

2018



2018

Chairman Jordi Gual



- **Economic and financial environment**
- Results 2017
- Strategic Plan 2015-2018
- A socially responsible bank



Growth in the world economy is accelerating

Real GDP

Annual growth, %			
	2016	2017	2018 (F)
World economy	3.2	3.7	3.9
Advanced economies	1.7	2.3	2.4
USA	1.5	2.3	2.7
Euro Area	1.8	2.5	2.5
Emerging economies	4.4	4.7	5.0

Outlook 2018

- More dynamic and synchronized growth
- Balanced risks:
 - **Fiscal reform in the USA**
 - **Reforms in the Euro Area**
 - **Financial**
 - Geopolitics and trade

Note: (F) Forecast.

Source: CaixaBank Research.

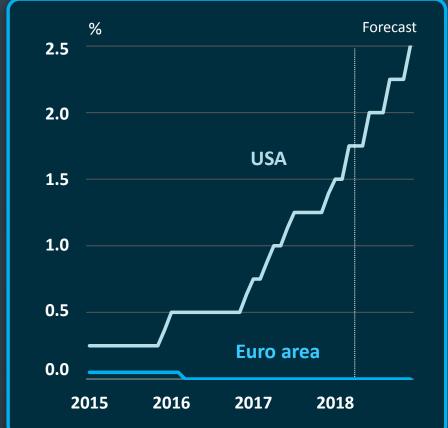


A context that justifies a gradual normalization of monetary policy

Inflation



Official interest rates





The Fed will continue raising interest rates...

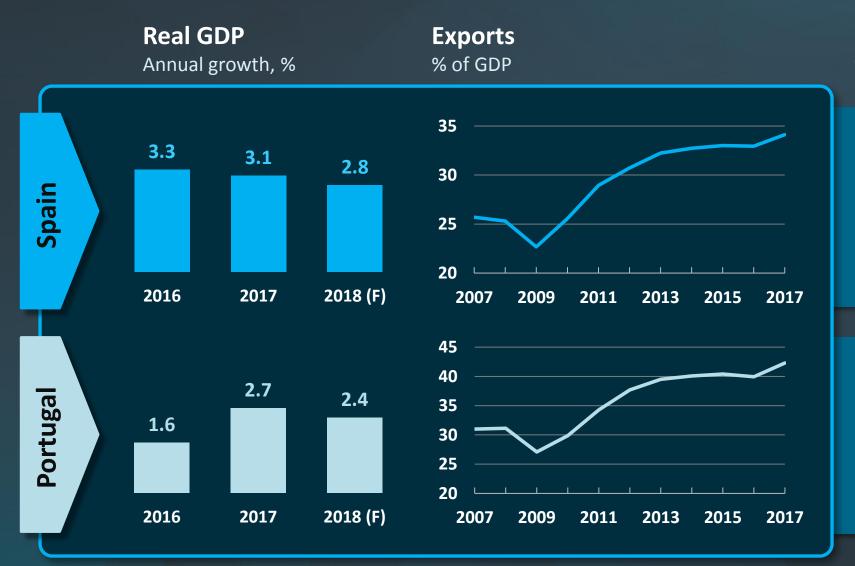


... and the ECB is likely to do so in 2019

Source: CaixaBank Research.



Spain and Portugal: another good year ahead



Challenges

- Continue creating employment
- Reduce public and external debt
- Reforms

- Reduce public and private debt
- Youth employment
- Productivity

Financial environment

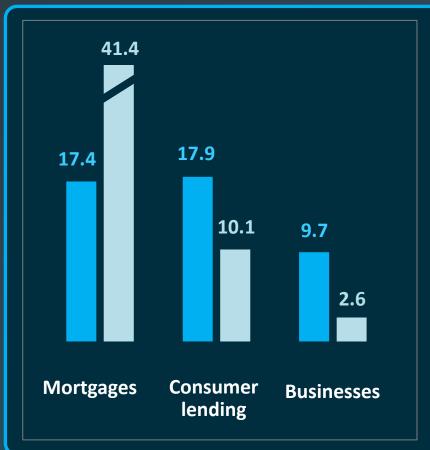


Evolution of the banking sector in Spain and Portugal

New lending¹ Change in 2017 (%)

Customer funds

Change in 2017 (%)





- Gradual improvement of profitability
- Reduction of NPLs, but still high levels of problematic assets
- Reduction of regulatory uncertainties
- Digital transformation

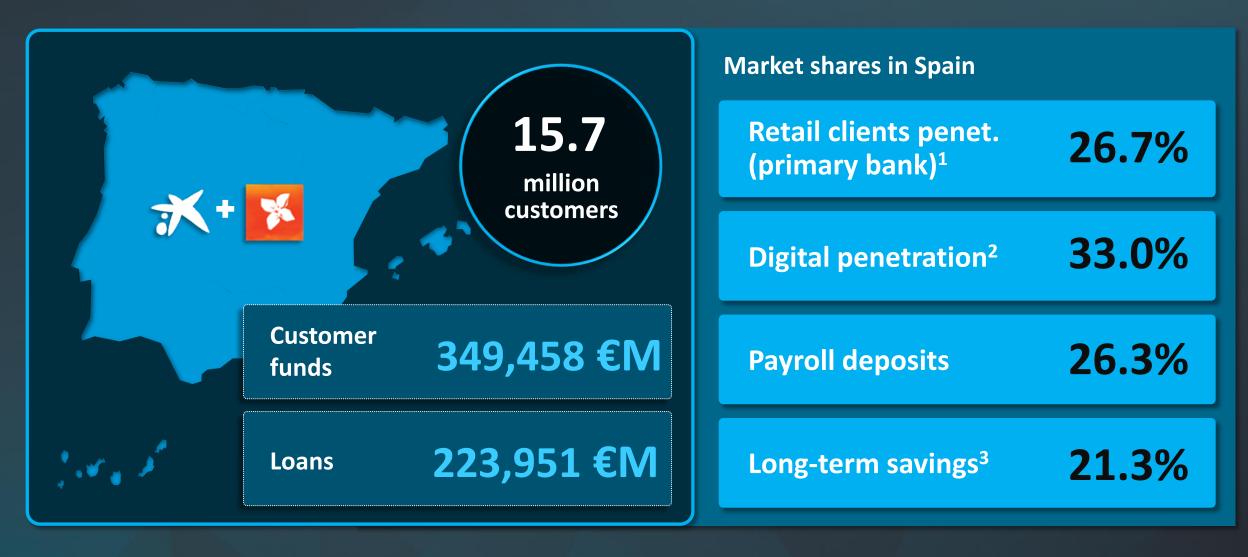
Note: ¹ It does not include refinanced operations. **Sources**: Bank of Spain, Bank of Portugal and ECB.



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<u>CaixaBank</u>

Retail banking leadership in Spain-Portugal



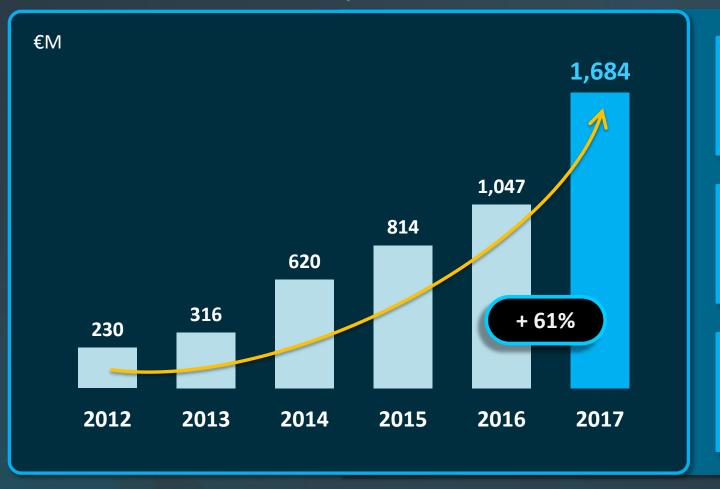
Note: ¹ Retail customers aged 18 or above. Source: FRS Inmark 2017 "Comportamiento financiero de los particulares en España".

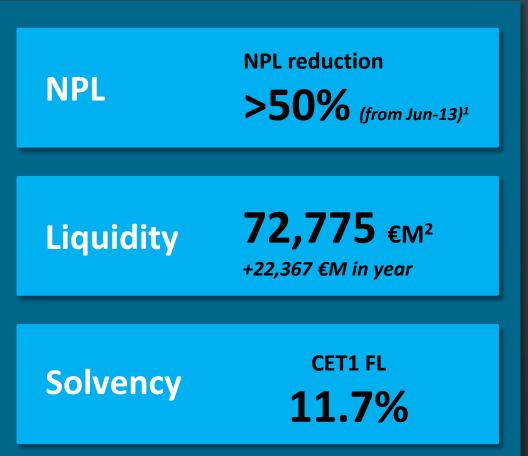
² **Source**: comScore (data in Dec-17, 12-month average). ³ Includes pension plans, managed mutual funds and savings insurances (Source: INVERCO and ICEA).

<u>CaixaBank</u>

The bank earns record profits

Evolution of net attributable profit



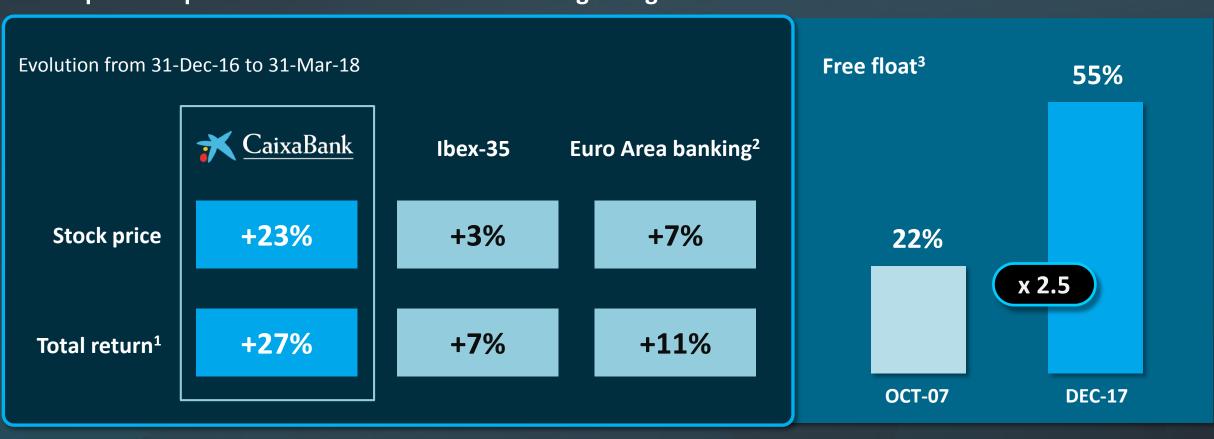


Note: 1 Pro forma with Barclays Bank SAU (ex BPI); 2 High Quality Liquid Assets (HQLA) and other assets eligible as ECB collateral.

Stock price evolution



Stock price outperforms main indexes since the beginning of 2017

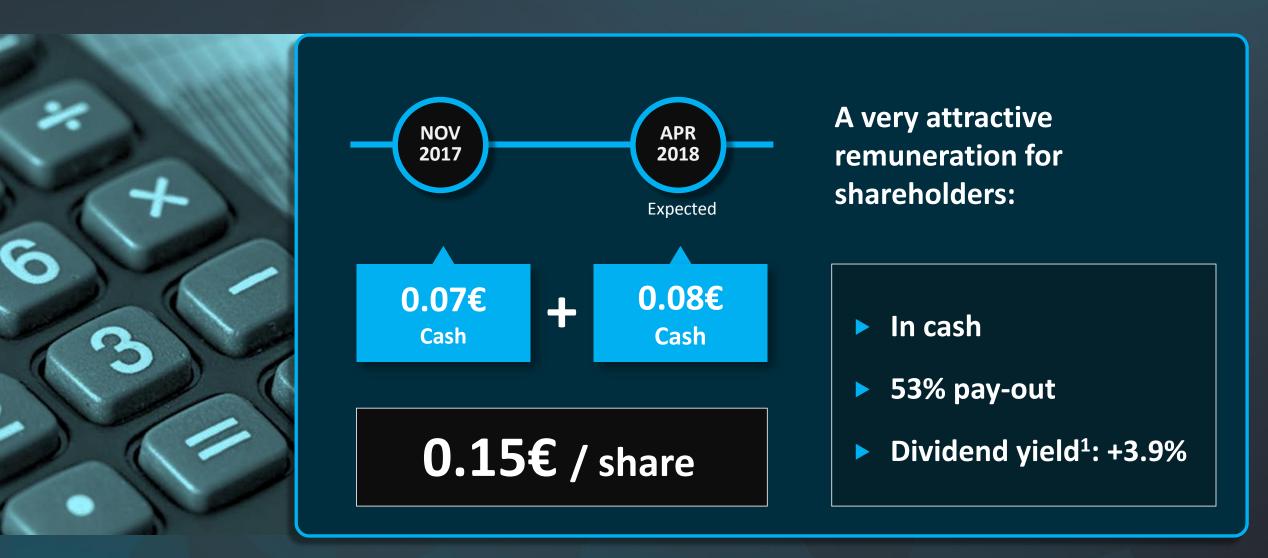


Notes: ¹Including reinvested dividends. ²Eurostoxx Banks Index. ³Share of issued stocks excluding positions of own shares held, and those held by Board and executive members, by any other company targeting control or influence, and by shareholders with agreements with any of the aforementioned groups.

Source: Bloomberg and CaixaBank.

<u>CaixaBank</u>

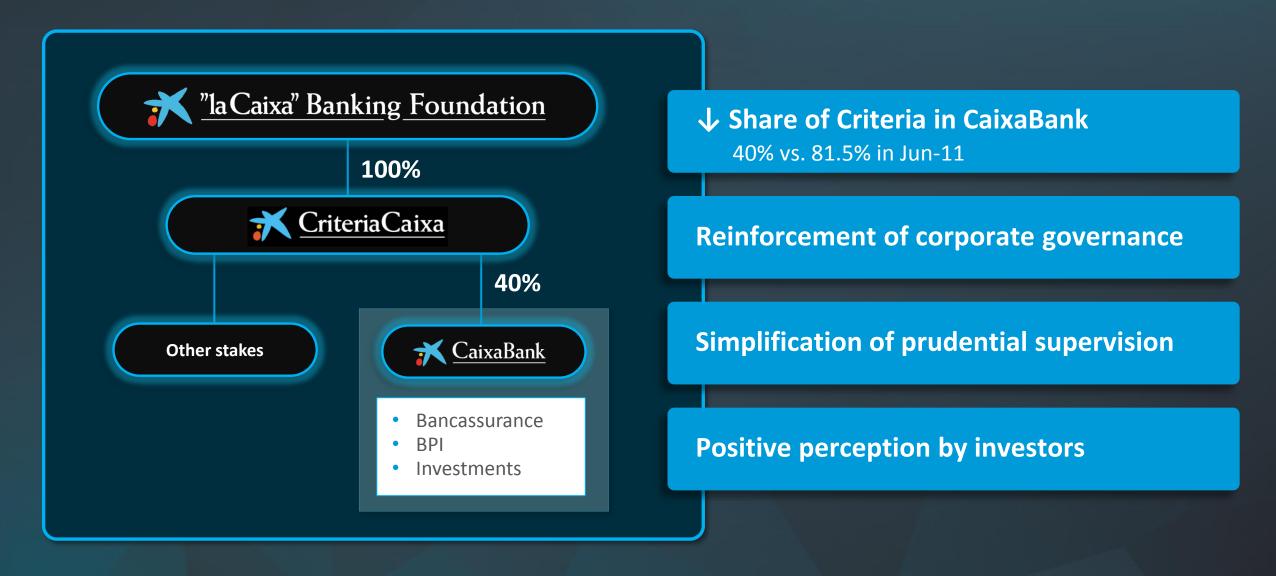
Dividend policy. Remuneration 2017



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



The process of deconsolidation with Criteria has been completed





- Economic and financial environment
- Results 2017
- **→** Strategic Plan 2015-2018
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Our strategic goals have almost been achieved

		2014	2017
Quality & reputation	Quality ranking ¹	2nd	1st
Profitability	ROTE	3.4%	8.4%
Capital management	Total Capital FL	14.6% ²	15.7%
)))) Digitalization	Digital customers	45%	55%
Human resources	Certificates in advisory services ³	upf. Universitat Pompeu Fabra Barcelona CISI	10,500





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Integrity, transparency and good governance

Financial inclusion

Social projects and volunteering

Environment



Committed with the Objectives for Sustainable Development (UN)

Top score in corporate governance (ISS 2017)



MicroBank #1st in microfinance in Europe

Promotion of financial culture

>90% coverage of Spanish population



>32,000 Social housing

Alliance with "la Caixa" Banking Foundation

>5,500
Corporate volunteers



Environmental criteria in doing business

Participation in key environmental initiatives

A socially responsible bank, with...





- A long-term vision
- Willingness to serve
- Ability to anticipate
- Financial strength
- A highly committed team



2018

Thank you



2018



2018



2018

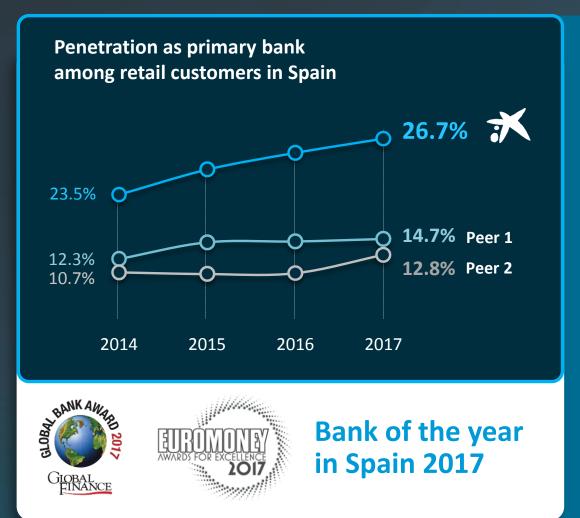
Chief Executive Officer Gonzalo Gortázar

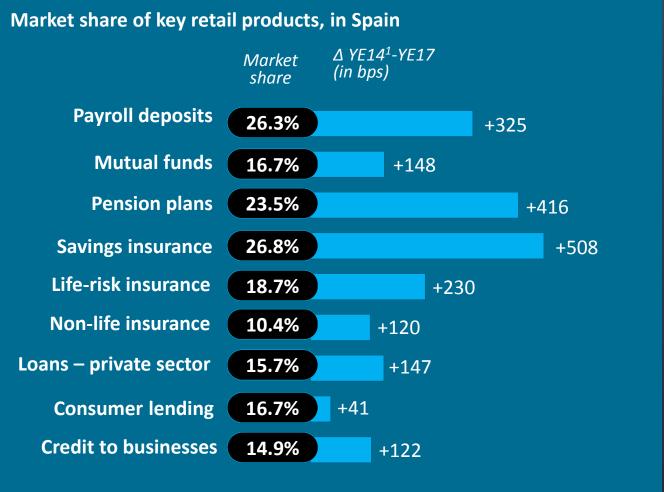


- > FY 2017 highlights
- **FY 2018 Priorities**
- Medium-term outlook

A very good year in commercial activity, a sustained trend since 2015







Leaders in medium and long term savings management



Customer funds managed in Spain, CaixaBank ex-BPI

YTD

+€ 10.6 Bn

+3.5%

+7.8%

Mutual funds and portfolios¹

+13.7%

Savings insurance

+6.8%

Pension plans

+1.2%

Deposits²









2017: New high-quality model of advisory services

10,500

Certified with a degree in advisory services

Strong growth in protection business





€ 833 M

Premia in 2017

+8.3% In 2017





€ 3,547 M

Premia in 2017

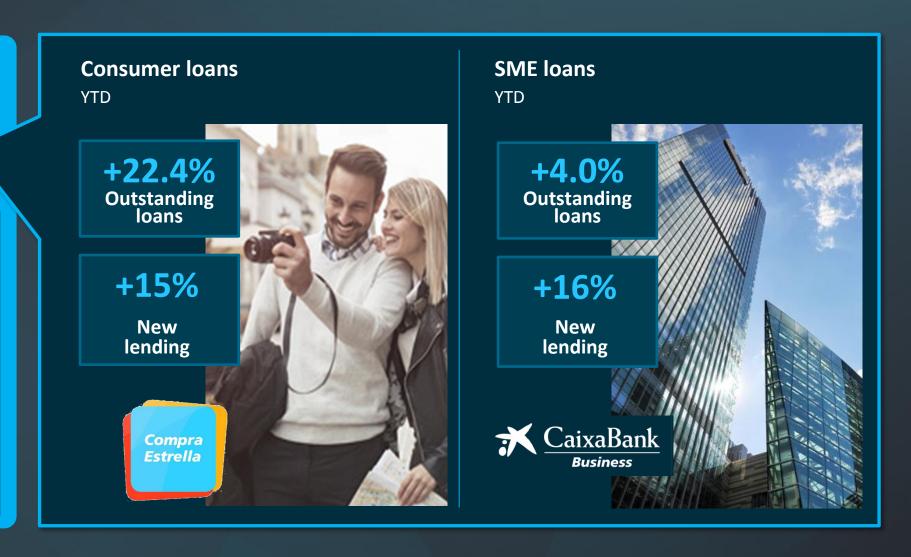
+7.8% In 2017



Growing lending to households and SME



Performing loans¹ YTD² CaixaBank, +0.4% ex BPI **Performing loans evolution** +0.4% -2.6% DEC-14 **DEC-17**



Operating trends also very positive in Portugal





Market share and YTD (bps)¹

13.7%

10.8%

8.4%

11.8%

Penet. among retail customers **Payroll deposits** +10 bps YTD

+80 bps YTD

Credit to businesses Consumer lending

+70 bps YTD

Commercial activity, YTD

+5.6% Customer funds

+12.7% Mutual funds

+6.4% Business loans²

Recurring expenses BPI

-5.3%

Contribution to CABK³

€ 176 M

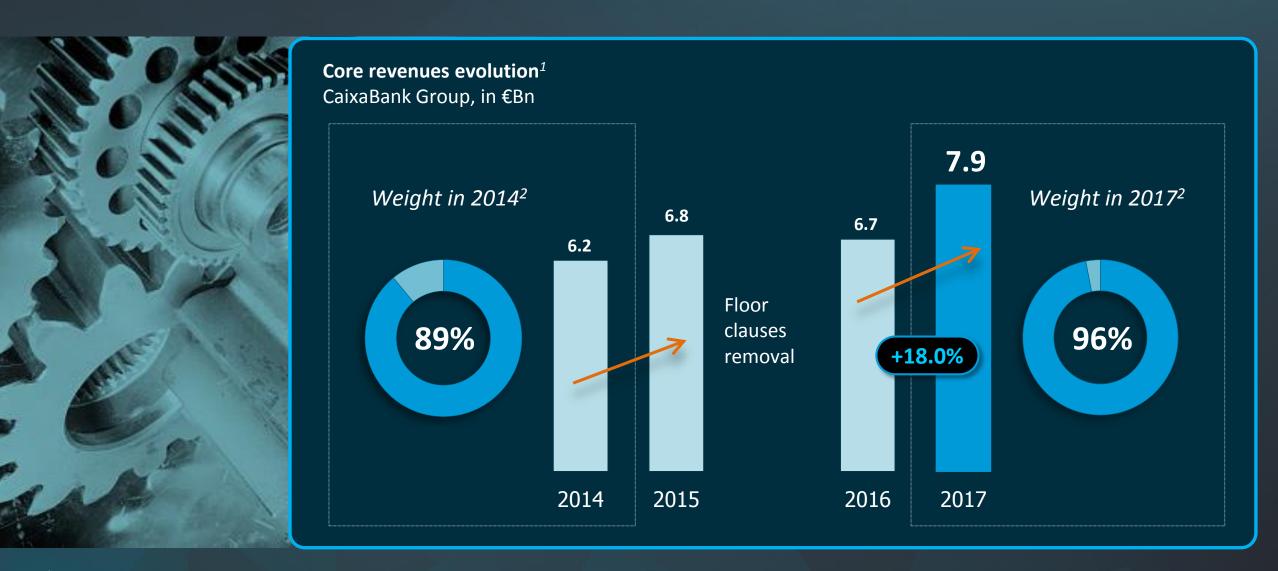
Costs & revenues synergies

€ 120 M



Core revenues growth





¹ NII + Fees + other revenues from insurance (life-risk premia and equity accounted income from SegurCaixa Adeslas). 2017 includes BPI

² Weight of core revenues over gross income

High-quality profit



CaixaBank Group, in €M. 2017 includes BPI	2017	YTD
Net interest income	4,746	+18.0% Core revenues ¹
Net fees and commissions	2,499	110.070
Income and exp. from insurance	472	
Income from investments & associates	653	-70.7% Other revenues ²
Trading income	282	-70.770 Other revenues
Other operating income & exp.	(430)	
Gross income	8,222	+1.0% Recurring expenses, ex BPI
Recurring expenses	(4,467)	
Pre-impairment income w/o extraord. exp.	3,755	+11.8% Recurring expenses CABK Group
Extraordinary operating expenses	(110)	
Pre-impairment income	3,645	
Loan impairment losses and others	(1,711)	-29.0% Losses below-the line
Gains/losses on asset disposals & others	164 ³	
Pre-tax income	2,098	
Taxes, minority interests & others	(414)	+60.9% Profit attributable to the Group
Profit attributable to the Group	1,684	Of which: 16.8% BPI

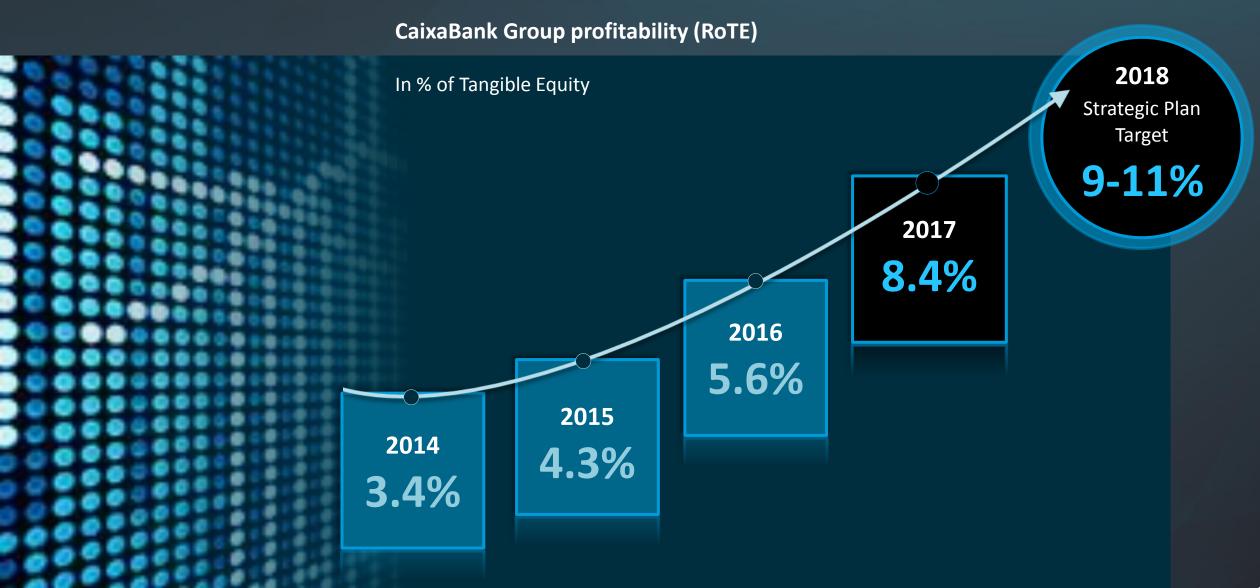
¹ Includes equity accounted income from SegurCaixa Adeslas

² It does not include equity accounted income from SegurCaixa Adeslas

³ Includes net business combination results from BPI

Sustained profitability growth







2017
In a complex

environment...

- Market shares gains
- Strong net income growth
- **▶** Higher-quality revenues quality improvement

Commercial success

Growth drivers

- Medium and long term savings
- Consumer /SME lending

- Protection insurances
- BPI integration

Lower contribution to growth Potential to provide more

- On-balance-sheet deposits
- Mortgages



- FY 2017 highlights
- **FY 2018 Priorities**
 - Medium-term outlook



Sustained business growth

Fostering digital transformation



Maintaining balance sheet strength

Create value at BPI

Reinforcing our social commitment

FY 2018 Priorities



Business growth

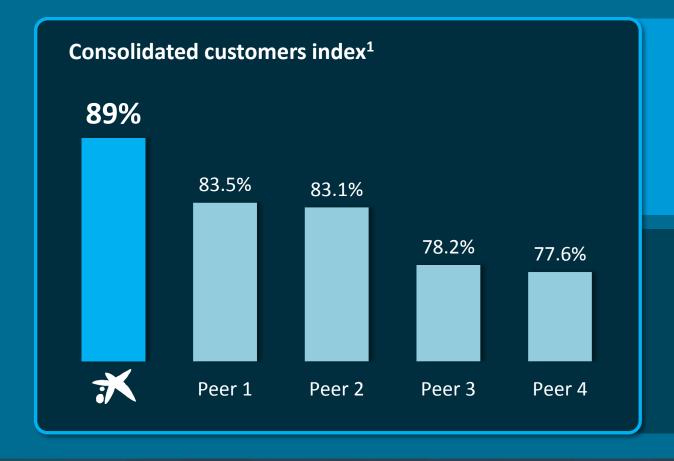
Digital transformation

Balance Sheet strength

BPI

Social commitment

Growth in consolidated customers



30.0%

Market penetration among retail clients²

+50 bps YTD

26.7%

Main bank among retail clients²

+100 bps YTD

- ► Increased proportion of consolidated customers increase
- ▶ Very active in launching new commercial initiatives

Penetration as main bank among retail clients/ total market penetration among retail clients (aged 18 or above). Peers: Bankia, BBVA, Sabadell & Santander (including Popular)

² Retail clients aged 18 or above. Source: FRS Inmark 2017 "Financial behaviour of retail clients in Spain



Business growth

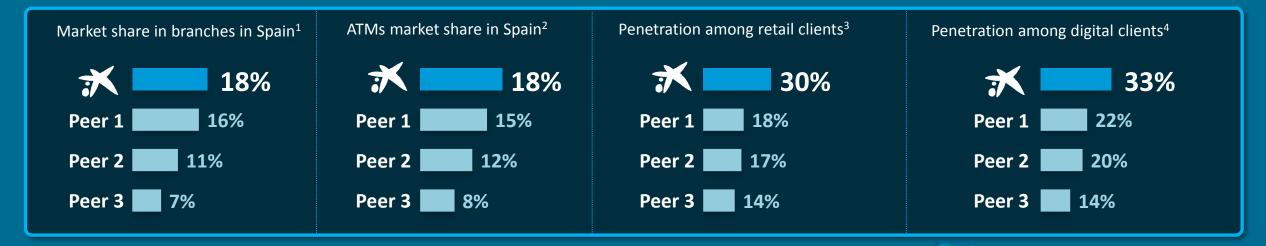
Digital transformation

Balance Sheet strength

BPI

Social commitment

Quality and client experience: transparency and proximity



4,681 retail branches in Spain & 193 specialized branches

Business model specialized and tailored to customer needs



¹ Branches and ATMs in Spain, as of September 2017

² Peers data: estimates based on public information

³ Retail clients over 18 years (FRS Inmark-2017)

⁴ Data available (12 months average) as of December 2017.



Business growth

Digital transformation

Balance Sheet strength

BP

Social commitment

Fostering technology and digitalisation



→ to be more efficient



Business growth

Digital transformation

Balance Sheet strength

Social commitment

Fostering technology and digitalisation

to be closer to the client

Mobility and digital signature



All employees with SmartPCs



Digital signatures 2017



Digital processes



"Store" Branches



55% Digital penetration¹



Digital proximity

- "Wall" since 2012 (SMEs, Private & Premier)
- Ready to Buy
- New CaixaBank App
- Smart Money

Service innovation

Mis Finanzas





CaixaBank Pay



Business growth

Digital transformation

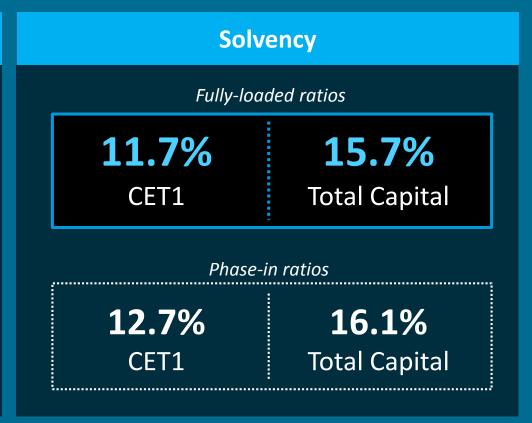
Balance Sheet strength

BPI

Social commitment

1 Maintain liquidity and solvency: our identity hallmark





Note: Figures as of 2017 CaixaBank Group ¹ LCR (*Liquidity Coverage Ratio*)



Business growth

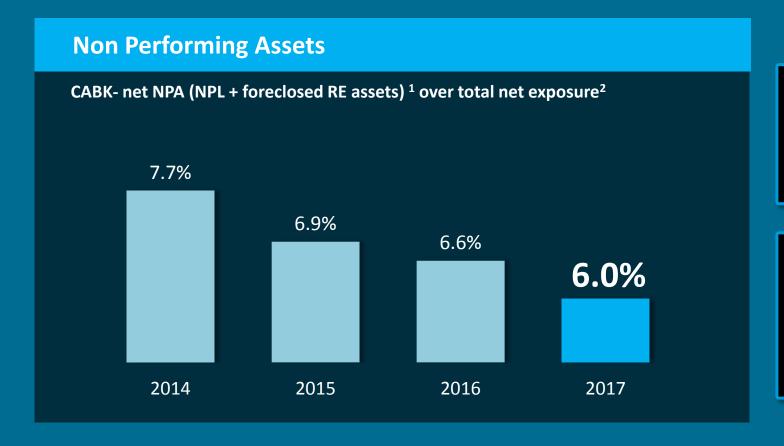
Digital transformation

Balance Sheet strength

BPI

Social commitment

2 Continue with ongoing NPA reduction



NPL stock- CABK

Reduction >50% since JUN-133

NPA coverage – CABK

53% as of DEC-17



Business growth

Digital transformation

Balance Sheet strength

BPI

Social commitment

Foster business growth in Portugal



BPI: Target 2020 (Portugal)

RoTE >10%

Cost-to-income

Improving macroeconomic and market environment

↑ GDP 2018e¹

+2.4%

个 S&P rating

BBB- (stable) (from BB+)

 $\sqrt{\frac{1}{2}}$ Unemployment rate² 7.9% (-6.9pp since 2Q13)



Business growth

Digital transformation

Balance Sheet strength

BPI

Social commitment

A distinctive banking model



Integrity and transparency



Promote the environment

(direct & indirect activity)



Maintain social action & volunteering (alliance with "la Caixa" Banking Foundation)



Further promotion of financial inclusion



Continue to implement the best practices in good governance



- FY 2017 highlights
- **→** FY 2018 Priorities
- Medium-term outlook

Outstanding position to take seize new opportunities and to create value for our shareholders



Strengths of CaixaBank

- Scale & capillarity
- Comprehensive offering of financial services
- **▶** Technological leadership
- Professional team

Outstanding position to take new opportunities and to create value for our shareholders



Strengths of CaixaBank

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Positive environment

Economic growth: Spain & Europe

Deleveraging: bottoming out

Interests rates: prospects for a turn of the cycle

Outstanding position to take new opportunities and to create value for our shareholders



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Interests rates: prospects for a turn of the cycle

Back to adequate profitability levels

Strong capital generation→ commitment to shareholders



Shareholders' Annual General Meeting

2018

Thank you



Shareholders' Annual General Meeting

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