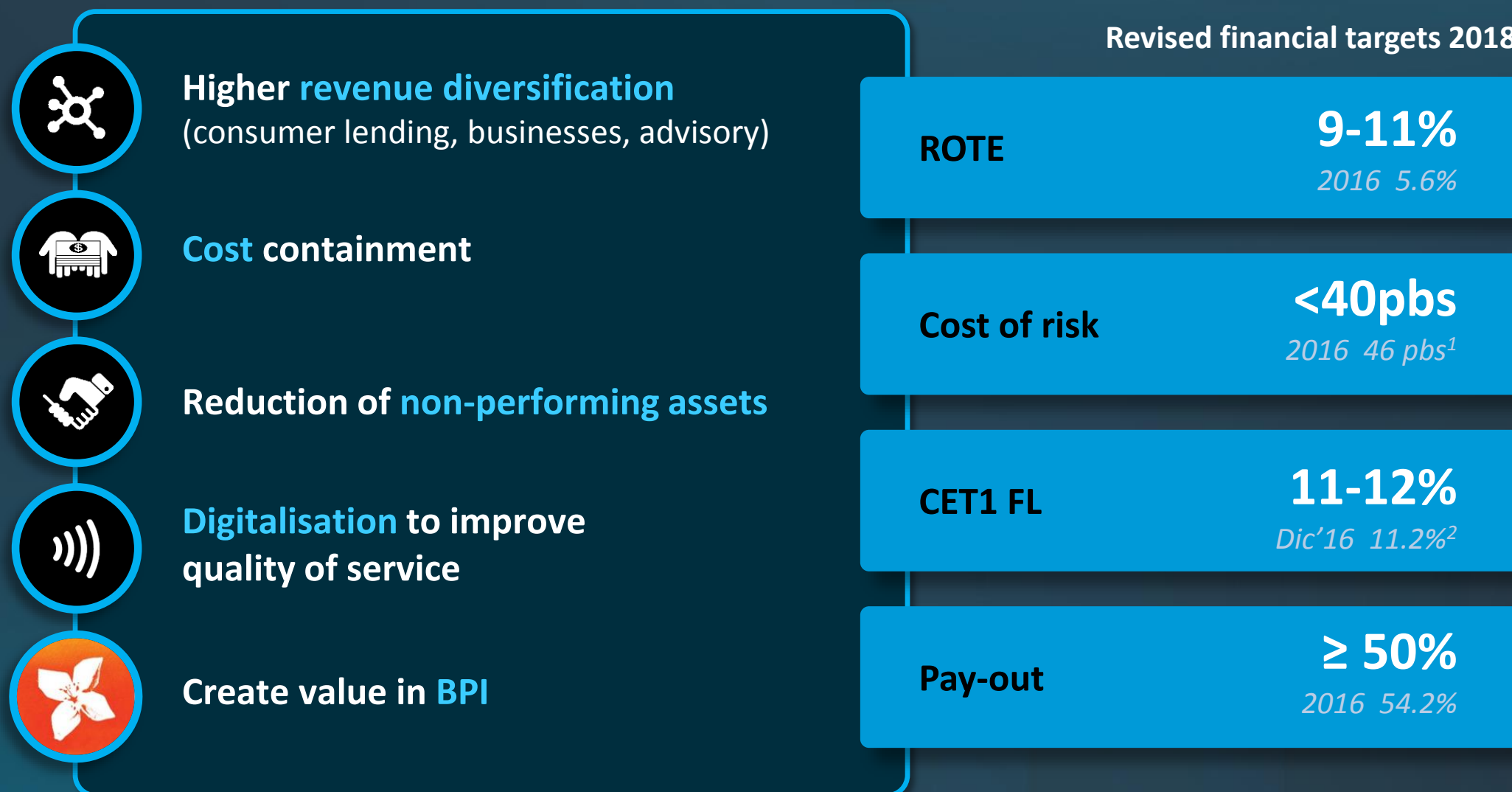


				2014	2016
	Quality and reputation		% banking clients in Spain <sup>1</sup>	27.6%	29.5%
	Profitability		ROTE	3.4%	5.6%
	Capital optimisation		Capital allocated to stakes	~16%	<7%
	Digitalisation		% digital clients	36.5%	43.1%
	Human capital		Training in advisory services <sup>2</sup>	 	>7,000

Notes: <sup>1</sup> Retail client penetration (FRS Inmark) <sup>2</sup> Post-graduate degree in financial advisory.



## Priorities after the mid-term review of the Plan



**Notes:** <sup>1</sup> Excluding one-off impact of development of internal models related to BoS circular 4/2016 .

<sup>2</sup> Pro-forma BPI and including the issuance of subordinated notes completed on 7 February 2017.



- Economic and financial environment
- CaixaBank's 2016 Results
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## Social commitment

- ▶ Financial inclusion
- ▶ Social projects and volunteering
- ▶ Our dividend reverts to society
- ▶ Collaboration with Obra Social "la Caixa"



## Responsible business management

- ▶ Transparency and good governance
- ▶ Diversity and talent development
- ▶ Inclusion in the main corporate social responsibility indices
- ▶ Participation in key global initiatives











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Thank you





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Chief Executive **Gonzalo Gortázar**





## FY 2016 highlights



BPI acquisition



CaixaBank, a different bank



Excellent exercise - positive tendency



2016

Highlights

Excellent commercial activity

Sustained improvement of profits

Asset quality improvement



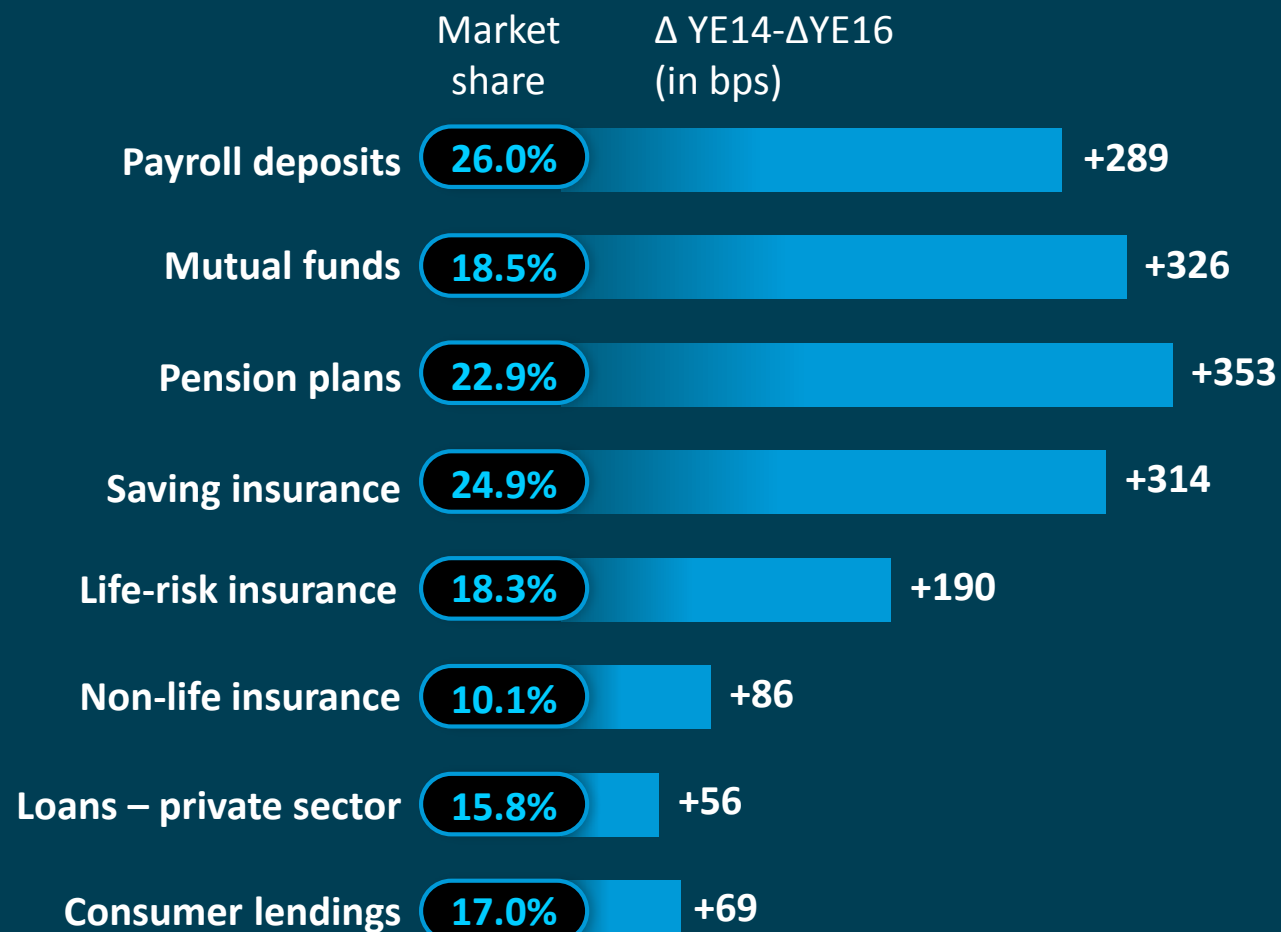
## Continuously attracting new clients and increasing customer loyalty



Penetration for  
retail clients  
(primary bank)<sup>1</sup>

**25.7%**

*+170 bps in 2016*



***Bank of the  
year in Spain***

<sup>1</sup> Retail clients over 18 years old

Sources: FRS, Social Security, Bank of Spain, INVERCO and ICEA



# Strong growth in insurance, pension plans and asset management

YTD breakdown (€ Bn)

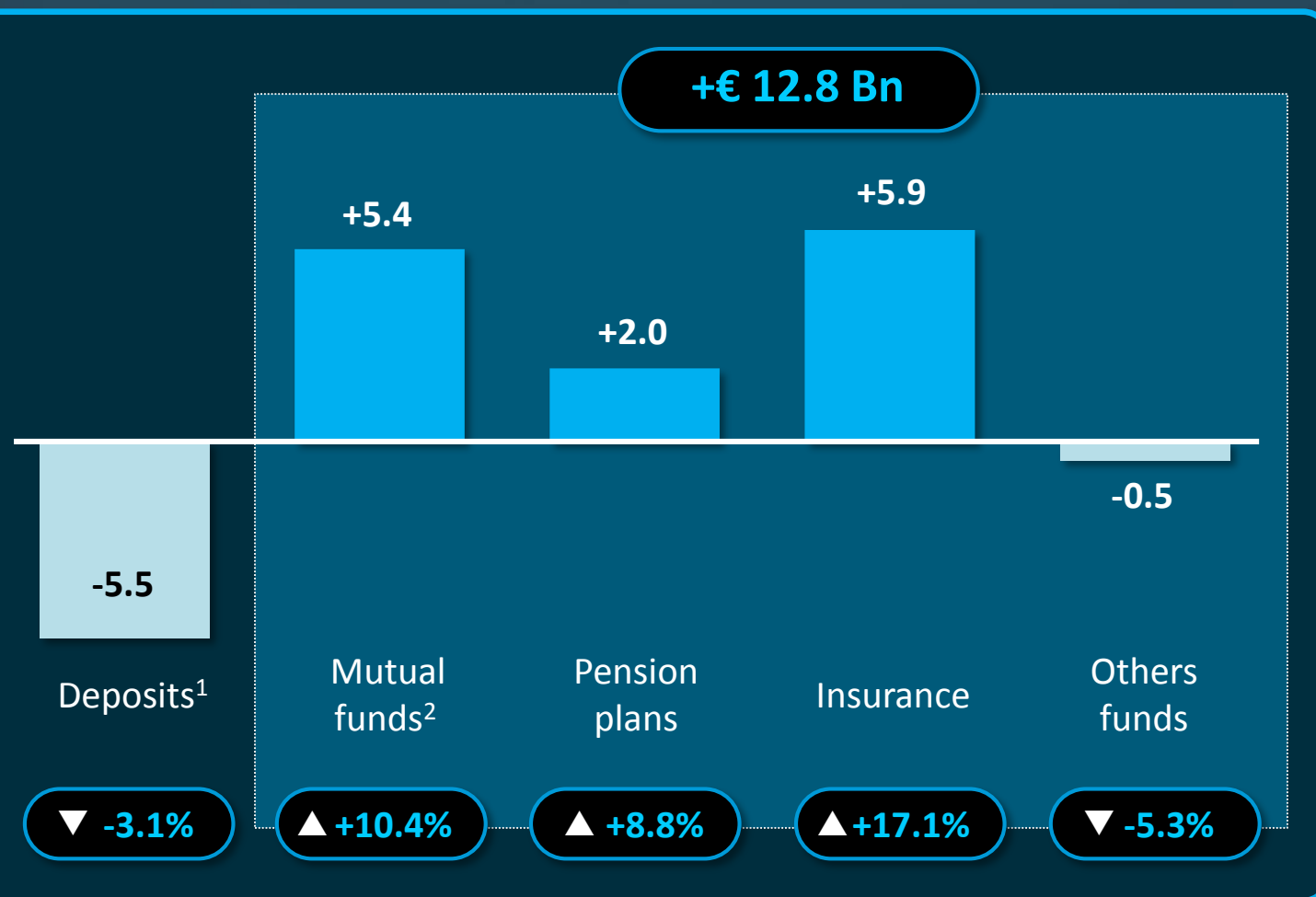
**Customer  
funds**

**€ 303.9 Bn**

**YTD**

**+€ 7.3 Bn**

**▲ +2.5%**



<sup>1</sup> Time deposits and demand deposits (includes retail debt securities)

<sup>2</sup> Also including SICAVs and managed portfolios



## Performing loan-book evolution confirms changing trend in credit

**Performing  
loans**

**€ 190.5 Bn**

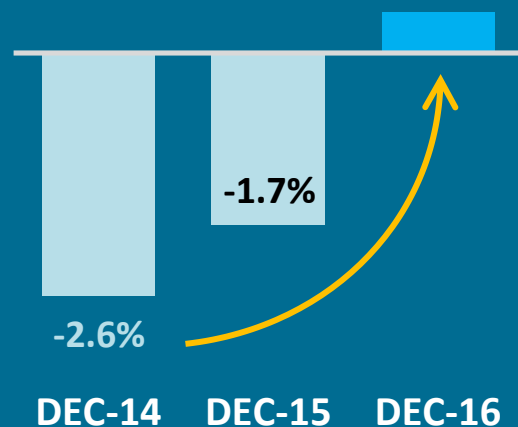
**YTD**

**+€ 676 M**

**▲ +0.4%**

Gross performing  
loans, % ytd (organic)

**+0.4%**



### Loan-book breakdown

€ Bn

**2016**

**YTD**

**Loans to individuals**

**118.3**

*(2.2%)*

**Loans to businesses**

**64.8**

*8.3%*

**RE developers**

**8.0**

*(18.3%)*

**Public sector**

**12.5**

*(9.5%)*

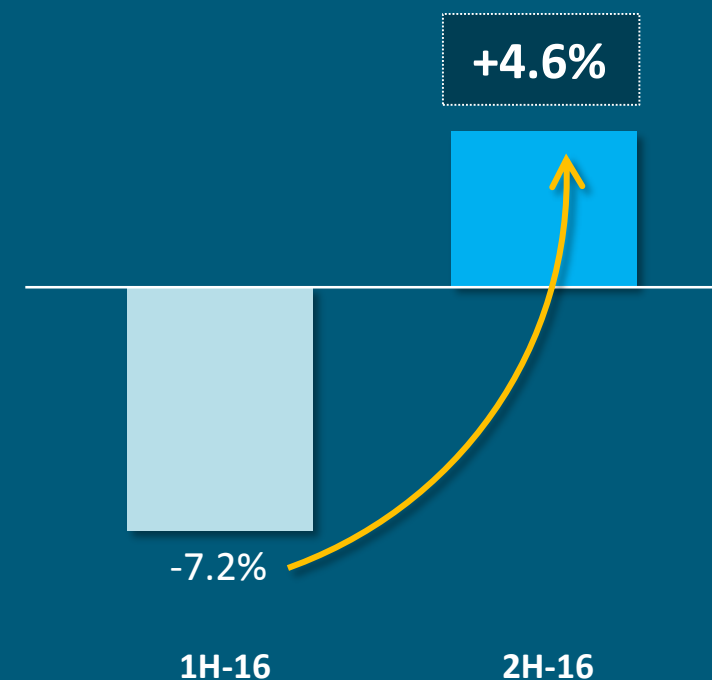


## Consolidation of improvement in results

In €M	2016	YTD
<b>Net interest income</b>	<b>4,157</b>	<b>(4.5%)</b>
Net fees and commissions	2,090	(1.2%)
Income from investments & associates	828	43.1%
Trading income	848	(1.7%)
Income and exp. from insurance	311	44.8%
Other operating income & exp.	(407)	36.1%
<b>Gross income</b>	<b>7,827</b>	<b>0.0%</b>
Recurring expenses	(3,995)	(1.7%)
Extraordinary operating expenses	(121)	(77.7%)
<b>Pre-Impairment income</b>	<b>3,711</b>	<b>15.3%</b>
Impairment losses & others	(1,069)	(57.5%)
Gains/losses on assets disposals & others	(1,104)	--
<b>Pre-tax income</b>	<b>1,538</b>	<b>141.0%</b>
Taxes and minority interests	(491)	--
<b>Profit attributable to the Group</b>	<b>1,047</b>	<b>28.6%</b>

**Core income** (NII + net fees + other income from insurance<sup>1</sup>)

YoY



<sup>1</sup> Includes equity-accounted income from SegurCaixa Adeslas

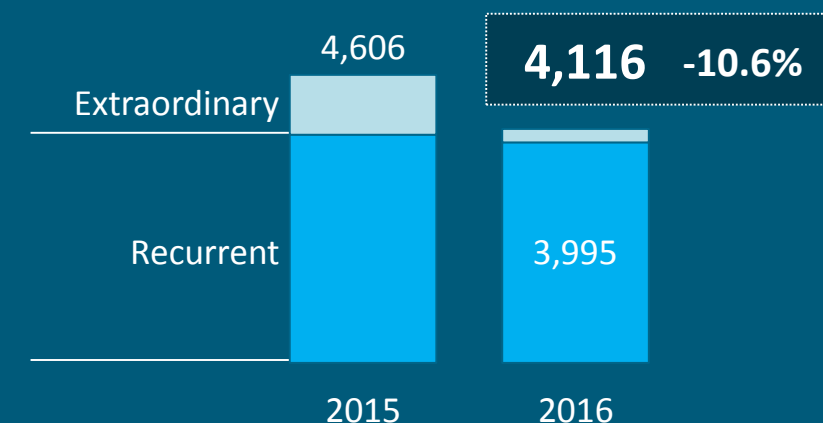


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### Cost discipline

Cost total, in €M



**-18%<sup>1</sup> lower recurrent costs vs. 2011**

**Pre-Impairment  
income**

**+15.3%**  
YTD

<sup>1</sup> Change in recurrent costs since 2011 (proforma acquisitions)

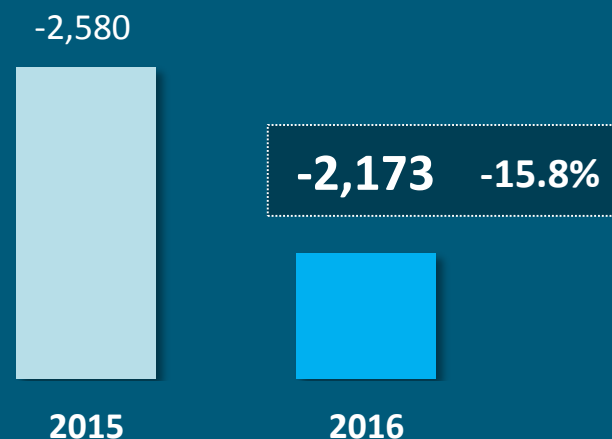


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### Loan loss provisions & losses on asset disposals

In €M


**Cost-of-Risk**
**0.46%<sup>1</sup>**

<sup>1</sup> Excluding impact development of internal models



## Consolidation of improvement in results

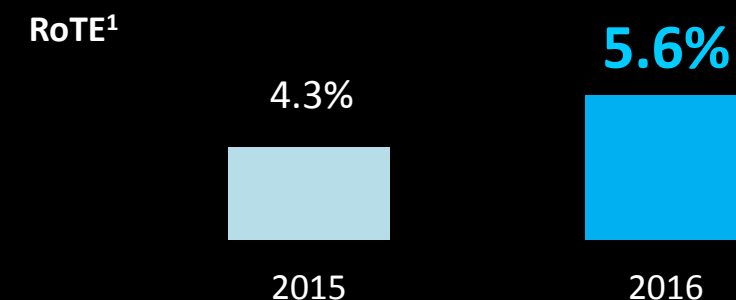
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**Profit attributable to the Group** € 1,047 M

**Banking & insurance (ex non-core RE)** €1,979 M

**Non-core RE** €-1,125 M

**Investments** € 193 M

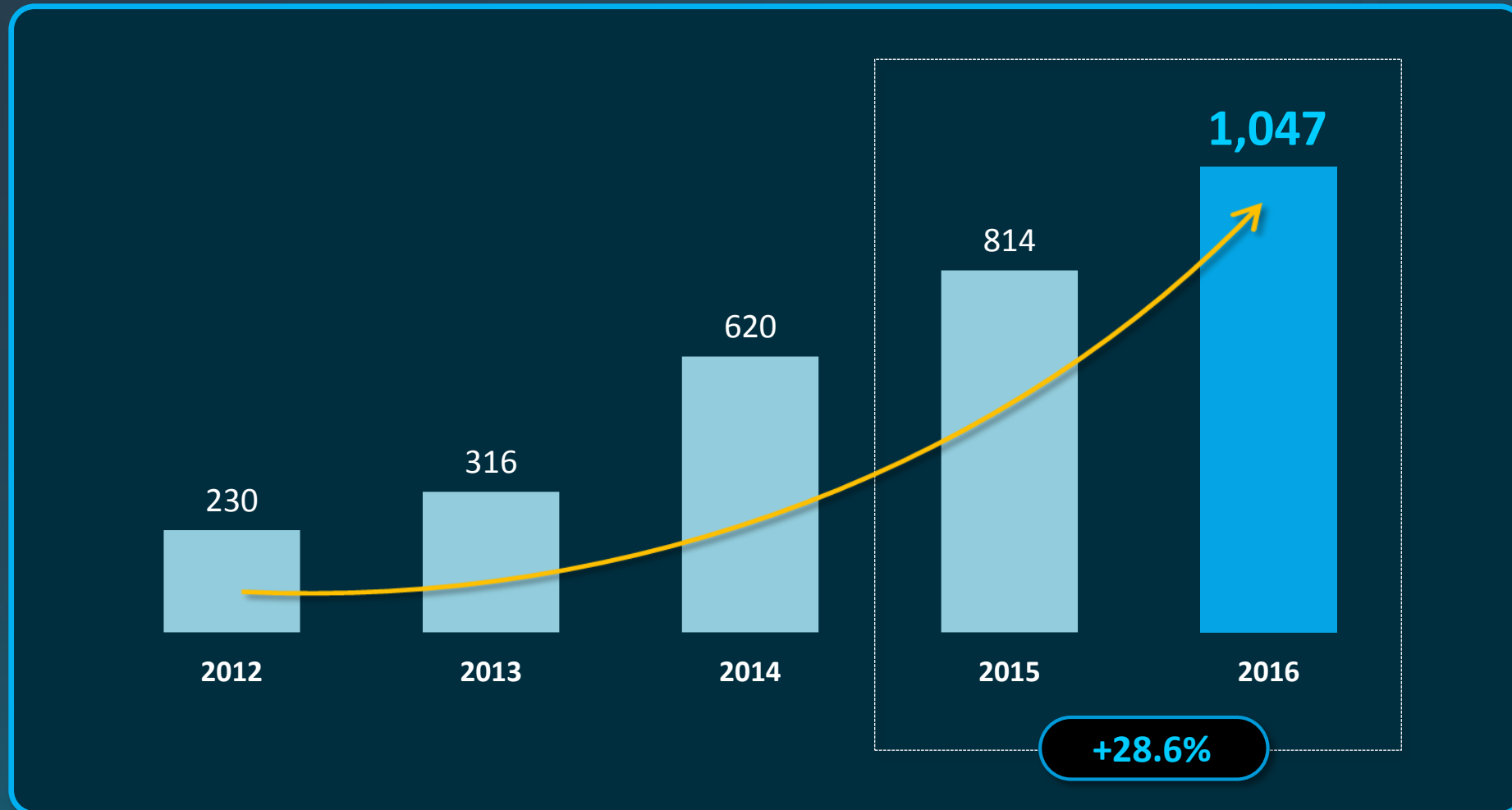


<sup>1</sup> Profit attributable/tangible common equity.



## Consolidation of improvement in results

Profit attributable to the Group





## Asset quality improvement



NPL stock

€ -2,346 M

-14% in 2016



**-47%**

**from peak**

(JUN-13, proforma Barclays)



€ 14,754 M

NPL stock

**6.9%**

NPL ratio



Foreclosed assets<sup>1</sup>

€ -1,003 M

-14% in 2016



**2016**

**inflection**

**point**



€ 1,337 M

sales in 2016

**5%** profits at  
sales in 2016

<sup>1</sup> Net book value of RE assets available for sale



## Comfortable liquidity and solvency metrics

As of 31<sup>st</sup> December 2016

**€ 50.4 Bn**

**Liquid assets**

**14.5%**  
*of assets*

- The excellent liquidity position supports new lending

**13.2%**

CET1 phase-in

**12.4%**

CET1 fully-loaded

**12.0%**

*post take-over bid<sup>1</sup>*

**11.3%**

*post take-over bid<sup>1</sup>*

- Comfortable solvency metrics, also for total capital (Total capital fully-loaded<sup>2</sup> 15.0%)

<sup>1</sup> 84.5% stake in BPI post take-over bid

<sup>2</sup> In February 2017, CaixaBank completed an issue of € 1Bn of Subordinated Notes



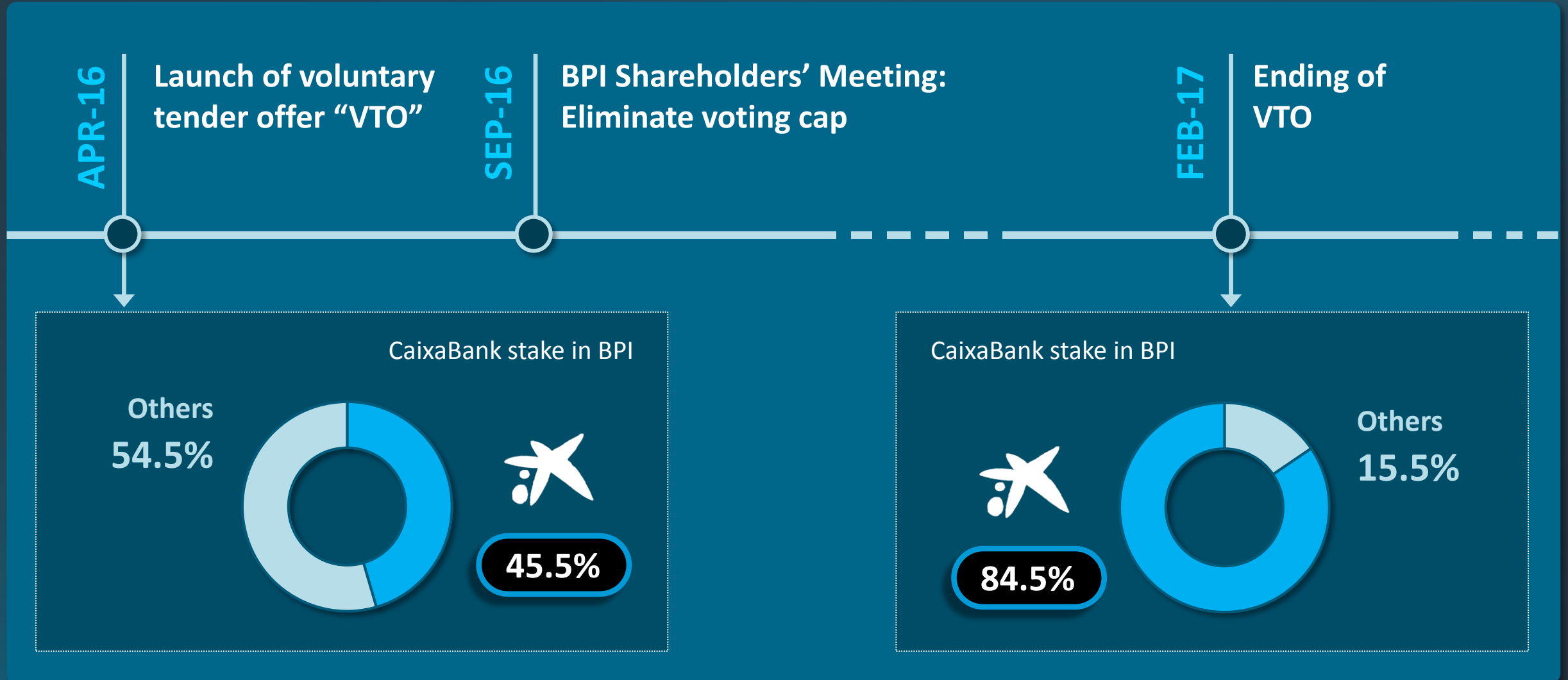
→ FY 2016 highlights

→ **BPI acquisition**

→ CaixaBank, a different bank



## VTO process in BPI





## An alliance of more than 20 years



As of December 2016

Branches	545
Clients	~1.7 M
Assets	€ 32 Bn
NPL ratio	3.7%
CET1 FL	10.6%

Revenues and expenses synergies	€120 M (2019 target)
---------------------------------	-------------------------

► An attractive franchise

► An excellent team

► An opportunity

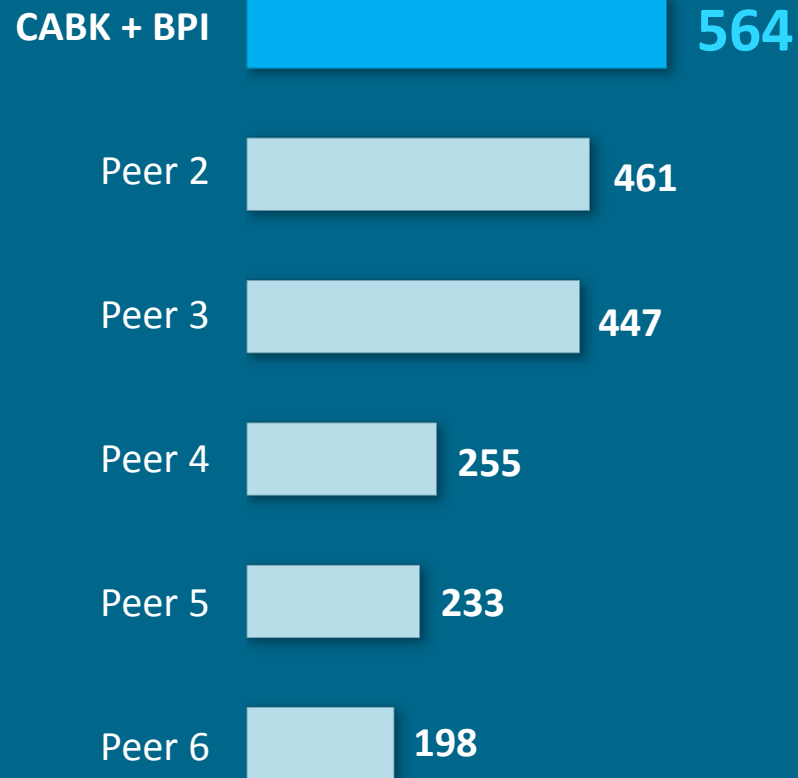
**5<sup>th</sup>** *Portuguese bank by assets*



## Leading Group in Iberian peninsula



Ranking<sup>1</sup> by businesses volume  
in Spain + Portugal (in € Bn)



Mutual funds,  
pension plans and  
insurance market  
share

**20.4%**

Market share by  
business volume

**13.7%**

<sup>1</sup> Includes Santander (Spain + Portugal + RE), BBVA (Spain + RE), Sabadell (ex-TSB), Bankia and Popular



→ FY 2016 highlights

→ BPI acquisition

→ **CaixaBank, a different bank**



A different bank

## Our business model, a successful key



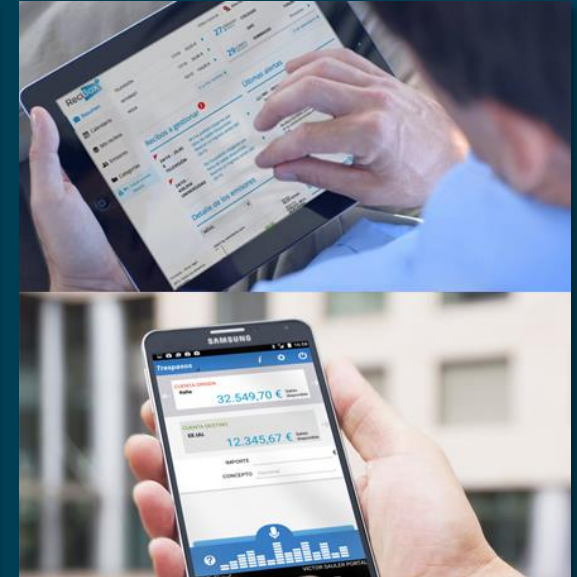
**Scale &  
capillarity**



**Advisory services  
and proximity**



**Wide  
quality offer**



**Support of  
the technology**



**Commitment to society**



A different bank

## CaixaBank, a bank with a social drive



### Financial inclusion

**93%**

Presence in towns over  
5,000 inhabitants

**98.7%**

Coverage to Spanish  
population

### Active housing policy

**22,400**

Dation in payment  
(60% remains renting)

**33,500**

Social and affordable rental  
housing (in cooperation with  
"la Caixa" Banking Foundation)

### Contribution to the crisis resolution

**€ 4,100**  
Million

- Deposit Guarantee Fund and Single Resolution Fund
- Banca Cívica adjustments
- Sareb contribution

### Social dividend

**€ 500 M**  
*Per annum*

Annual Budget from  
"la Caixa" Banking  
Foundation during the crisis



A different bank

Excellent position to continue with our Strategic Plan

# 2016

## Great milestones achieved and good market perception

CaixaBank stock Price evolution



*CaixaBank priorities*

**Business growth**

**Excellent quality service**

**Commitment to society**

**Shareholder returns**





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Thank you