



Ahorro Corporación - Esade 10th Annual Banking Conference

Delivering shareholder returns in a challenging environment

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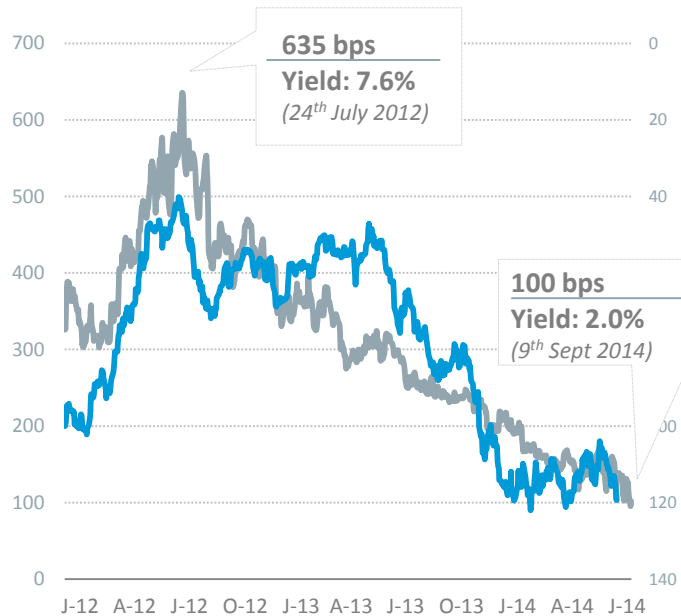
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In so far as it relates to results from investments, this financial information from the CaixaBank Group for 1H 2014 has been prepared mainly on the basis of estimates.

The Spanish economy and banking sector are in full recovery mode...

Spanish 10y bond yield premium over Bunds & domestic bank stock index (January 2012 =100)



— Left hand side: Spanish 10-year government bond yield premium over German government debt (Bunds)
 — Right hand side: Spanish domestic bank stocks index (Inverted scale)

Source: Bloomberg

5 quarters of sustained growth (since 3Q2013)

- GDP up 0.6% qoq in 2Q14 and ~0.4% in 3Q (est.)
- Net employment creation (+320,000 Sept-13-Aug14)
- Housing market stabilisation (prices bottoming out, sales picking up)
- Domestic demand improvement (private consum. +2% yoy 1S14)
- Resilient export sector (+4.5% yoy 1S14)

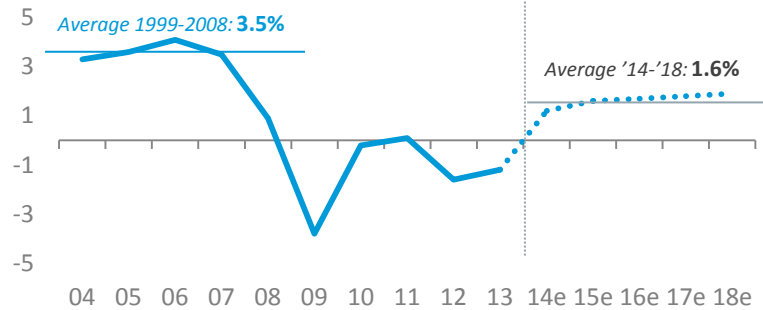
Major restructuring of the banking system

- LtD close to sustainable levels (around 120%)
- Inflection point in asset quality (NPLs down 5.8% ytd)
- Reduced capacity (-29% in branches, -24% in employees since 2007)
- Enhanced solvency (11.5% CET1 in Dec'13, ahead of the ECB CA)
- Significant drop in financing costs (10y govt. debt now yields 2.2%)

... with some persistent headwinds hindering profitability

Modest economic growth ahead

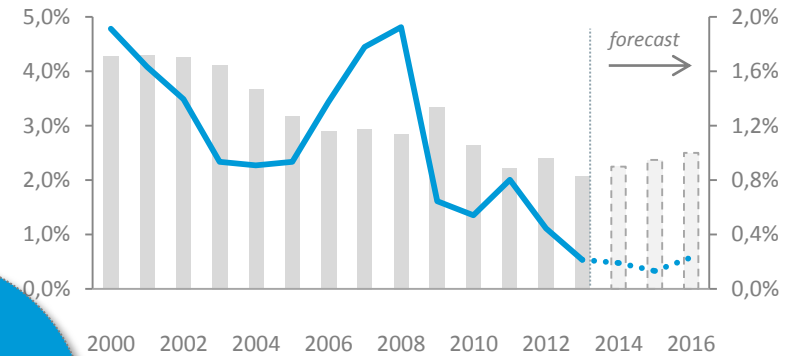
Spanish annual GDP growth, in %



Source: IMF

Prolonged low rate environment

Spanish banking sector NIM and Euribor 12M, in %



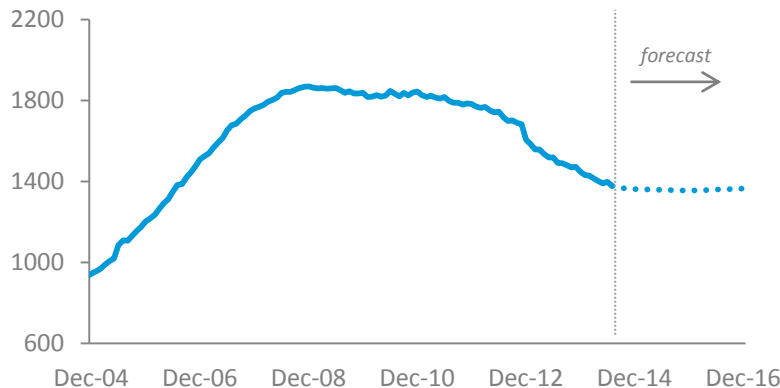
Source: "la Caixa" Research,

■ NIM — Euribor 12M

Pressure on profitability

Ongoing private sector deleveraging

Stock of bank credit to private domestic residents, in €Bn



Source: Bank of Spain and "la Caixa" Research

Necessary but burdensome regulation

- **CRD IV/CRR and BRRD:** higher capital and liquidity needs
- Deposit and Resolution Fund levies
- **Increased consumer protection**
 - EU mortgage Directive
 - EU Directive on payment services
 - EU investments regulation (MiFID II)

Levers to mitigate this challenging operating environment

- 1. Repricing of deposit back book**
- 2. Cost of risk and balance sheet normalisation**
- 3. Scale and acquisitions to drive cost-efficiency**
- 4. Offering a wide range of financial services**
- 5. Technology-led innovation and transformation**

Levers to mitigate this challenging operating environment

1. Repricing of deposit back book

2. Cost of risk and balance sheet normalisation

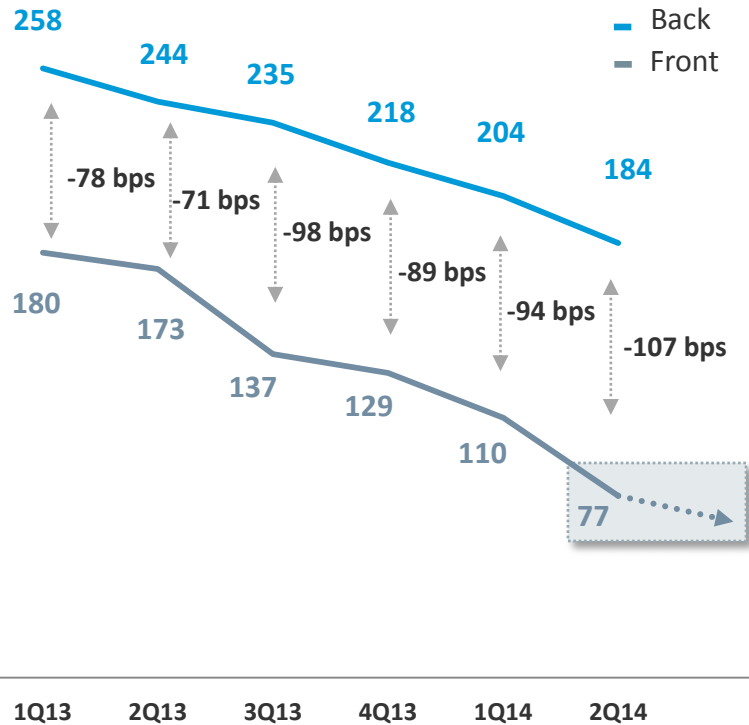
3. Scale and acquisitions drive cost-efficiency

4. Offering a wide range of financial services

5. Technology-led innovation and transformation

Steady re-pricing of time deposits is rapidly driving down funding costs

Time deposits and retail CP – Back vs. front book (bps)



- Sustained reduction in time deposits costs:
 - Front book falls -96 bps in 12 months
 - New ECB measures reinforce this trend
- Declining wholesale funding costs and TLTRO to further support NII growth

2014/15 NII to benefit from improved funding costs, more than offsetting deleveraging

CaixaBank: levers to mitigate this challenging operating environment

1. Repricing of deposit back book

2. Cost of risk and balance sheet normalisation

3. Scale and acquisitions drive cost-efficiency

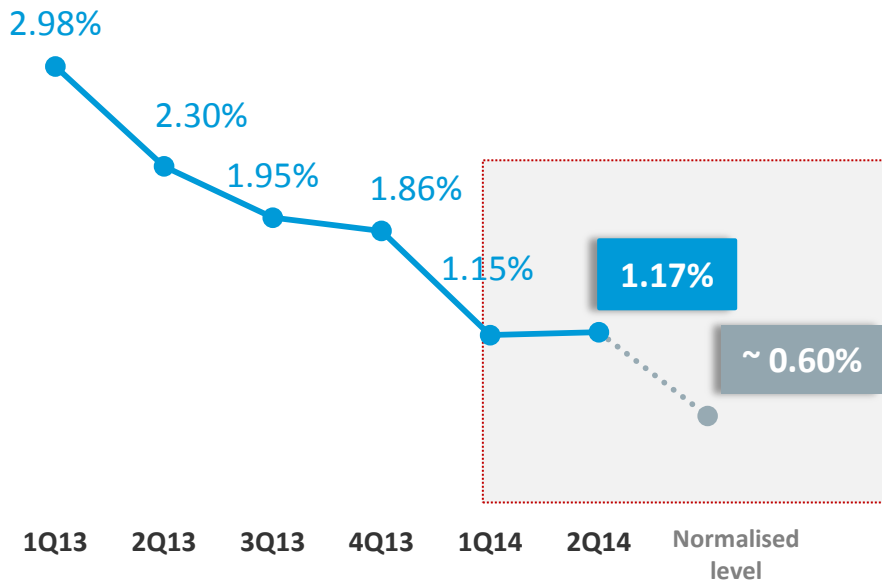
4. Offering a wide range of financial services

5. Technology-led innovation and transformation

CoR and balance sheet normalisation are key to restore sustainable profitability levels

Positive trends in Cost of Risk

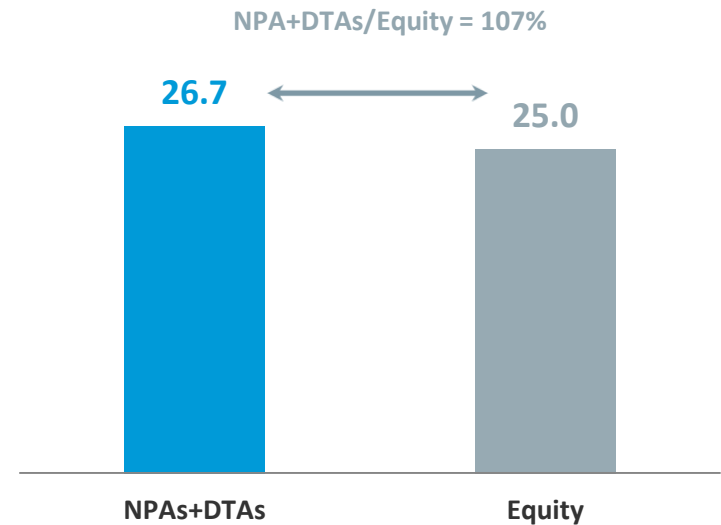
%



**Move to 0.60% CoR implies
~ 3.5% increase in ROE**

High potential to increase interest-earning assets

2Q14 net NPAs+DTAs¹ and shareholder's equity, in €Bn



**Full balance sheet normalisation would
increase ROE by ~2-3%**

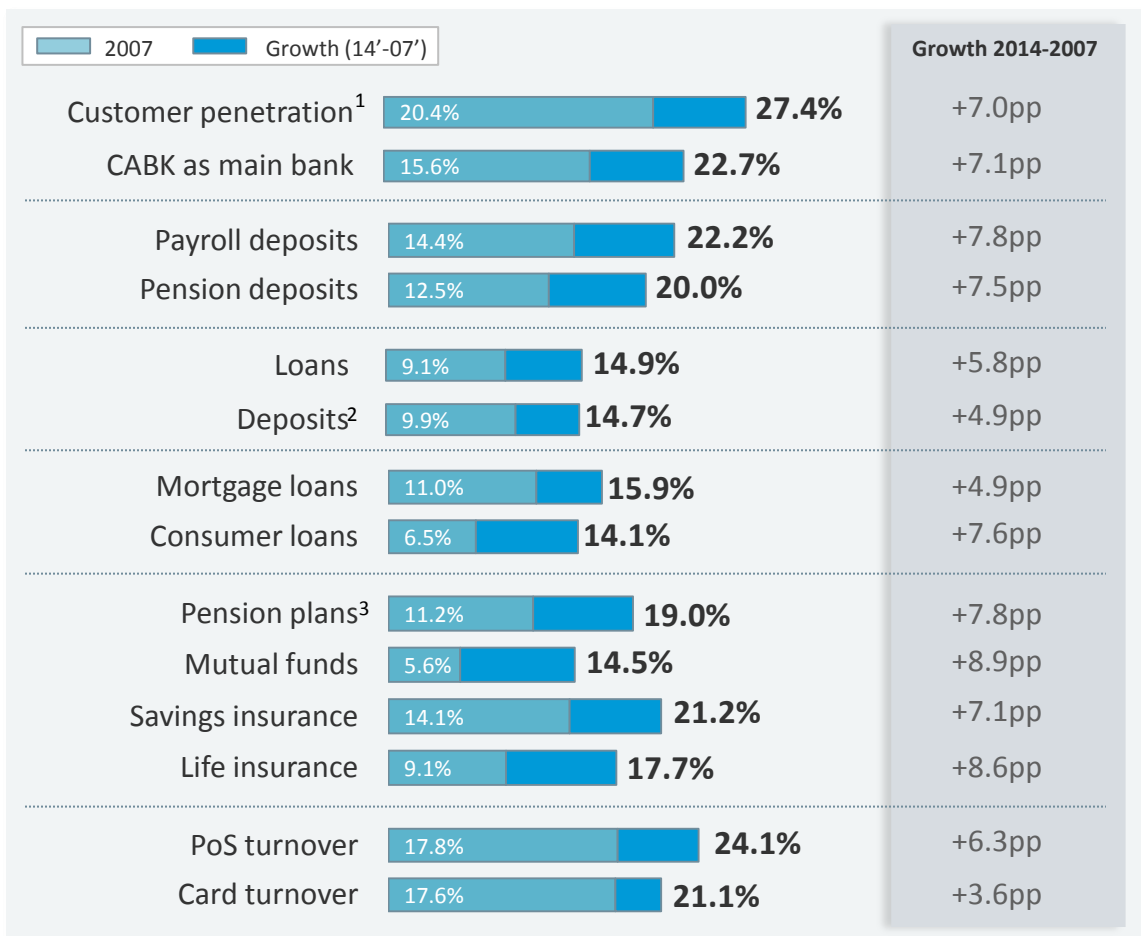
(1) NPAs include: NPLs and repossessed assets (all net of provisions). DTAs net of DTLs.

Levers to mitigate this challenging operating environment

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Scale-based competitive advantage reinforced throughout the crisis

Market share by key products *(latest available figures)*



(1) Among those of 18 years of age or older

(2) To other resident sectors according to the Bank of Spain

(3) Includes PPI + PPA pension plans

Source: FRS Inmark, Social Security, BoS, INVERCO and ICEA. Latest available information







Leading scale

- Largest customer base
- Strong market shares
- Wide product range

... and growing



Growth and market leadership have been complemented by acquisitions

| | | |
|---|--|---|
|  | <p>Barclays Bank SAU</p> <ul style="list-style-type: none"> Expected closing: Dec'14 / Jan'15 | <p><i>Announced on 1 September 2014</i></p> |
|  | <p>Banco de Valencia</p> <ul style="list-style-type: none"> Announcement: November 2012 Full IT integration : July 2013 | <p><i>8 months</i></p> |
|  | <p>Banca Cívica</p> <ul style="list-style-type: none"> Announcement: March 2012 Full IT integration: April 2013 <ul style="list-style-type: none"> Note 4 sequential integrations completed | <p><i>12 months</i></p> |
|  | <p>Bankpime's business</p> <ul style="list-style-type: none"> Announcement: September 2011 Full IT integration: February 2012 | <p><i>5 months</i></p> |
|  | <p>Caixa Girona</p> <ul style="list-style-type: none"> Announcement: June 2010 Full IT integration: December 2010 | <p><i>6 months</i></p> |
|  | <p>Morgan Stanley private banking Spain</p> <ul style="list-style-type: none"> Announcement: January 2008 Full IT integration: December 2008 | <p><i>12 months</i></p> |

Proven integration track record

Acquisition of Barclays Bank SAU improves competitive position in key segments and regions

BBSAU: key figures ¹

June 2014

| | | % of Combined |
|------------------------|----------|---------------|
| Assets | €21.6 bn | 6% |
| Net loans | €18.4 bn | 9% |
| Deposits ² | €9.9 bn | 5% |
| AuM ³ | €4.9 bn | 8% |
| Shareholder funds | €1.7 bn | 7% |
| Branches ¹ | 271 | 5% |
| Customers ⁴ | ≈555,000 | 4% |
| Employees | 2,446 | 7% |

An affluent segment oriented bank with c. 555.000 customers

Private banking

- **≈4,100** customers
- **2.6%** market share
(source: DBK)

Affluent banking

- **≈ 178,200** customers
- **1.7%** market share
(source: DBK)

Client AuM account for 33% of retail funds

Transaction highlights

- **Acquisition for cash consideration of €800 M**
- **Builds shareholder value: EPS accretive from Year 1 with ROIC already above 10% by 2016**
- **Limited capital impact: FL B3 75 bps**
- **Cost synergies of €0.8 bn (net of restructuring costs)**

(1) Not adjusted for the sale of 9 branches to Caja Rural Castilla La Mancha in 2014 (~€350 M in loans and €150 M in deposits to be transferred).

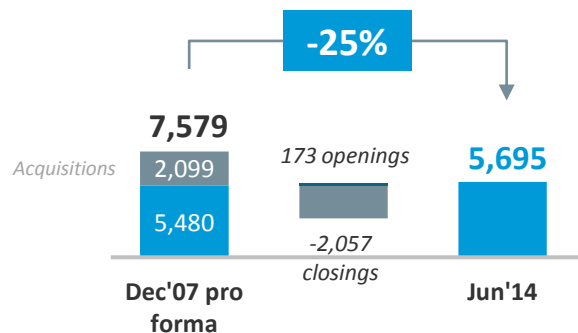
(2) Includes repos

(3) Data for BBSAU includes average mutual funds and SICAVs as of June 2014

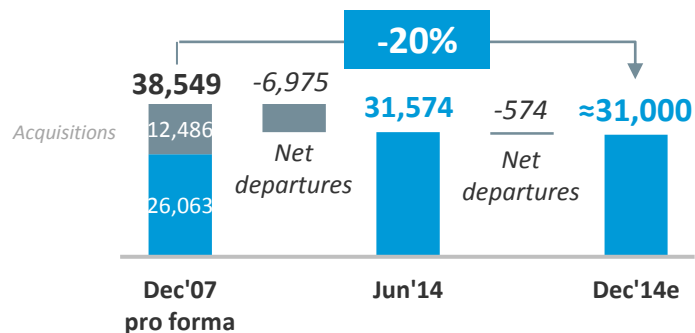
(4) Includes retail banking clients only

Rightsizing and acquisitions fuel cost efficiency gains

Number of branch closures since 2007¹

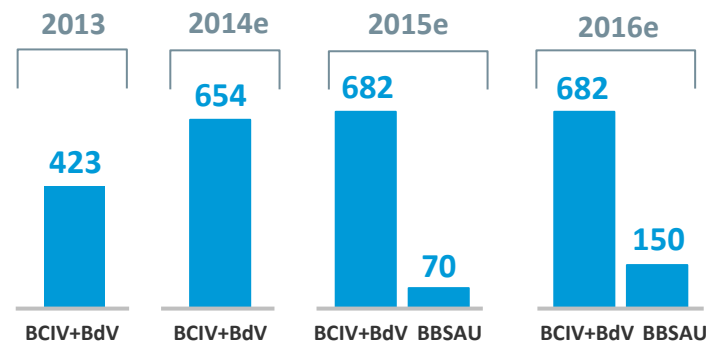


Employee departures since 2007¹



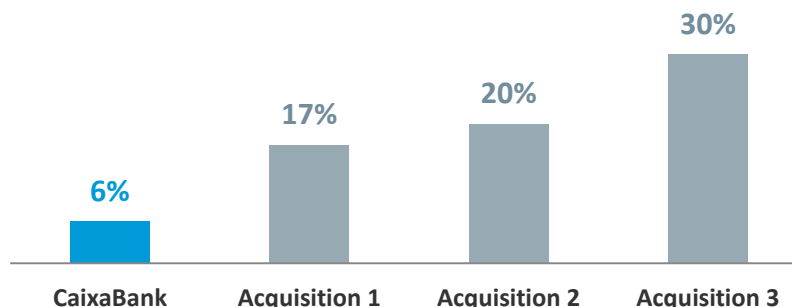
Significant cost synergies from acquisitions

In Million Euros



Size is key to achieve economies of scale

HQ staff as % of total employees²



(1) Includes headcount and branches of Morgan Stanley Private Banking, Caixa Girona, Bankpime, Banca Cívica and Banco de Valencia when they were acquired.

(2) Source: own estimates as of June 2014 for CaixaBank and as of the acquisition date for the acquired entities.

Levers to mitigate this challenging operating environment

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Segmentation and multi-channel distribution are key to support multi-product capabilities

A segmented business model...

.. based on specialisation
+8,900 specialised staff

... and quality of service

Highly specialised segmented business model

The largest branch network

- 5,695 branches
- 16.9% market share

ATMs: the largest network in Spain, 3rd in Europe

- 9,661 ATMs
- 18.4% market share

Internet Banking: an European leader







- 9.6 million customers
- 33% customer penetration

Mobile Banking: a global leader

- 4.0 million customers

A multi-channel distribution platform

Market-leading businesses provide revenue diversification and benefits from scope

| Business | Key 1H14 figures | Company | % ownership |
|---|--|--------------------------|-------------|
|  Life insurance | <ul style="list-style-type: none"> €49.5 bn AuMs €2.9 M premia and contributions | VidaCaixa | 100% |
|  Asset Mngmt. | <ul style="list-style-type: none"> €32.7 bn AuM | InverCaixa | 100% |
|  Credit cards | <ul style="list-style-type: none"> €24.5 bn turnover¹ 12.9 M cards | CaixaCard | 100% |
|  Consumer Finance | <ul style="list-style-type: none"> €1.2 bn Assets €414 M new business | Finconsum | 100% |
|  Non-life insurance | <ul style="list-style-type: none"> €1.4 bn premia | SegurCaixa Adeslas | 49.9% |
|  Payments at point of sale | <ul style="list-style-type: none"> €30.3 bn turnover¹ 253,848 PoS terminals | Comercia Global Payments | 49% |

Wide-ranging product offering through one single integrated distribution network



Revenue diversification

Economies of scope

Cost competitiveness

Significant contribution to ROE

Ownership preserved throughout the crisis

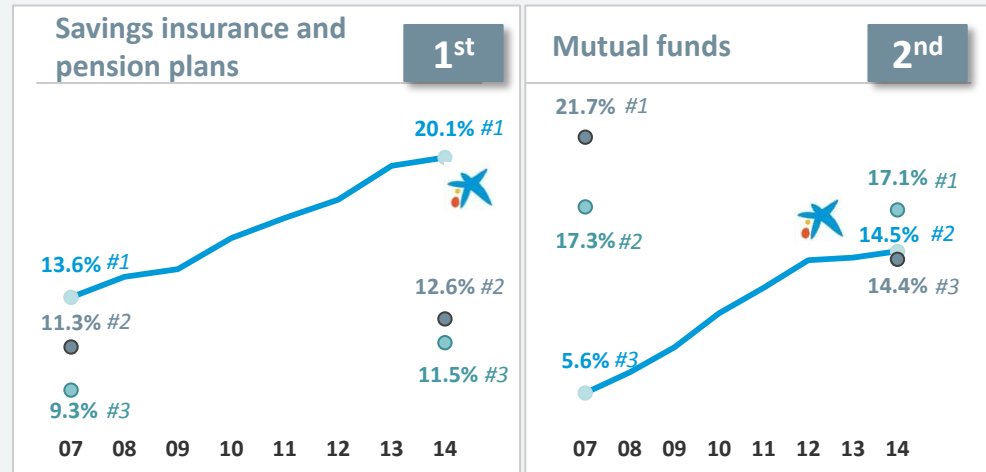
Strong and growing insurance and asset management capabilities...

Savings insurance and AuM doubled since 2007

| Volume | 1H14 (€ Bn) | % Change since 2007 |
|-------------------|----------------|------------------------------|
| Savings insurance | 31.5 | +80% |
| Pension plans | 18.0 | +88% |
| Mutual funds | 32.7 | +125% |
| TOTAL | 82.1 | +97% |

Outperforming peers over recent years

Market shares



Source: Inverco and ICEA

Migration of customer funds to off-balance sheet products underscores cross-selling capabilities

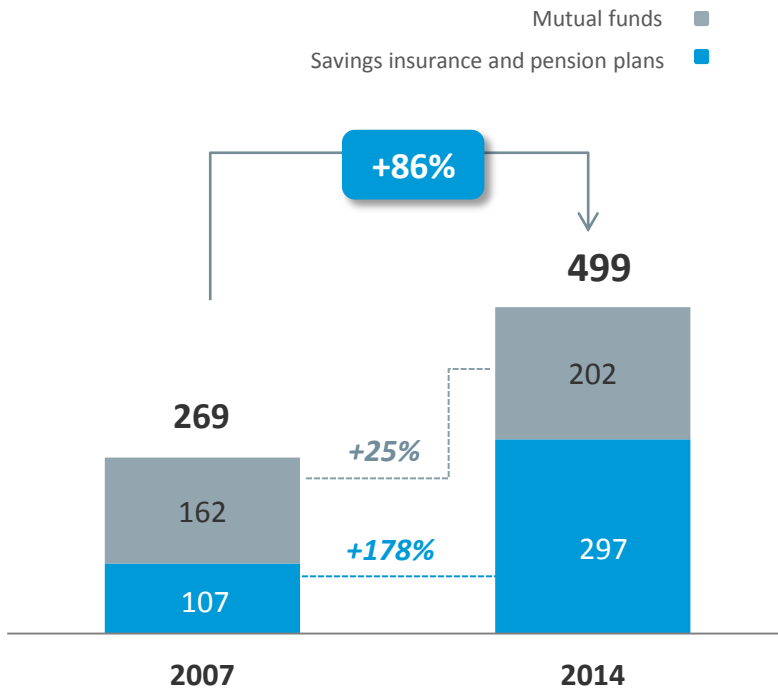
- Savings insurance and AuM account for ~30% of retail funds (versus 22% in 2007)

BBSAU's acquisition further consolidates this trend

...significantly shore up fees and core revenues

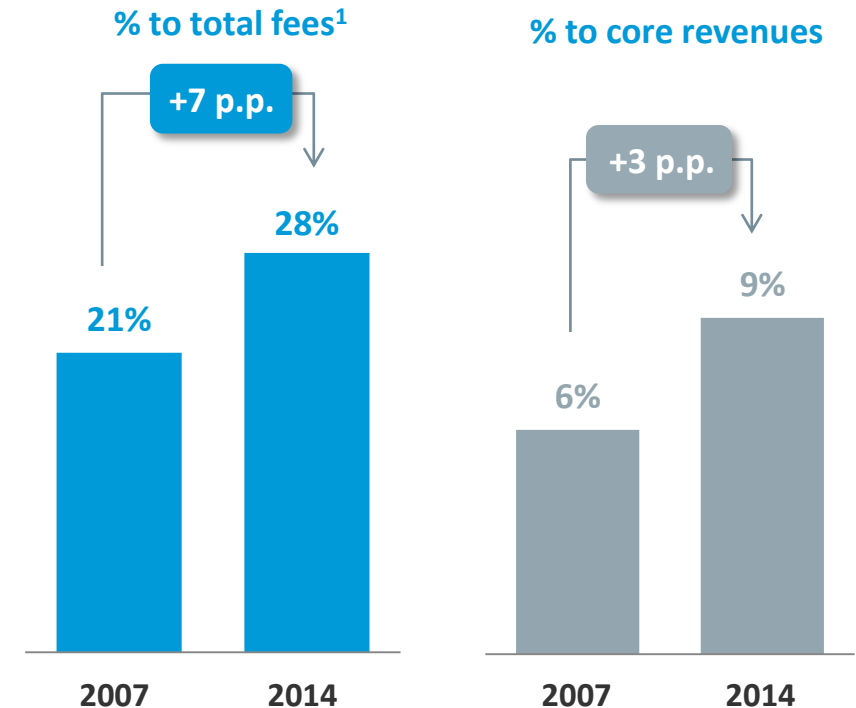
Savings insurance & AuM fees¹ up 86%

Savings insurance & AM fees, in €M



... diversify revenue sources

Contribution of AM and saving insurance fees¹, in %



Wide product offering provides an operating hedge for low rates

(1) Fees are computed as trailing four quarter figures to correct for seasonality. Hence, 2014 data refers to the four quarters ending on June 30th 2014.

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Euromoney award for best retail bank for technology and innovation in two consecutive years



Some sample initiatives:

New “A” branch prototype



Serves as a living lab

- The new branch model simulates the world of "retail", aiming to enhance the in-branch purchasing experience

Adapting to changing customer needs

Leading adopter of banking mobility solutions



Released to 1,600 bank managers

- Use of digital signatures to close contracts away from the branch
- Progressive roll-out across segments

Enhances customer centricity and accelerates digitalisation

Next-generation ATMs



8,500 high-performance multi-functional ATMs

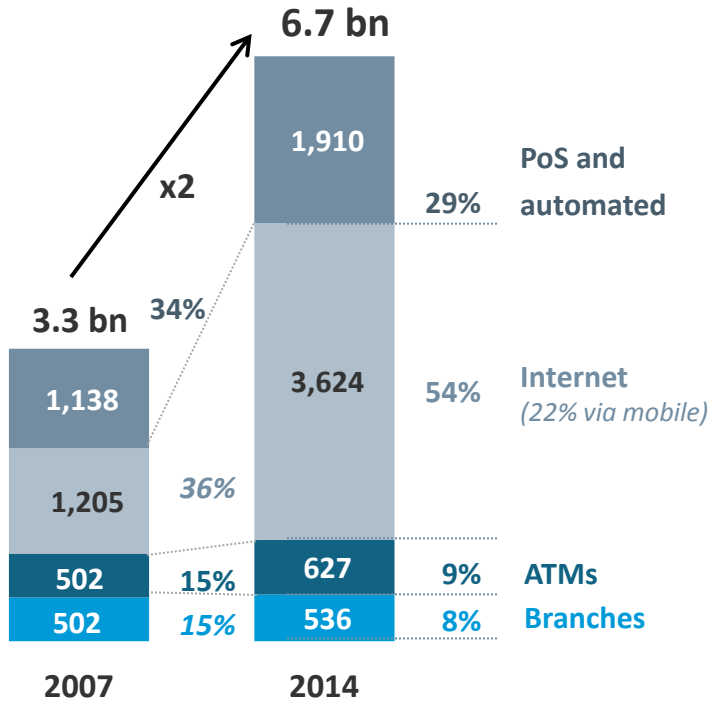
- €500 M investment over a 10 year period
- Improved user experience

Reduces costs and increases perceived value

Multi-channel distribution platform enables the retail network to provide advisory services

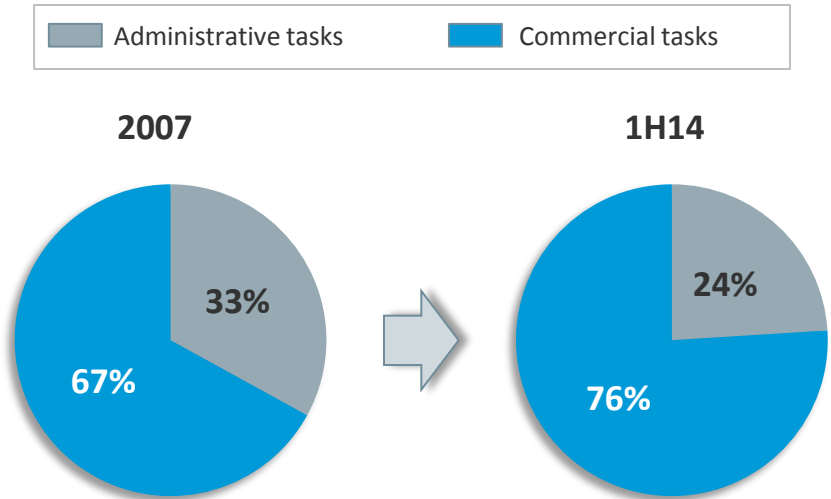
Technology-lead innovation supports electronic channels growth...

Operations by channel¹, in %



... driving down costs and enabling the retail network to focus on value creation

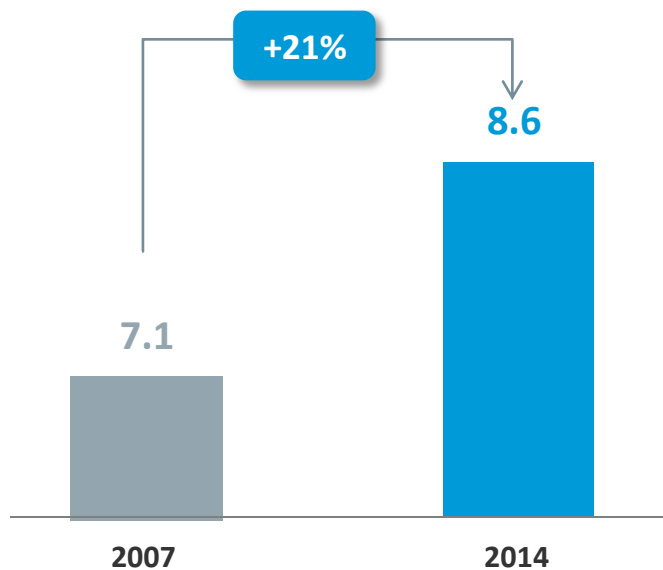
Time spent on each activity, in %



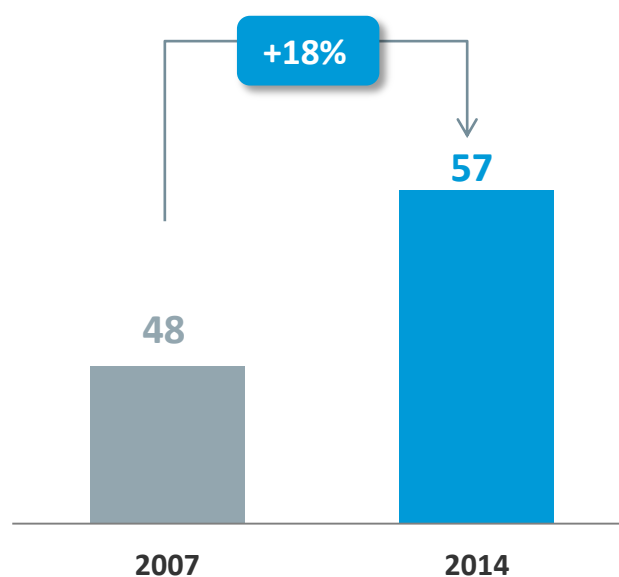
(1) An operation is defined as any action initiated by a client in connection to a financial service provided by CaixaBank. 2014 data is annualised

Technology-led service innovation is paying off through enhanced productivity

Retail funds per employee, in €M



Total fees¹ per employee, in € thousands



Technology and segmentation increase cross-selling and improve client loyalty

(1) 2014 employee figures average the December 2013 and June 2014 figures. Fees are computed as trailing four quarter figures to correct for seasonality. Hence 2014 data refers to the four quarters ending on June 30th 2014.

Final remarks

Strong balance sheet enables distribution of earnings to shareholders

Profitability levers

1. *Repricing of time deposits*

2. *CoR and balance sheet normalisation*

3. *Scale and acquisitions to drive cost-efficiency*

4. *Offering a wide range of financial services*

5. *Boosting productivity & business transformation via technology*



Robust solvency

- 12.4% CET1
- 15.7% Total capital
- 5.5% Leverage Ratio



BIS 3 FL

Strong liquidity

- €63.5 bn of available liquidity

Improved asset quality

- NPLs down 11% YTD
- High coverage (59%)

**Supporting current dividend of 18c per share
and a transition to cash over 2015/16**

Institutional Investors & Analysts Contact

We are at your entire disposal for any questions or suggestions you may wish to make. To contact us, please call or write to us at the following email address and telephone number:

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