A resilient model for a low-rate environment

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In so far as it relates to results from investments, this financial information from CaixaBank Group for FY 2015 has been prepared mainly on the basis of estimates.
Agenda

- Macro and industry environment
  - CaixaBank – better built for low rates
  - Final remarks
Macro dynamics generate favourable tailwinds

Solid recovery of the Spanish economy ...

- **Real GDP growth, % change yoy**
  - 2008: -3.6
  - 2009: 1.1
  - 2010: 0.0
  - 2011: -0.6
  - 2012: -2.1
  - 2013: -1.2
  - 2014: 1.4
  - 2015: 3.2

- **Net employment creation (s.a.), in thousands**

- **Housing market clock, % change yoy**
  - Stabilization
  - Expansion

... to support positive 2016 business trends

**NEW LENDING:** Net loan growth (especially in consumer lending/SME)

**CREDIT RISK:** Asset quality and CoR improvements

**REAL ESTATE ACTIVITY:** Reduced drag from losses in real estate exposure
But the challenge of low rates remains

Low interest rate outlook slightly better post ECB

Euribor 12M, market estimates from Mar-16 in %

Intense competition in asset spreads beginning to ease

New production yields (monthly average) in %, sector data

Change since Jan 2015

-79 bps

New loans to SMEs

-43 bps

New loans to corporate

+73 bps

Wholesale funding

Top line pressure is the key challenge for 2016

EURIBOR RESETS

ASSET SPREAD COMPRESSION

SUBDUED VOLUMES

Profitability strains for a “pure” retail bank

(1) Market estimates as of 11 March 2016; pre-ECB as of February 29th 2016
(2) Front book yields credit to non-financial corporations for an amount <€1M
(3) Front book yields credit to non-financial corporations for an amount >€1M
(4) CDS Spanish corporations in the index iTraxx Main Europe
Agenda

- Macro and industry environment

- **CaixaBank – better built for low rates**
  - A one-stop shop distribution model
  - Strict margin management
  - Ability to further adjust cost base
  - Leading digitalisation in banking
  - Credit-risk turnaround

- Final remarks
CaixaBank can pull several levers to tackle current challenges

1. A one-stop shop distribution model
2. Strict margin management
3. Ability to further adjust cost base
4. Leading digitalisation in banking
5. Credit-risk turnaround
A one-stop shop distribution model for lifetime finance and insurance needs

Our “financial supermarket” model...

"Much more than just a bank"

- Scale and capillarity
  Proximity/customer intimacy
- Comprehensive offering
  Wide and bespoke with 100% owned factories
- IT and digitalisation
  Mobility and big data
- Advisory
  Focus on capabilities and quality of service

...provides unique advantages to face current headwinds
With success reflected in profitable market share gains

Primary bank for 1/4 of retail customers in Spain

Market share growth Dec’15 vs Dec’14 for key products, in bps

- Mutual funds: +259 (17.9%)
- Pension plans: +213 (21.5%)
- Saving insurance: +92 (22.6%)
- Payroll deposits: +182 (24.9%)
- Credit cards: +152 (22.8%)
- Life-risk insurance: +98 (17.4%)
- Pension deposits: +21 (20.2%)

Outpacing the sector in loans and client funds

% growth 2015 yoy

- Customer funds:
  - Total: +9.1%
  - Organic: +3.2%
  - Sector: +0.7%

- Total loans:
  - +4.7%
  - -4.0%
  - -4.8%

13.8 M Clients

Sources: FRS Inmark, Social Security, Bank of Spain, INVERCO, ICEA, Servired, 4B, Euro 6000, CaixaBank Research

(1) Loans to other resident sector and public sector
(2) Loans to other resident sector
(3) In %. December 2015
Contributing to a steady build-up of fee income in recent years

**Steady fee income growth**

Fee income, in €M

<table>
<thead>
<tr>
<th>Year</th>
<th>Fee Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,250</td>
</tr>
<tr>
<td>2010</td>
<td>1,407</td>
</tr>
<tr>
<td>2012</td>
<td>1,701</td>
</tr>
<tr>
<td>2014</td>
<td>1,825</td>
</tr>
<tr>
<td>2015</td>
<td>2,013</td>
</tr>
</tbody>
</table>

+61% growth from 2008 to 2015

In % of gross income

- 2008: 18%
- 2015: 26%

**Increasing weight of AuM$^1$ and insurance fees in total fees**

Fee income breakdown by categories, in % of total net fees

- 2014:
  - AuM$^1 + insurance: 27%
  - Other banking: 73%
  - Total: €1,825M

- 2015:
  - AuM$^1 + insurance: 36%
  - Other banking: 64%
  - Total: €2,013M

+45% yoy growth from 2014 to 2015

(1) Mutual funds and pension plans
Market-leading product factories provide a wide product offering

Ownership of businesses preserved throughout the crisis

Economies of scope
Cost competitiveness
Revenue diversification

Through a single fully-integrated distribution platform
VidaCaixa Group: the largest and fastest-growing Spanish insurance company

Life insurance and pension plans

- **€58 Bn** assets
- **4.2 M** customers
- **100%** owned

LIFE-SAVING INSURANCE
- #1 in Spain
- 22.6% market share

LIFE-RISK INSURANCE
- #1 in Spain
- 17.4% market share

PENSION PLANS
- #1 in Spain
- 21.5% market share

Now the largest insurance group in Spain

Total premia\(^1\), €Bn Dec’15

<table>
<thead>
<tr>
<th>VidaCaixa</th>
<th>7.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer 1</td>
<td>6.4</td>
</tr>
<tr>
<td>Peer 2</td>
<td>4.3</td>
</tr>
<tr>
<td>Peer 3</td>
<td>4.1</td>
</tr>
<tr>
<td>Peer 4</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Non-life insurance

- **€3 Bn** Premia
- **5.6 M** customers
- **49.9%** owned

NON LIFE INSURANCE
- #1 in health insurance
- 28.1% market share
- #2 Household insurance
- 8.4% market share
- #5 Multirisk insurance
- 6.4% market share

Sources: INVERCO, ICEA

(1) Peer group includes Allianz, Mapfre, Mutua Madrileña and Zurich

1. One-stop shop
Life insurance and pension plans: growing clients, production and total assets

Increased client base in 2015

- **3.3 M** Individual clients
  - +9% yoy

- **0.9 M** Clients under corporate plans¹
  - +3% yoy

Strong new production growth

Total premia plus contributions (life insurance and pension plans), €Bn in 2015

- Life insurance: 7.2
- Pension plans: 1.9
- Total: 9.1
  - +24%

Growing assets

Total Assets, €Bn in 2015

- **34.4** Savings insurance
- **23.2** Pension Plans
- **57.6** Total
  - +10.3%

Savings insurance, €Bn

- 2007: 17.5
- 2014: 32.3
- 2015: 34.4
  - +6.7%

Pension plans AuM, €Bn

- 2007: 9.6
- 2014: 19.9
- 2015: 23.2
  - +16.2%

¹ Number of clients net of duplicities (participants in both individual and corporate plans are only counted within individual clients).
Outperforming peers and steadily gaining market share

Life-risk insurance

Market share (%)

2010 2011 2012 2013 2014 2015

10.1% 10.8% 12.4% 14.9% 16.4% 17.4%

Premia, % Dec’15 vs Dec’14

+98 bps Dec’15 vs Dec’14

+725 bps since 2010

Savings insurance

Market share (%)

2010 2011 2012 2013 2014 2015

15.9% 17.4% 19.1% 21.1% 21.7% 22.6%

Savings insurance, % Dec’15 vs Dec’14

+92 bps Dec’15 vs Dec’14

+673 bps since 2010

Pension plans

Market share by AuM (%)

2010 2011 2012 2013 2014 2015

16.2% 16.3% 16.5% 17.4% 19.4% 21.5%

AuM, % Dec’15 vs Dec’14

+213 bps Dec’15 vs Dec’14

+526 bps since 2010

Peer group includes BBVA, Mapfre, Santander

Sources: INVERCO, ICEA
**SegurCaixa Adeslas: the fastest-growing non-life insurance group**

**Gaining traction faster than peers**

Top 5 non-life insurance groups in Spain, growth in premia 2015 vs. 2014 (%)

<table>
<thead>
<tr>
<th>Group</th>
<th>2014</th>
<th>2015</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>SegurCaixa Adeslas</td>
<td>5.3</td>
<td>5.6</td>
<td>+4.2%</td>
</tr>
<tr>
<td>Peer 1</td>
<td>5.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peer 2</td>
<td>5.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peer 3</td>
<td>5.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peer 4</td>
<td>5.3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Growing new production**

SegurCaixa Adeslas new production, €M

- **2014**: 482.1
- **2015**: 511.9
- Growth: +6.2%

**Benefitting from CaixaBank’s distribution network**

SegurCaixa Adeslas new production by channel, in % of total

- Bancassurer channel: 32% (2014) vs. 68% (2015)
- Insurer channel: 30% (2014) vs. 70% (2015)

**Peer group includes:** Allianz, Axa, Generali and Mapfre

**Sources:** ICEA
#1 in health insurance

Health insurance market share\(^1\), % Dec’ 2015

- **SCA**\(^2\) 28.1%
- Peer 1 15.9%
- Peer 2 14.3%

Growing at more than 10% in key segments

**Multi-risk insurance**

<table>
<thead>
<tr>
<th>Premia, % yoy</th>
<th>12.4%</th>
<th>+10.8pp</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCA</td>
<td>1.6%</td>
<td></td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Auto insurance**

<table>
<thead>
<tr>
<th>Premia, % yoy</th>
<th>12.7%</th>
<th>+11.0pp</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCA</td>
<td>1.7%</td>
<td></td>
</tr>
<tr>
<td>Sector</td>
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<td></td>
</tr>
</tbody>
</table>

**Accident insurance**

<table>
<thead>
<tr>
<th>Premia, % yoy</th>
<th>24.0%</th>
<th>+20.4pp</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCA</td>
<td>3.6%</td>
<td></td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Funeral insurance**

<table>
<thead>
<tr>
<th>Premia, % yoy</th>
<th>21.9%</th>
<th>+17.8pp</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCA</td>
<td>4.1%</td>
<td></td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
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</tbody>
</table>

**Market share**

- **Health insurance**: 28.1%
- **Multi-risk insurance**: 6.4%
- **Auto insurance**: 1.9%
- **Accident insurance**: 11.3%
- **Funeral insurance**: 7.0%

Sources: ICEA

(1) Peers includes Asisa and Sanitas
(2) SCA: SegurCaixa Adeslas
(3) Including both SegurCaixa Adeslas and VidaCaixa, market share in accident insurance of 13.0%
CaixaBank AM is the leading asset manager by clients and AuM

- €51.3 Bn AuM¹
- 1.2 M investors²
- 100% owned
- #1 in Spain
- 17.9% market share

**Outstanding growth**

<table>
<thead>
<tr>
<th>AuM¹, €Bn</th>
<th>Investors², in M</th>
</tr>
</thead>
<tbody>
<tr>
<td>28.0</td>
<td>0.8</td>
</tr>
<tr>
<td>37.5</td>
<td>0.9</td>
</tr>
<tr>
<td>51.3</td>
<td>1.2</td>
</tr>
<tr>
<td>2013</td>
<td>2013</td>
</tr>
<tr>
<td>37%</td>
<td>+34%</td>
</tr>
</tbody>
</table>

**Growing leadership**

Mutual funds market share by AuM³ (％)

- 2010: 10.6%
- 2011: 12.2%
- 2012: 14.0%
- 2013: 14.1%
- 2014: 15.3%
- 2015: 17.9%

#1: 15.3%
#2: 14.3%
#3: 14.3%

+259 bps Dec'15 vs. Dec'14 (+149 bps organic)

**Capturing 28% of sector net inflows**

<table>
<thead>
<tr>
<th>Net inflows FY2015 (€Bn)</th>
<th>% over sector total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>4.2</td>
</tr>
<tr>
<td>2Q</td>
<td>1.5</td>
</tr>
<tr>
<td>3Q</td>
<td>0.7</td>
</tr>
<tr>
<td>4Q</td>
<td>0.7</td>
</tr>
</tbody>
</table>

€7 Bn Net inflows in 2015

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(1) Mutual funds, client portfolios and SICAVS
(2) Clients from mutual funds managed by CaixaBank AM in Spain
(3) Peers: BBVA and Santander
Sources: INVERCO
Best-in class investment performance and cost effective management

Top notch investment performance

<table>
<thead>
<tr>
<th>Funds performance¹ (Dec15)</th>
<th>1y</th>
<th>3y</th>
<th>5y</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Quartile</td>
<td>31.9%</td>
<td>37.5%</td>
<td>33.3%</td>
</tr>
<tr>
<td>2nd Quartile</td>
<td>31.0%</td>
<td>32.9%</td>
<td>33.3%</td>
</tr>
</tbody>
</table>

With a gradual shift to more value-added funds

<table>
<thead>
<tr>
<th>AuM by category², % of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-13</td>
</tr>
<tr>
<td>Actively managed</td>
</tr>
<tr>
<td>Passively managed</td>
</tr>
<tr>
<td>Dec-14</td>
</tr>
<tr>
<td>Actively managed</td>
</tr>
<tr>
<td>Passively managed</td>
</tr>
<tr>
<td>Dec-15</td>
</tr>
<tr>
<td>Actively managed</td>
</tr>
<tr>
<td>Passively managed</td>
</tr>
</tbody>
</table>

Highly cost-efficient in absolute and relative terms

<table>
<thead>
<tr>
<th>Cost/AuM (bps)³</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;€75 BnAuM</td>
</tr>
<tr>
<td>€75-200 Bn AuM</td>
</tr>
<tr>
<td>&gt;€200 Bn AuM</td>
</tr>
</tbody>
</table>

Average = 14

(1) Actively managed funds in Spain only. Peer group: Bankia, BBVA, Santander
(2) Funds in Spain. Actively managed funds category includes mainly stock, balanced and fixed income funds; the passively managed funds category includes mainly funds guaranteed or with a target return.
(3) Peers include entities in segment captive retail. Source: BCG Global Asset Management, 2015

Sources: INVERCO
Growing and highly profitable financial subsidiaries across other businesses

The most extensive card business which grows faster than the market

Credit card turnover market share, %

- 2010: 17.7%
- 2011: 17.7%
- 2012: 20.9%
- 2013: 21.1%
- 2014: 21.4%
- 2015: 22.8%

100% owned

- €29.3Bn Turnover (+16% yoy)
- €15M Cards (+15% yoy)

Credit card turnover market share, %

- 2010: 21.2%
- 2011: 21.2%
- 2012: 23.8%
- 2013: 24.0%
- 2014: 24.8%
- 2015: 26.2%

49% owned

- €35.9 Bn Turnover (+14% yoy)
- 303,300 PoS terminals (+14% yoy)

Transforming opportunities into growth through specialisation and commercial focus

- 1.6M Clients
- 3.6% NPL ratio

- 100% owned

- 1.6M Clients
- 3.6% NPL ratio

- 100% owned

- +64% New microcredit to households yoy
- 2.1% NPL ratio
- 288% Coverage ratio

Sources: Servired, 4B, Euro 6000 and Bank of Spain
These businesses are also a key contributor to results

Large and profitable businesses...

- VidaCaixa
- SegurCaixa Adeslas
- CaixaBank Asset Management
- CaixaBank Consumer Finance
- CaixaCard
- Comercia Global Payments
- MicroBank

...with a significant contribution to 2015 net income

Net income from bancassurance (ex non-core real estate) segment reporting: breakdown by business in % of total (FY 2015)

- VidaCaixa + SegurCaixa Adeslas: 28%
- CaixaCard + Comercia GP: 27%
- CaixaBank Consumer Finance + MicroBank: 14%
- Banking business: 22%
- Distribution fees from non-banking: 5%
- 5pp Contribution to RoTE

+ another ~3pp from distribution fees

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(1) RoTE of Bancassurance (ex non-core real estate) segment
(2) Distribution fees related to the activity in insurance and AM paid to CaixaBank and included in the banking business
CaixaBank can pull several levers to tackle current challenges

1. **A one-stop shop distribution model**
2. **Strict margin management**
3. **Ability to further adjust cost base**
4. **Leading digitalisation in banking**
5. **Credit-risk turnaround**
Liability repricing still has room to continue

Repricing of term-deposits has significant potential ...

Cost of time deposits 4Q15, FB vs BB in bps by entity:

- CaixaBank: 85
- Peer 1: 80
- Peer 2: 78
- Peer 3: 76
- Peer 4: 70
- Peer 5: 59
- Peer 6: 58

...leading the downward adjustment in the front book

Cost of new time deposits, sector data, in %

- Sector: 2.0%
- CaixaBank: 2.0% (4Q-15)

Wholesale funding improvement set to continue...

CaixaBank’s static wholesale funding back book evolution in € billion and spread over 6M Euribor in bps, as of December 31st 2015

- Spread
- Volume

... while ALCO book contribution trends down

Income from fixed income securities portfolio over total interest income, %

- 2014
- 2015

High potential for liability repricing and lower dependence on ALCO book

---

(1) Peers include Bankia, Bankinter, BBVA, Liberbank, Popular, Sabadell
(2) Only including current issuances without considering potential future funding
(3) Excludes self-retained bonds
(4) Peers include Bankia, Bankinter, Liberbank, Popular, Sabadell

Sources: Based on company information and Bank of Spain data
New lending skewed toward higher-yielding segments

Back book loan yields stable in 4Q qoq

In bps

<table>
<thead>
<tr>
<th></th>
<th>Back book</th>
<th>Front book ex public sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q14</td>
<td>295</td>
<td></td>
</tr>
<tr>
<td>1Q15</td>
<td>293</td>
<td></td>
</tr>
<tr>
<td>2Q15</td>
<td>311</td>
<td></td>
</tr>
<tr>
<td>3Q15</td>
<td>305</td>
<td></td>
</tr>
<tr>
<td>4Q15</td>
<td>283</td>
<td></td>
</tr>
</tbody>
</table>

Steady growth in consumer lending...

New consumer lending evolution, in €M

<table>
<thead>
<tr>
<th></th>
<th>4Q14</th>
<th>1Q15</th>
<th>2Q15</th>
<th>3Q15</th>
<th>4Q15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>675</td>
<td>796</td>
<td>863</td>
<td>950</td>
<td>970</td>
</tr>
</tbody>
</table>

18% of total new lending (ex CIB and ex RE)
+48% FY2015

... with attractive yields

Consumer lending yields, in bps

<table>
<thead>
<tr>
<th></th>
<th>Back book</th>
<th>Front book</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q14</td>
<td>980</td>
<td></td>
</tr>
<tr>
<td>1Q15</td>
<td>913</td>
<td></td>
</tr>
<tr>
<td>2Q15</td>
<td>866</td>
<td></td>
</tr>
<tr>
<td>3Q15</td>
<td>999</td>
<td></td>
</tr>
<tr>
<td>4Q15</td>
<td>942</td>
<td></td>
</tr>
</tbody>
</table>

Note: Back book and front book yields include CaixaBank and MicroBank personal loans but exclude CaixaBank Consumer Finance

Back-book yields stabilise

- Back-book still affected by Euribor re-pricing plus additional impact from floor removal
- Some pressure on spreads still expected in coming quarters
- However back book mortgage spreads locked-in due to high refinancing cost of mortgage contracts
- Front book accretive to the back-book due to higher yielding mix
CaixaBank can pull several levers to tackle current challenges

1. A one-stop shop distribution model
2. Strict margin management
3. Ability to further adjust cost base
4. Leading digitalisation in banking
5. Credit-risk turnaround
A proven capacity to deliver synergies and rein in costs

Effective delivery of cost synergies in acquisitions

<table>
<thead>
<tr>
<th>Synergies from acquisitions</th>
<th>Synergies as % of initial cost base</th>
<th>Synergies 2016e in €M</th>
<th>Timing Begin/Fully booked</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIVICA</td>
<td>Initial target: 59%</td>
<td>Achieved: 63%</td>
<td>580</td>
</tr>
<tr>
<td>Banco de Valencia</td>
<td>Initial target: 52%</td>
<td>Achieved: 62%</td>
<td>101</td>
</tr>
<tr>
<td></td>
<td>Initial target: 45%</td>
<td>Achieved: 56%</td>
<td>189</td>
</tr>
</tbody>
</table>

Annual cost savings from retirements and early departures\(^1\) in 2016e, in €M

<table>
<thead>
<tr>
<th>Early retirements agreed in 2012</th>
<th>41</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early retirements agreed in 2014</td>
<td>43</td>
</tr>
<tr>
<td>Collective dismissal agreed in 2015</td>
<td>60</td>
</tr>
<tr>
<td>Annual cost savings in 2016e</td>
<td><strong>144</strong></td>
</tr>
</tbody>
</table>

Cost evolution better than planned

Operating costs base evolution, 2014 CaixaBank PF Barclays Spain = 100

- **SP 2015-18:** Stable +0%

### Outperforming 2015-18 Strategic Plan annual cost savings target ~€450M

- Recurring cost base expected to fall further in 2016: increased ambition to >1% reduction
- Already delivered >50% of planned cost savings of 15-18 Plan: supports gradual efficiency improvement

---

\(^1\) Other than cost savings from acquisitions
Continuously rightsizing and adapting our network with a focus on productivity

A network in constant evolution

### Continued rightsizing of the branch network

Evolution of branch network size

<table>
<thead>
<tr>
<th>Year</th>
<th>Acquisitions</th>
<th>Open</th>
<th>Closed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>5,480</td>
<td>2,365</td>
<td>(2,816)</td>
</tr>
<tr>
<td>2015</td>
<td>5,228</td>
<td>199</td>
<td>199</td>
</tr>
</tbody>
</table>

-4.6%

### Transforming branches into advisory hubs

Number of branches Dec’15

- **14** A-branches/stores
- **576** Agrobank
- **159** HolaBank
- **36** Private banking
- **91** Business banking
- **17** International

### Increasing number of clients per branch

Number of clients

- **10.5M**
- **13.8 M**

+31% Clients

+38% Clients/branch

**+31%** customers with less branches and more advisory centres

3. Ability to further adjust cost base
CaixaBank has several levers to tackle current challenges

1. **Strict margin management**
2. **A one-stop shop distribution model**
3. **Ability to further adjust cost base**
4. **Leading digitalisation in banking**
5. **Credit-risk turnaround**
Leveraging technological prowess to reengineer the branch network

Bringing the branch to the client

- Leading adopter of sales-force mobility solutions

- 13,100 smart PCs
  - Target 2016E: 20,000

- ~2.3 M digital signatures
  - 77% adoption rate

- ~77% of processes
  - Already digitalised

- Enhances value proposition
- Improves commercial productivity (more leads)
- Facilitates compliance processes

Enabling employee advisory and commercial focus

- Technology and omni-channel approach are key enablers

- Growing digital sales

- % of sales contracted via digital channels, FY 2015

  - 20% Mutual funds
  - 18% Personal loans
  - 13% Pension plans

- Only 7% of transactions carried out in branches
- Network focused on advisory and commercial tasks
- Digital/physical channels are complementary

From cost centres into mobile offices and advisory hubs
Pushing the digital frontier to meet evolving customer preferences

Launching innovative services

Market opportunity

4/5 Spaniards have a smart-phone

Especially “millennials”

2.9 M

18-35 yr clients (=30% penetration)

#1 in mobile banking

CaixaBank

1st “mobile only” bank, simple, fast and low cost

Ample external recognition

Best retail bank for IT Innovation 2013, 2014

Best Bank in Spain

Sources: Internal data, Forrester, IEB Research Department

Enhanced customer experience

Convenience
Proximity
Innovation

ONLINE ADVISORY

New channels: Videoconference, chat solutions
New services: Videoconference with trade finance experts

INNOVATIVE TOOLS

CaixaBankPay
Mobile payments

Mis Finanzas
Personal finances management, 1.9M users

PAYMENT SYSTEMS

SAMSUNG Pay
1st Spanish bank to reach agreement

435,000 users #1 in electronic toll payments

From the car
CaixaBank can pull several levers to tackle current challenges

1. **Strict margin management**
2. **A one-stop shop distribution model**
3. **Ability to further adjust cost base**
4. **Leading digitalisation in banking**
5. **Credit-risk turnaround**
A gradual return to normal credit conditions is a key driver of profitability gains

**Rapid improvement in risk metrics**

- NPL stock, in €Bn: 22.3 (4Q14 PF Barclays) to 17.1 (4Q15) with a -23.5% reduction.
- Loan-loss provisions, in €M: 2,084 (FY14) to 1,593 (FY15) with a -23.6% reduction.
- Gains/losses at sale of foreclosed real estate assets as % of price: -15% (4Q14) to 2% (4Q15) with a +17 pp increase.

**Ambition 2015-18:** ↓60% net non-performing RE assets

- Spanish macro conditions are credit supportive
- NPL stock down 34% since peak in 2013
- CoR guidance for 2018 frontloaded to 2016
- Real estate sales no longer generate a loss

---

**Net profit by business segment, in € Million FY2015**

- **Banking & Insurance (ex non-core RE):** 1,606 (FY14) to 1,593 (FY15) with a -23.5% reduction.
- **Non-core RE:** -1,198 (FY14) to 406 (FY15) with a +17 pp increase.
- **Investments:** 814 (FY14) to 814 (FY15) with no change.

**RoTE3**

- Banking & Insurance: 10.1% (FY14) to 13.1% (FY15)
- Non-core RE: 1.19% (FY14) to 4.3% (FY15)

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*(1) As if Barclays Spain had been consolidated at 31 December 2014
(2) The non-core RE segment includes primarily non-core RE developer loans (mainly NPL and substandard) and foreclosed RE assets
(3) RoTE 2015 for Banking & Insurance Segment excluding one-off impacts related to the Barclays Spain acquisition, such as the badwill or restructuring costs, as well as the cost of the collective dismissal agreement booked in 2Q15*
Agenda

- Macro and industry environment
- CaixaBank – better built for low rates
- Final remarks
## Final remarks

### A one-stop shop distribution model
- Steady market share gains
- Diversified revenue base
- Profitable factories
- Contribution to RoTE of bancassurance segment\(^1\)

### Strict margin management
- Larger potential for liability repricing
- Higher-yielding new lending
- New consumer lending FY15 yoy

### Ability to further adjust cost base
- Effective delivery of synergies
- Costs evolve better than planned
- Ability to further adjust the cost base
- \(-$450M\)

### Leading digitalisation in banking
- Enabling network reengineering
- Fostering commercial effectiveness
- Enhancing customer experience
- Active clients in digital banking\(^2\)

### Credit-risk turnaround
- Step improvement in risk metrics
- CoR target for 2018 frontloaded to 2016
- Gradual reduction of non-core RE drag
- NPL reduction from peak

**More than just a bank – better built for low rates**

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(1) Banking and insurance segment excluding non-core real estate activity

(2) Active customers include those with at least one transaction in the last 2 months
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