CaixaBank


## Committed to trustworthy and profitable banking

# Corporate Presentation

**April 2017**

*Prepared with data at closing of 31 December 2016, unless otherwise noticed*

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# Index

# CaixaBank [At a glance]

# Key figures

| | FY16 | |
|---|---|---|
| **Consolidated balance sheet** (€ Bn) | **347.9** | **Leading retail franchise in Spain** |
| **Customer loans and advances** (€ Bn) | **204.9** | |
| **Customer funds** (€ Bn) | **303.9** | |
| **Customers** (M), 25.7% as main bank[1] | **13.8** | |
| **Market capitalisation**(€ Bn)[2] | **18.8** | **Solid balance sheet metrics** |
| **FY16 Attributable profit** (€ M) | **1,047** | |
| **CET1/Total capital Fully Loaded ratios** (%)[3] | **12.4%/15.4%** | |
| **Long Term Ratings**[4] | **Baa2/BBB/BBB/A (low)** | |
| **Employees** | **32,403** | **Unique omni-channel platform** |
| **Branches** (#)[5] | **5,027** | |
| **ATMs** (#) | **9,479** | |
| **Active internet/mobile clients**[6] (M) | **5.3/3.7** | |

CaixaBank

(1) Source: FRS Inmark. % of respondents that declare the bank as their main financial institution
(2) Share price multiplied by the number of issued shares excluding treasury shares at closing of December 30th 2016
(3) CET1 / Total Capital ratios FL as of YE2016 pro-forma the take-over bid for BPI and the issuance of Subordinated Notes completed on 7 February 2017 stand at 11.2% and 14.7% respectively
(4) Moody's, Standard&Poor's, Fitch, DBRS
(5) # of branches in Spain of which 4,851 are retail branches
(6) Active customers include those with at least one transaction in the last 2 months

# A streamlined organisation of the Group

## Group structure

Welfare program

"la Caixa" Banking Foundation

Obra Social "la Caixa"

100%

CriteriaCaixa

40%(1)

### Other Investments(2)

| | | | |
|---|---|---|---|
| gasNatural fenosa | (24.44%) | vithas | (20.0%) |
| abertis | (18.99%) | saba | (50.1%) |
| suez | (5.7%) | cellnex | (5.0%) |
| Other (2) | | (9.01%) | (17.3%) |

CaixaBank

In June 2014, **"la Caixa" became a banking foundation** (1) and in October 2014 it completed the formal reorganisation of the Group after segregating to **CriteriaCaixa** (2) liabilities and assets, including its stake in **CaixaBank.** (3)

### Financial subsidiaries

| | |
|---|---|
| VidaCaixa Group (Insurance) | 100% |
| CaixaBank AM | 100% |
| CaixaBank Payments (Credit Cards) | 100% |
| CaixaBank Consumer Finance | 100% |
| Comercia Global Payments (PoS payments) | 49% |

### BPI (84.51%)

Post tender offer(3), increased stake from 45.5% to 84.5%

### Non-controlled stakes

| Erste Bank | Repsol | Telefónica |
|---|---|---|
| (9.92%) | (10.05%) | (5.15%) |

### RE activities

Building Center (100%); Servihabitat Serv. Inm. (49%)

(1) As of February 6th 2017, following the sale by CriteriaCaixa of a packet of shares representing c.5.3% of CaixaBank's capital which reduced the stake of CriteriaCaixa in CaixaBank from ~45% to 40%. Fully diluted stake considering the €750M Criteria exchangeable into CaixaBank shares maturing in Nov 2017 would be ~37%

(2) Latest figures reported by CriteriaCaixa. "Other" incl. stakes in Aigües de Barcelona, Aguas de Valencia;100% of Caixa Capital Risc, Mediterranea Beach and Golf Community and RE business

(3) The acceptance period for the tender offer for Banco BPI finalized on February 7th 2017, with the offer having been accepted by a total of 568,362,308 shares of Banco BPI S.A. representing 39.01% of Banco BPI's share capital. As a result of the transaction, the stake of CaixaBank in BPI increased from 45.5% to 84.5%

# Simplifying the Group structure

## Major progress in the restructuring of the Group

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

"la Caixa"

2007 — Criteria CaixaCorp — IPO

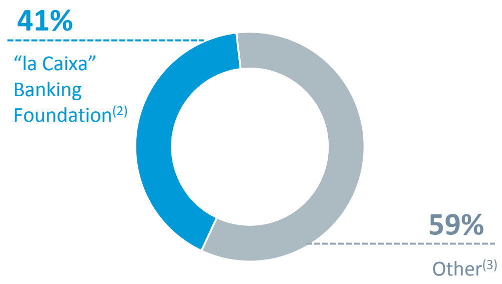
2011 — CaixaBank — Listed

2014 — "la Caixa" Banking Foundation / CriteriaCaixa / CaixaBank

2016 — Full separation from Banking Foundation board →
**Fulfilling the final conditions of the Savings Banks Law**

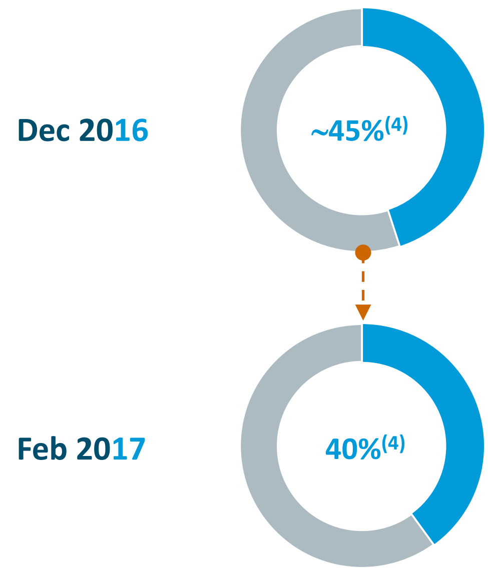
### The Foundation no longer controls majority of the board

CaixaBank board distribution(1), %




## Criteria fulfils a key requirement for prudential deconsolidation, expected by YE2017

% of total shares owned by Criteria Caixa




CaixaBank
- Diversifying shareholder base
- Increasing free-float and liquidity

(1) As of 10 of April 2017. Excluding 1 vacancy
(2) Including 6 proprietary directors representing "la Caixa" Banking Foundation and 1 board member proposed by the savings banks (now foundations) formerly comprising Banca Cívica
(3) Including 8 independent directors, 1 proprietary director proposed by Mutua Madrileña (pending for verification by the competent banking supervisor) and the CEO
(4) As of February 6th 2017, following the sale by CriteriaCaixa of a packet of shares representing c.5.3% of CaixaBank's capital which reduced the stake of CriteriaCaixa in CaixaBank from ~45% to 40% . Fully diluted stake considering the €750M Criteria exchangeable into CaixaBank shares maturing in Nov 2017 would be ~37%

# 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

2008 — Morgan Stanley
2010 — Caixa Girona
2011-12 — Bankpime
2012-13 — Banca Cívica, Banco de Valencia
2014-15 — Barclays

## Strengthening the balance sheet

### Best in class

Only domestic bank with investment grade ratings throughout the crisis

**Unique position to benefit from the recovery**

## Transforming the corporate structure

### Proactive change

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

"la Caixa"
2007 — IPO Criteria CaixaCorp
2011 — IPO CaixaBank
2014 — "la Caixa" Banking Foundation, CriteriaCaixa, CaixaBank

# The leading financial group in Spanish retail banking

## #1 retail bank in Spain

- **13.8M clients:** largest base in Spain
- **Main banking** relationship for 25.7% of Spaniards
- **€204.9 bn** in loans; **€303.9 bn** in customer funds
- **5,027 branches[1]; 9,479 ATMs**: best-in-class omni-channel platform
- **Leader in online & mobile** banking
- **Highly-rated brand**: based on trust and excellence in quality of service

## Robust financials

- **€18.8 bn Market capitalisation[2]**. Listed since July 1st 2011
- **Solid capital metrics**: CET1 B3 FL at 12.4%; CET1 phase-in at 13.2%
- **Outstanding NPL Coverage** ratio: 47%
- **Ample liquidity:** €50 bn in liquid assets
- **Stable funding structure**: LTD ratio 110.9%

## Solid heritage & values

- Aiming at a **sustainable and socially responsible banking model**
- **Proud of our heritage: over 110-year history,** 78 acquisitions
- Included in **leading sustainability indices** (DJSI, FTSE4Good, CDP A list, MSCI Global Sustainability, Ethibel Sustainability Index (ESI), STOXX® Global ESG Leaders)
- **Deeply rooted values**: quality, trust and social commitment

(1) # of branches in Spain of which 4,851 are retail branches
(2) Share price multiplied by the number of issued shares excluding treasury shares at closing of December 30th 2016

# Recognised as the leading retail banking franchise in Spain

## Premium brand reputation

**2016 Bank of the Year in Spain**
*The Banker*

**Best CSR Bank in Western Europe 2016, Best Private Bank in Spain 2015, 2016, 2017**
*Euromoney*

**Best Bank in Spain in 2015 and 2016, Best Consumer Digital Bank in Western Europe 2016**
*Global Finance*

**European Seal of Excellence +600**
*EFQM: European Foundation for Quality Management (2016)*

**Certification AENOR for Business Banking** *(2015)* **and Premier Banking** *(2014) AENOR*

**Most responsible financial institution and with best corporate governance**
*Merco (2015)*

## Wide external recognition of leading IT & Mobile infrastructure

**Best Global Technology Project 2016 (imaginBank launch)**
*The Banker*

**Best financial institution for mobile banking in Europe in 2016**
*Forrester*

**Global Innnovator 2016**
*Efma and Accenture*

**Innovation in Payments and Disruptive Innovation in Banking 2016**
*Bai*

**World's most innovative bank in 2016**
*Retail Banker*

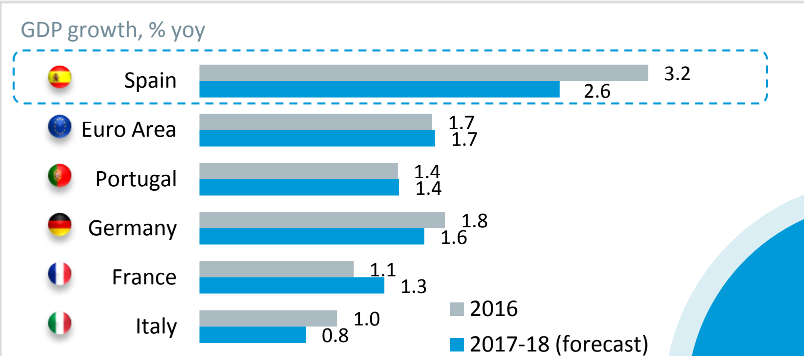
## Market leadership

**Leader in market penetration, customer loyalty and customer satisfaction with the swift incidence resolution**
*Retail customers in Spain (2016)*

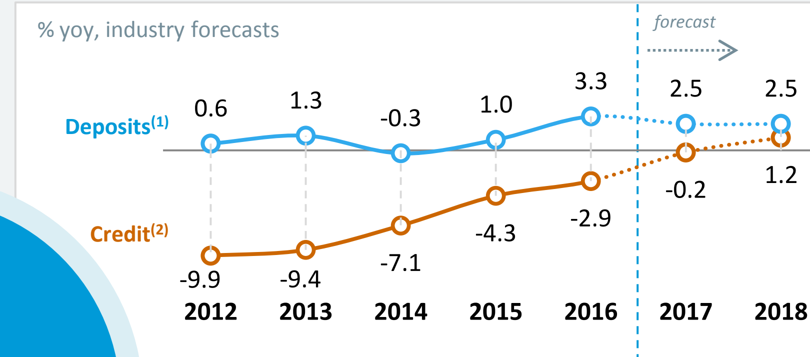
**Leader in market leadership and internet banking satisfaction**
*Businesses between 1 to 100 € million in Spain (2014)*

# Geared to the performance of the Spanish economy

## The economic recovery in Spain remains strong...

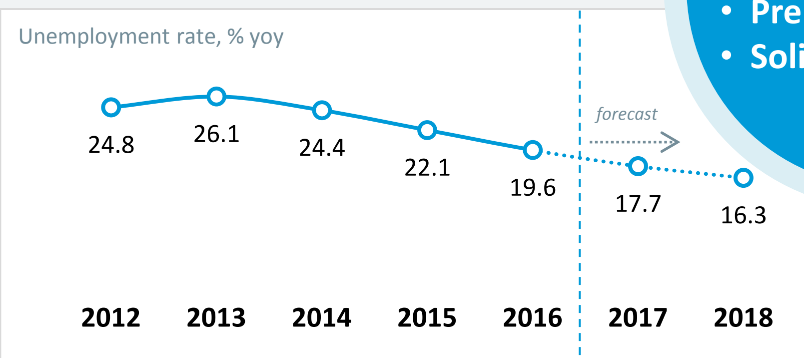



## ... with support from the banking sector

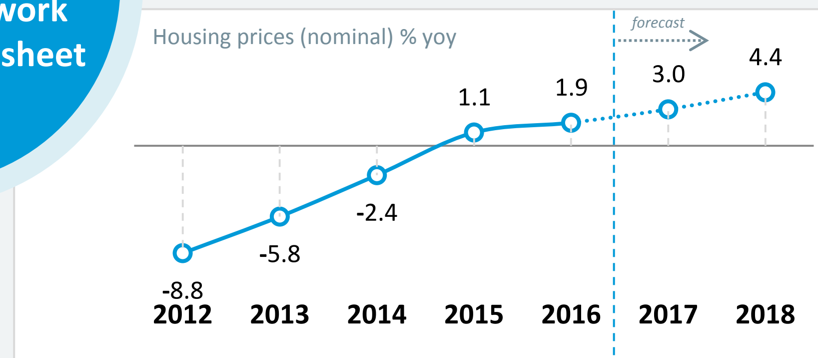



- Largest client base
- Premium network
- Solid balance sheet

## The labor market continues to improve




## RE market stabilised and geared for growth




- **The economic recovery continues to show significant traction:** GDP increased by 3.2% in 2016, as in 2015. We expect a slight deceleration in 2017 and 2018 as temporary tailwinds fade (less expansionary fiscal policy, higher oil prices).
- **Macro dynamics support volume growth and asset quality improvement:** New credit is accelerating, mainly to households, as a result of pent-up demand and improved financial conditions with the CoR on a steady declining trend. Achieving sustainable profitability in a low rate environment remains the main challenge.

(1) Includes time and demand deposits as well as promissory notes of households and non-financial companies. (2) Loans to the "Other Resident Sectors" excluding to financial services companies (Bank of Spain statistics). Sources: Eurostat (GDP growth), Bank of Spain (credit and deposits growth), INE (unemployment rate), Spanish Ministry of Public Works (housing prices) and CaixaBank Research (all forecasts). Forecasts as of 1th of April 2017

# Competitive [Stance]

# 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

**Advisory**
Focus on capabilities, specialisation and quality of service

**IT and digitalisation**
Mobility and big data

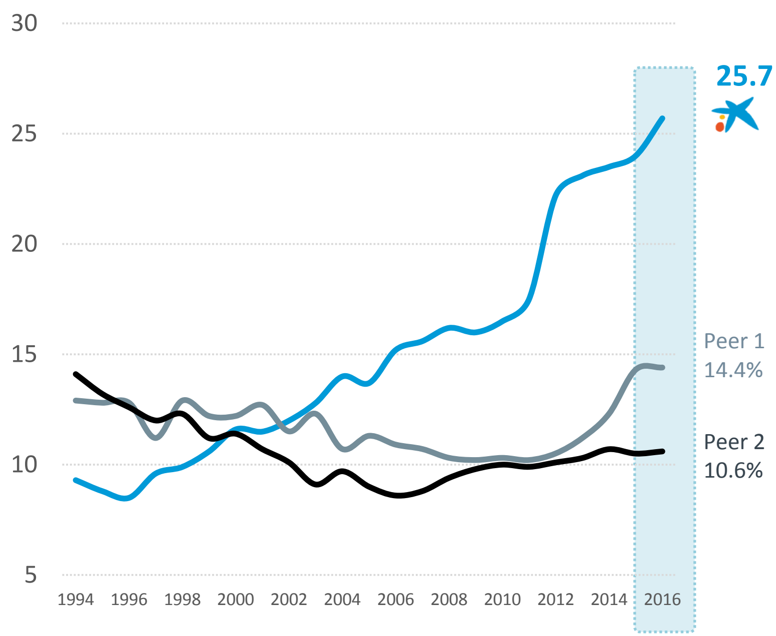
**Comprehensive offering**
Wide and bespoke with owned factories

**...provides unique advantages to face current headwinds**

# The "bank of choice" for a growing number of Spanish retail customers

## Undisputed leadership in Spanish retail banking...

Market penetration for retail clients (primary bank), %

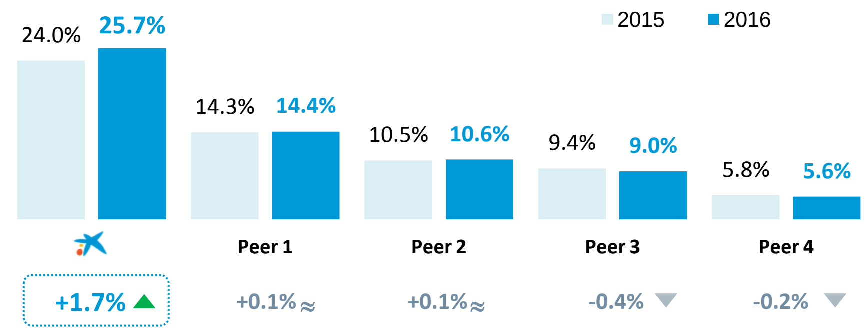



**13.8 M** Customers

## ... and still growing

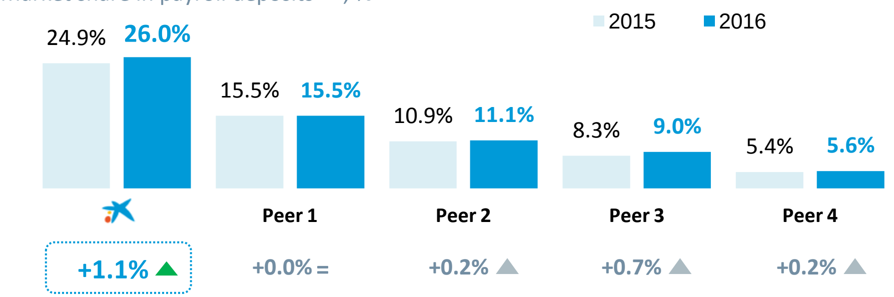
### Organic growth reflects franchise strength

Retail clients penetration (primary bank)[1], %




### Growing leadership in key client income flows

Market share in payroll deposits[1,2], %




**Successful business model and solid value proposition**

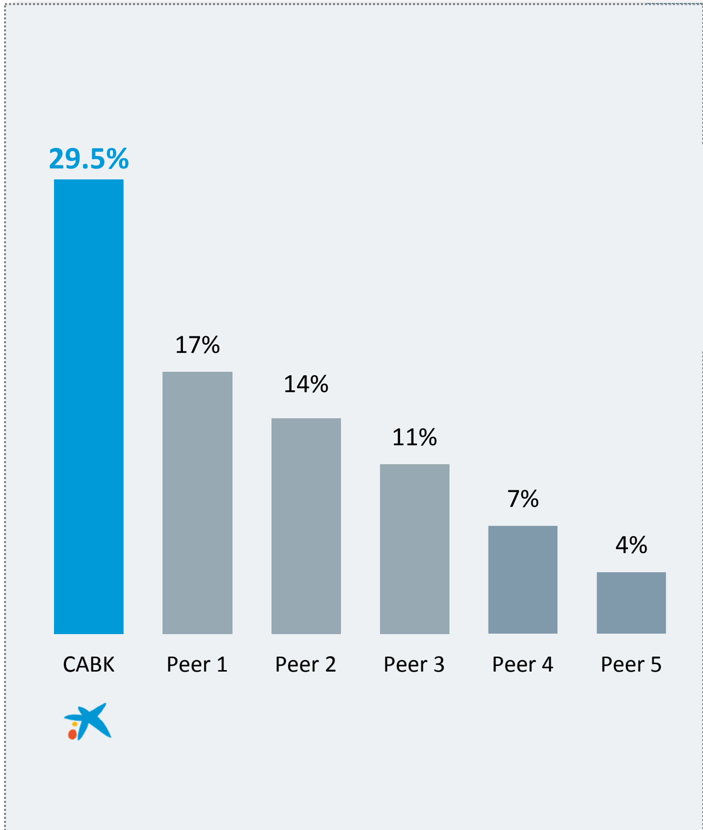
(1) Peers include Banco Sabadell, Banco Santander, Bankia, BBVA
(2) Payroll deposits source: CaixaBank, Social Security; peers, FRS Inmark 2016

Source: FRS Inmark 2016

# Our leading market position generates valuable network effects

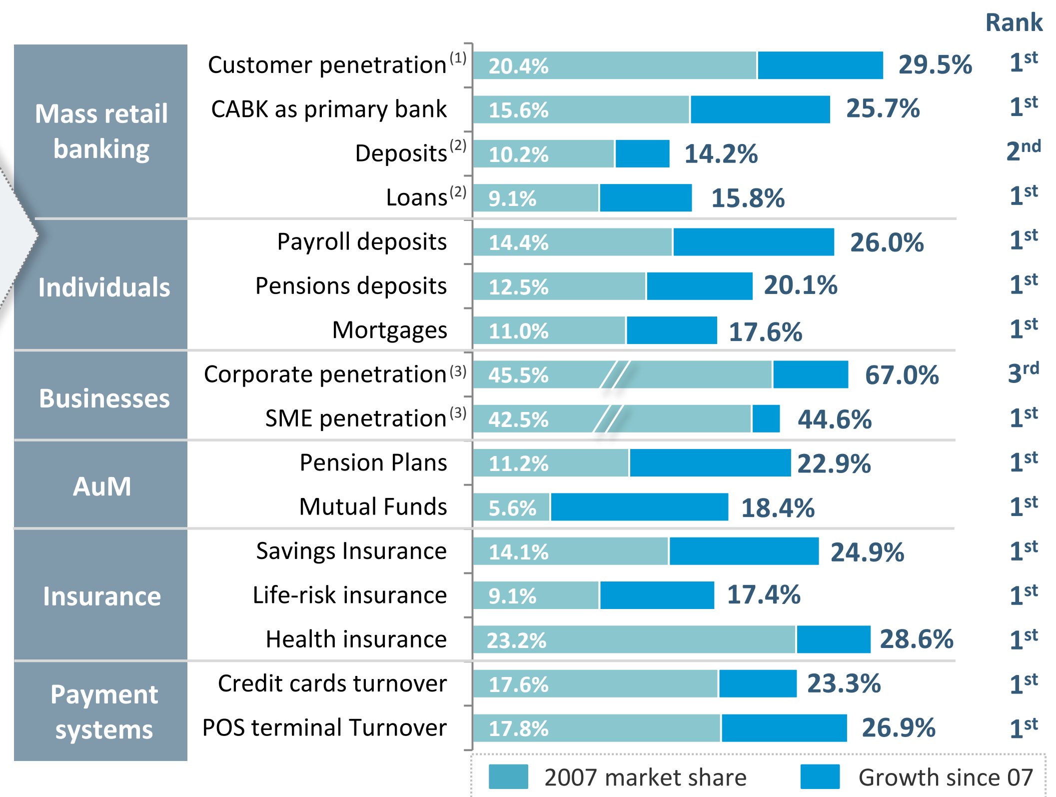
## Leading franchise in Spanish retail banking

Market penetration for retail clients(1), %




## Strong market shares across the board

Market share by key products




(1) Spanish customers older than 18 years of age. Peers include BBVA, Bankia, IberCaja, ING, Popular, Sabadell, Santander
(2) Deposit included demand and time deposits and loan data to the other resident sectors as per Bank of Spain data
(3) SMEs: Firms with turnover <€50M. Latest data for 2014; initial data for 2008 (bi-annual survey). Corporate: firms with turnover >€50M. Latest data for 2014; initial data for 2008 (bi-annual survey). For firms with turnover €1-100M, market penetration was at 44.9% in 2014 according to FRS Inmark survey.

Latest available data as of 4th of April 2017. Source: FRS Inmark, Social Security, BoS, INVERCO, ICEA, AEF, Servired, 4B and Euro6000

# Organic growth and market leadership have been reinforced by acquisitions

## Proven integration track record

| 2008 | 2010 | 2011-12 | 2012-13 | | 2014-15 |
|---|---|---|---|---|---|
| Morgan Stanley | Caixa Girona | Bankpime | BANCA CÍVICA | B V | BARCLAYS |
| 10 months(1) | 6 months(1) | 4 months(1) | 8.5 months(1),(2) | 5 months(1) | 4.5 months(1) |

## Strict financial discipline for acquisitions

Effective delivery of synergies exceeding targets and earlier than expected. In €M

| | Synergies as % of initial costs: Initial target | Synergies as % of initial costs: Achieved | Synergies 2016E (€M) | Timing (begin/completed) |
|---|---|---|---|---|
| BANCA CÍVICA | *59%* | **63%** | 580 | 2012/2015 |
| B V | *52%* | **62%** | 101 | 2013/2015 |
| BARCLAYS | *45%* | **57%** | 189 | 2015/2016 |

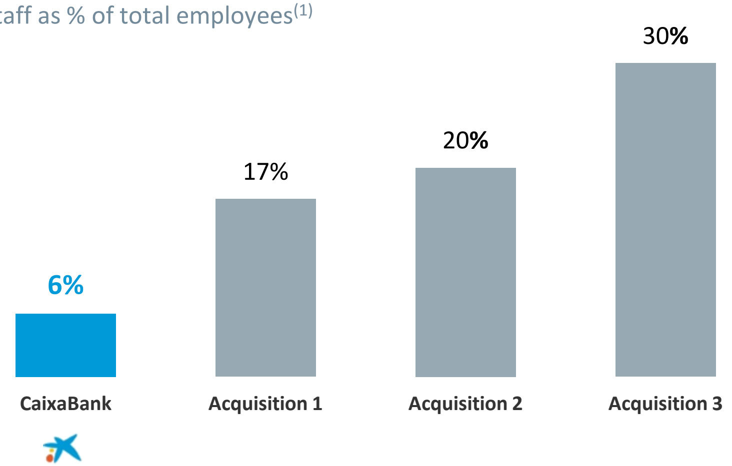
Attractive P/BV multiples


(1) Time lapsed from closing, legal merger or acquisition agreement until completion of IT integration
(2) It involved completing 4 sequential integrations

# Economies of scale and technology are key drivers of operational efficiency

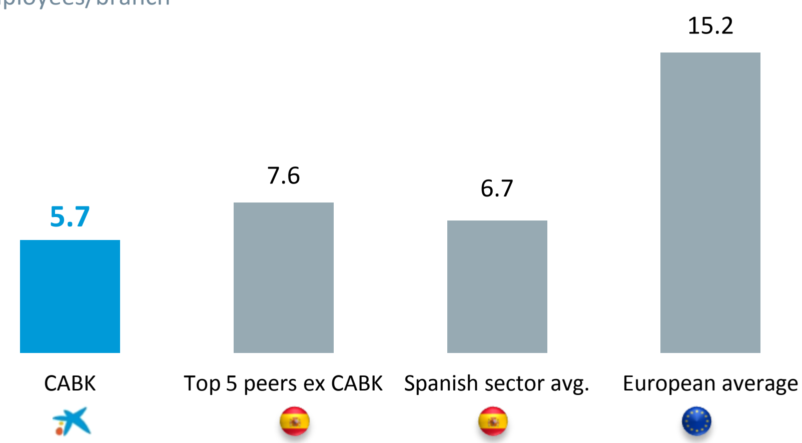
## Minimal HQ staff

HQ staff as % of total employees[1]



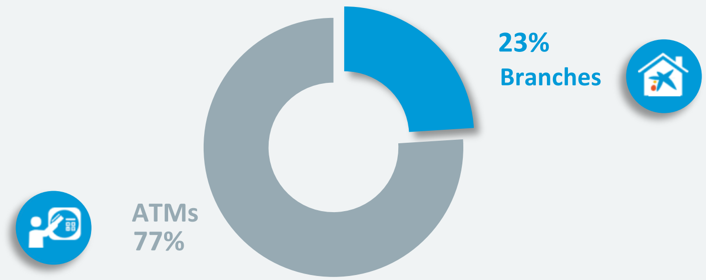

## Light branch model

Employees/branch

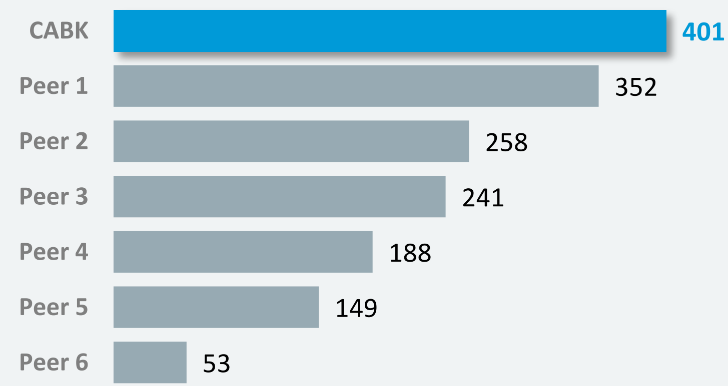



## Scalable and efficient sales-oriented network

Task absorption at the branch (%)




Customers per employee[2]

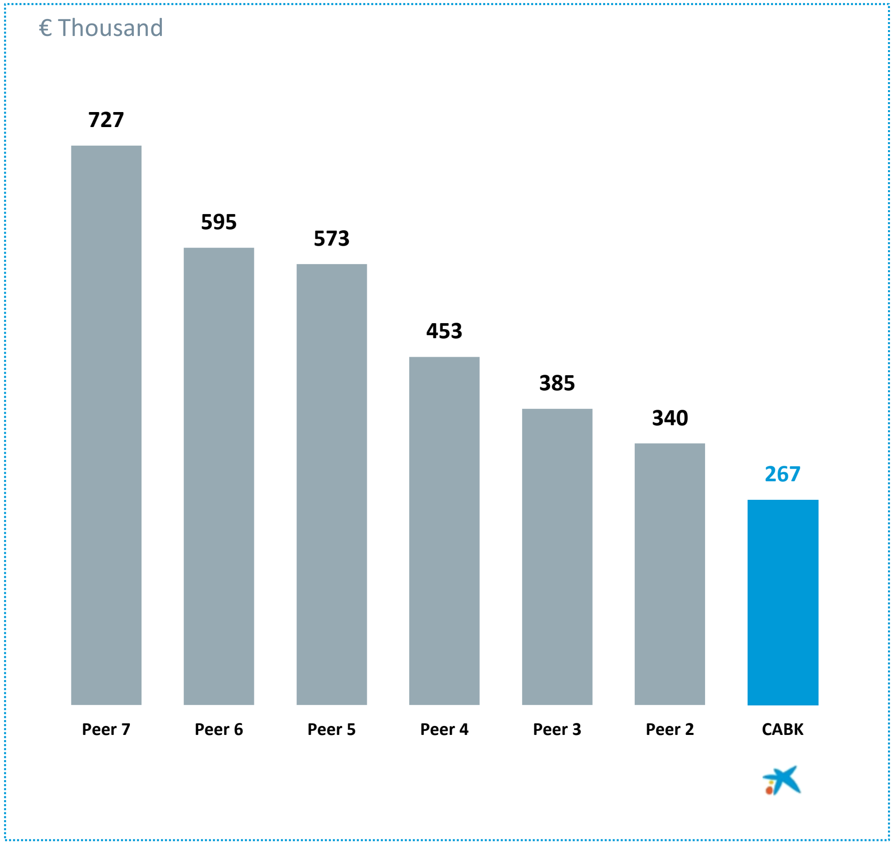



**Sales force focused on value creation**

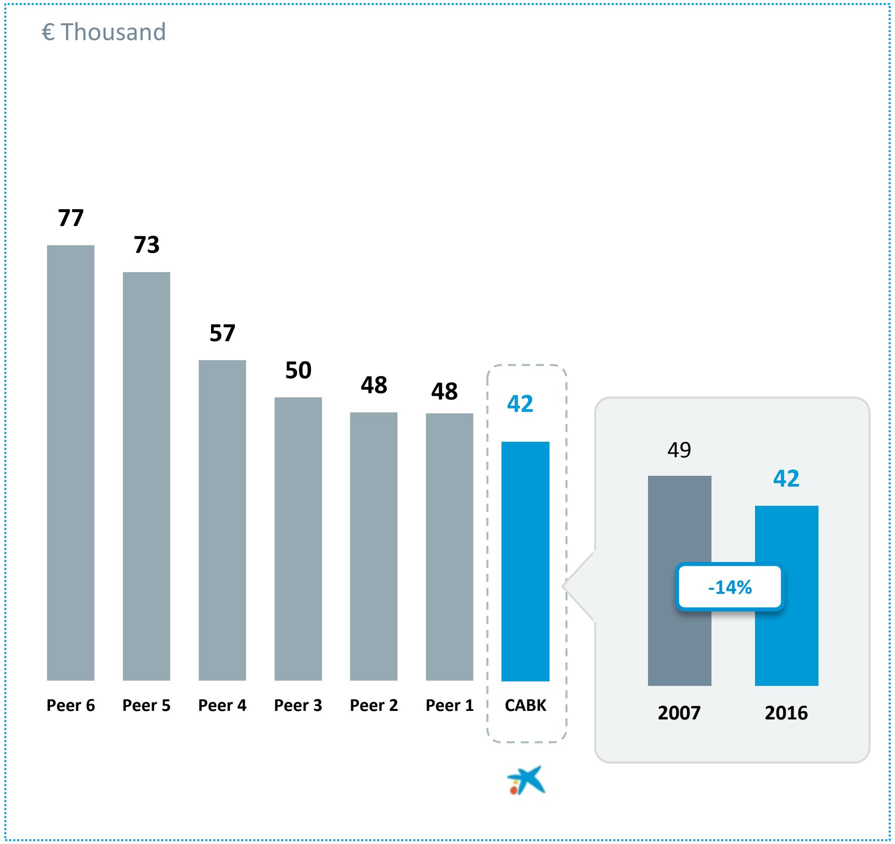
(1) Data as of December 2016 for CaixaBank and own estimates as of the acquisition date for the acquired entities (Banca Cívica, Banco de Valencia and Barclays)
(2) Source: FRS Inmark 2016 Report on the financial behavior of individuals and reports from companies. Peers include Bankia, Bankinter, BBVA, SAB, SAN, POP.

# Scale economies result in significant cost benefits

## General expenses[1] per branch




## General expenses[1] per employee

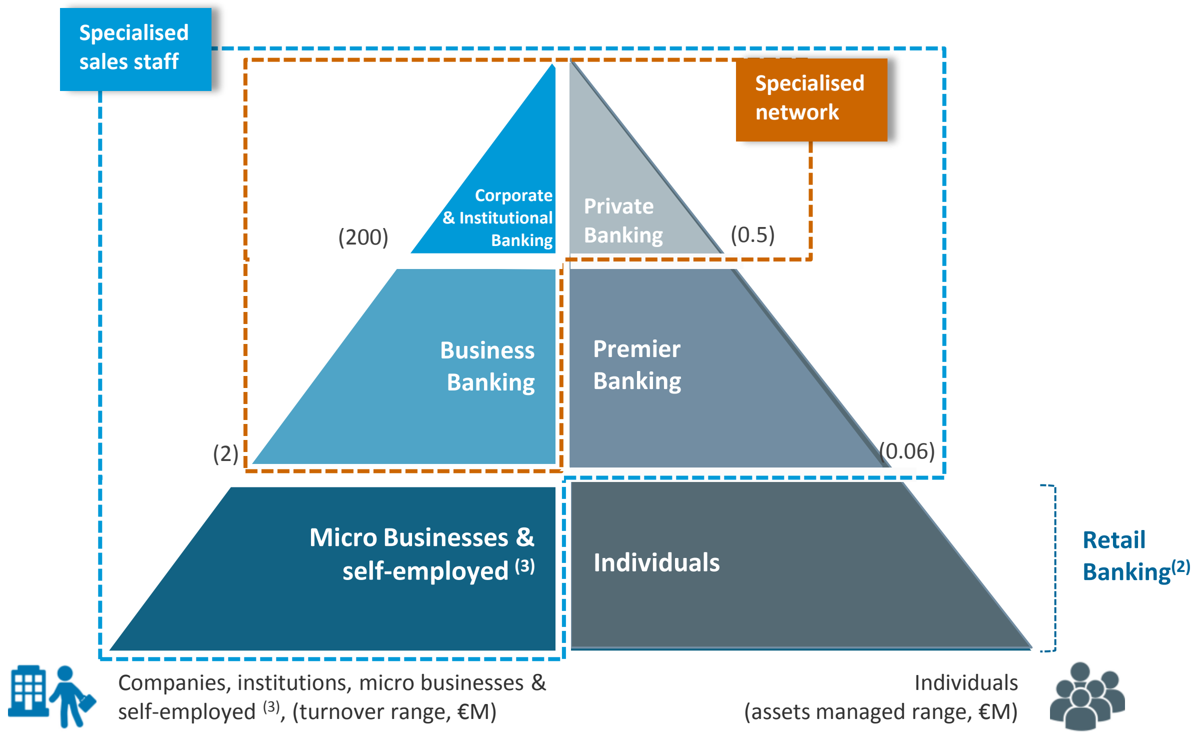



**Extremely competitive general expenses: low and falling**

(1) General expenses and amortisations last 12 months. 2016 for CaixaBank and peers. Peers include: Bankia, Bankinter, BBVA Spain + RE business, Popular, Sabadell (ex TSB), SAN Spain + RE business.

# A highly segmented business model based on specialisation and quality of service

## Customer breakdown by segment[1]:




**The largest customer base: 13.8 M**

**Segmentation is key to better serving client needs and to bolster business volumes**

(1) There is additional market segmentation (including, for instance, real estate developers and public sector & non-profits) not shown in the pyramid
(2) Retail banking includes individuals, micro businesses, self-employed, retail establishments, freelance professionals and agribusinesses
(3) Also including retail establishments, freelance professionals and agribusinesses

# Best-in-class omni-channel distribution platform with multi-product capabilities

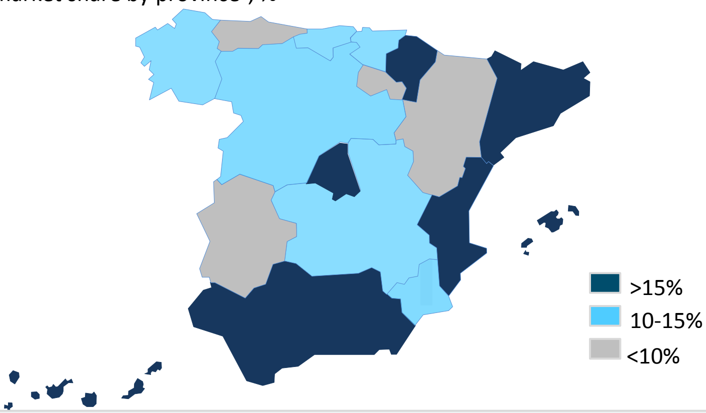
## The largest physical footprint in Spain

**5,027** branches
**18.0%** market share[1]

+

**9,479** ATMs
**19.0%** market share[1]

Branch market share by province[1], %




+ Employees with mobile equipment

## Leader in digital channels

### European leader in internet banking

**5.3 M** active customers[2]
**32.4%** penetration[3]
**33%** of transactions

### European leader in mobile banking

**3.7 M** active customers[2]
**22%** of transactions
**+ 79%** CAGR 2012-2016

FORRESTER
***Best mobile banking platform in Europe***

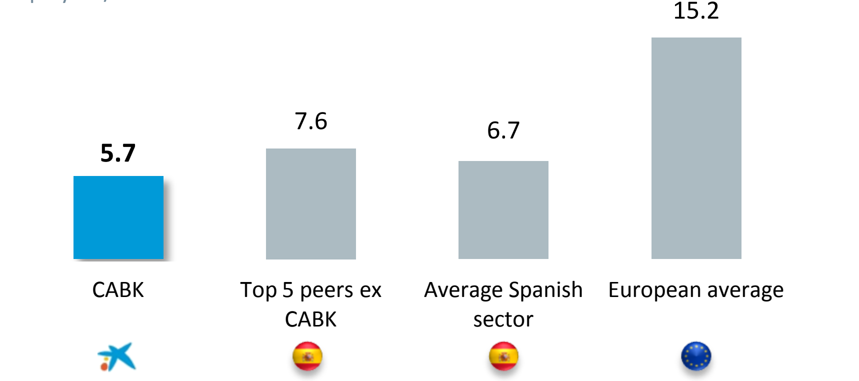
**Powerful IT architecture allows for seamlessness, flexibility, reliability and sales-force mobility**
**Staff time is freed-up to concentrate on building relationships and innovation**

(1) As of December 2016. Source: Bank of Spain
(2) Active customers include those with at least one transaction in the last 2 months
(3) Last data available. Source: ComScore

# An efficient and effective branch model which evolves over time

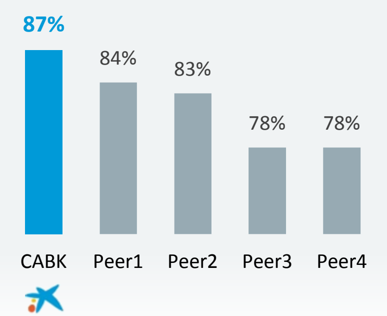
## Light branch model…

Employees/branch

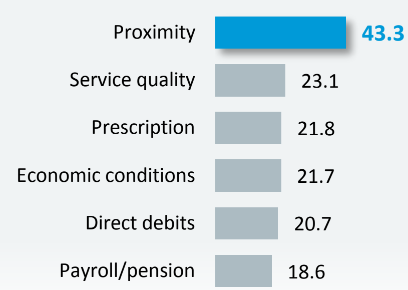



## … very effective in a geographically-dispersed country

Primary bank customers/customers[1]

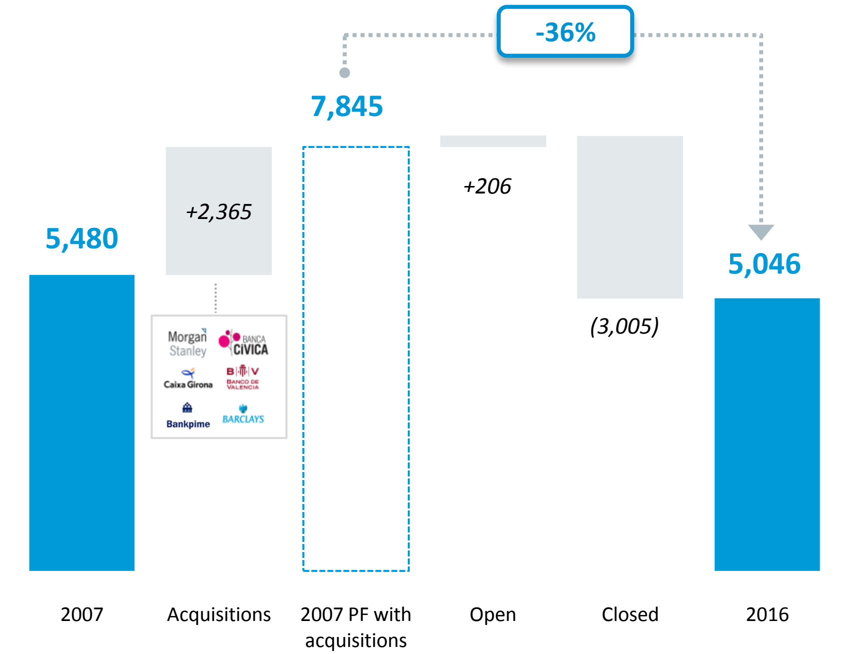



Primary bank choice: Main reasons[1] (%)




## A dynamic network

Evolution of branch network[2] size




**+43% Clients/Branch**

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

(1) FRS Inmark 2016. Peers: SAN, BBVA, SAB, POP
(2) Including international branches and representative offices: 10 in 2007 and 19 in 2016

# Transforming branches into advisory hubs

**Effective implementation of our advisory model**

| | | |
|---|---|---|
| **CaixaFuturo** | *Personalised saving strategy– Investment and Protection* | |
| **Private Banking** | *Best private banking in Spain 2015, 2016 and 2017*<br>*Euromoney* | EUROMONEY PRIVATE BANKING SURVEY 2017 |
| **Premier Banking** | *Preferred and personal service based on quality* | AENOR conform · CISI |
| **Business Banking** | *AENOR conform certified* | Asesoramiento Banca Empresas AENOR conform |

## Advisory focus

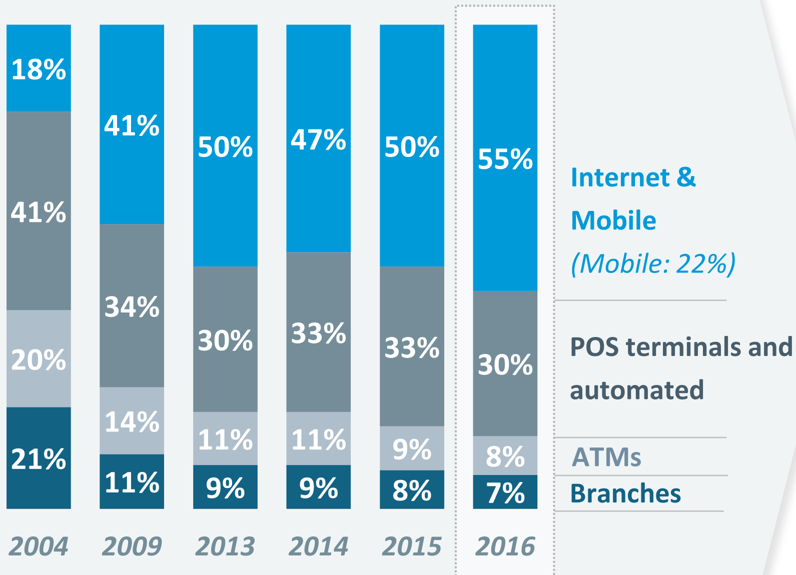
- New commercial protocols
- Differentiated relationship
- Reinforced capabilities
- Redesigned tools and spaces

**Focus on the quality of service**

# Focus on omni-channel banking reduces costs and increases client's perceived value

## Digital channels gain importance

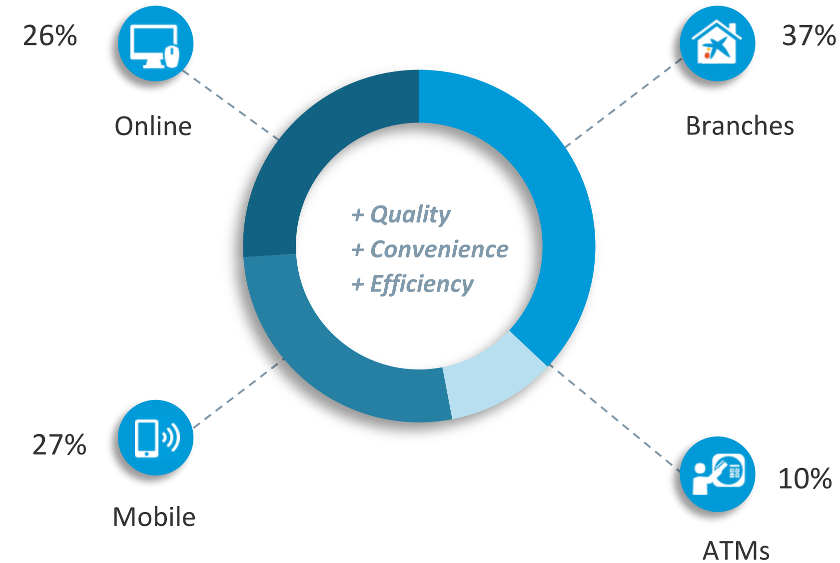
Transactions by channel[1] (%)




**... freeing up retail staff time to concentrate on building relationships, advisory and innovation**

## ...remaining complementary to the physical channel

Pre-approved instant consumer loan (Click & Go loans[2]) sales by channel, % of total sold 2016




**63%** of Click & Go loans sales sold through electronic channels

FORRESTER®

**Recently ranked as the best financial institution for mobile banking in Europe**

(1) Total number of transactions in 2016: 8,087M. A transaction is defined as any action initiated by a client through a contract with CaixaBank.

# Pushing the limits of the digital frontier to meet evolving customer preferences

## Enhanced customer experience

*“Convenience
Proximity
Innovation”*

### ONLINE ADVISORY

**New channels**
Videoconference, chat solutions

**New services**
Videoconference with Comex experts

### INNOVATIVE TOOLS[1]

Mis Finanzas — Personal finances management, **3.0M** users

CaixaBankPay — Mobile payments

### WINNING PARTNERSHIPS

Samsung pay — 1st Spanish bank to reach agreement

Bip&Drive — **435,000** users[2] #1 in electronic toll payments

## Improved commercial effectiveness

*“Leading adopters of mobility solutions”*

### SMART PCs[1]

**22,220**

### DIGITAL SIGNATURES[1]

**14.4 M** 94% adoption rate

### Ready2Buy

Online completion of in-branch initiated sales

## Bespoke products & services through better client knowledge

*“Using big data to increase efficiency and effectiveness”*

### A SINGLE INFORMATION REPOSITORY

from >10 datamarts to 1 data pool

### USING BIG DATA TO CREATE CUSTOMER INSIGHTS

- Personalisation
- Risk scoring
- Commercial targeting
- Smart banking and efficiency projects

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

(1) As of October 2016
(2) Last date available

# At the forefront of banking digitalisation

## Mobile banking initiative to prepare for potential future

CaixaBank

imagin bank

**1st "mobile only" bank,**
*simple, fast and low cost*

*Best technological project of the year 2016: Global winner*


### The highest digital penetration...

Penetration amongst digital customers[1], %

| | | Δ yoy |
|---|---|---|
| CaixaBank | 32.7% | +1.0% |
| Peer 1 | 19.5% | +0.2% |
| Peer 2 | 15.2% | -1.0% |

### ... with increasing # of digital and mobile clients

Digital clients by channel[3], Million

| | Dec-15 | Dec-16 | |
|---|---|---|---|
| Digital | 4.8 | 5.3 | +10% |
| Mobile | 2.8 | 3.7 | +32% |

### Also the highest penetration among young clients

Penetration amongst young clients[2], %

| | | Δ yoy |
|---|---|---|
| CaixaBank | 34.5% | +0.6% |
| Peer 1 | 14.2% | +0.3% |
| Peer 2 | 10.9% | -1.4% |

**5.3 M** digital clients[3]

**3.7 M** mobile clients[3]

**3.1 M** 18-35 yr clients

FORRESTER **#1** *in European Mobile Banking*

**Ample external recognition**

(1) Penetration amongst users of internet or mobile banking. Peers are BBVA and Santander. Source: FRS Inmark 2016
(2) Penetration amongst individual clients between 18-30 years old . Peers are BBVA and Santander. Source: FRS Inmark 2016
(3) Active clients through digital channels (internet or mobile) in the last 2 months

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

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

| Business | | Key 2016 figures | Company | % ownership |
|---|---|---|---|---|
| Life insurance |  | **€65bn** Assets<br>**#1** in Spain | VidaCaixa | 100% |
| Non-life insurance |  | **€3.3bn** premia[1]<br>**#1** in Health ins.[2] | SegurCaixa Adeslas | 49.9% |
| Asset management |  | **€56.7bn** AuM<br>**#1** in Spain | CaixaBank Asset Management | 100% |
| Consumer Finance |  | **€1.7bn** New business<br>**€2.5bn assets** | CaixaBank Consumer Finance | 100% |
| Credit cards |  | **€33.5bn** turnover<br>**#1** in Spain | CaixaBank Payments | 100% |
| Payments at point of sale |  | **€40.9bn** turnover<br>**335,510** PoS | Comercia Global Payments | 49% |
| Microcredit |  | **+62%** new microcredit to households (yoy)[1] | MicroBank | 100% |

- **Ownership preserved and growth fostered 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**
- **All sold through a single integrated distribution platform**

**Product control is a key competitive advantage**

(1) Latest available data
(2) In Spain

# Reinforcing the message that non-banking businesses are key contributors to results

## Large and profitable businesses...

VidaCaixa
SegurCaixa Adeslas

CaixaBank ASSET MANAGEMENT

CaixaBank CONSUMER FINANCE

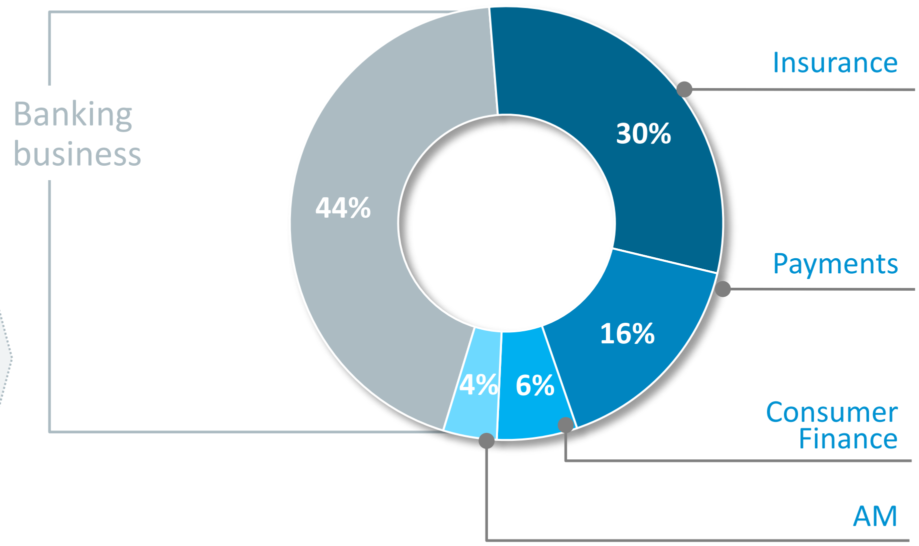

CaixaBank PAYMENTS

Comercia Global Payments

MicroBank

## ...with a significant contribution to net income

Net income from bancassurance segment reporting[1] breakdown, as of 31/12/16 (trailing 12 months)




**10.8%**
Bancassurance RoTE[1]

**~5.5 pp**
Contribution from non-banking businesses to bancassurance RoTE[1]

**A resilient model for a low rate environment**

(1) Trailing 12 months RoTE exc. extraordinary operating expenses (€121M) in 3Q16 and adjusting for developments in internal models consistent with Circular 4/2016 (€618M) in 4Q16

# A trustworthy brand

## Corporate responsibility aims

- Promoting entrepreneurship and financial inclusion
- Transparency and good governance
- Incorporating social and environmental criteria in risk analysis, products and services
- Social commitment: corporate volunteering & spreading awareness of welfare projects

| CORPORATE VALUES | MAIN HIGHLIGHTS & COMMITMENTS |
|---|---|
| **Quality**<br>**Trust**<br>**Social commitment** | • *Honoured by* ***Euromoney*** *as the* ***Best Bank for CSR in Europe*** *(July 2016)*<br>• *Inclusion of CaixaBank in the* ***main worldwide sustainability indices: DJSI, FTSE4Good, ASPI, Ethibel Sustainability Index, MSCI Global Sustainability Index, STOXX.***<br>• *Recognition for the transparency and performance in the fight against climate change, member of the A List 2016 of the leading companies in this field.*<br>• ***Signatory of the Principles of Ecuador:*** *consideration of social and environmental impacts in financing large projects*<br>• ***MicroBank, first European bank*** *by volume of* ***microcredit loans*** *granted.*<br>• ***Extension to clients of social programs*** *of “la Caixa”. Eg.: labour inclusion (“Incorpora” programme), Business Alliance for Children Vaccination*<br>• ***Chairing*** *the* ***Spanish Network of the United Nations Global Compact****.* |

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM
FTSE4Good
EURONEXT vigeo INDICES Europe 120
MSCI
EQUATOR PRINCIPLES
CDP A LIST 2016 CLIMATE
THE GLOBAL COMPACT APOYAMOS EL PACTO MUNDIAL

# Strategic Plan [2015-2018]

# Strategic priorities 2015-2018

**5 strategic priorities**

*"Committed to trustworthy and profitable banking"*

- Client focus: Best-in-class in quality of service and reputation
- Sustainable profitability above cost of capital
- Optimisation of capital allocation
- Enhance our leadership in banking digitalisation
- Retain and attract the best talent

# Progress across all five 2015-18 Strategic Priorities

| # | Strategic Priority | Metric | 2014 | 2016 |
|---|---|---|---|---|
| 1 | Client focus: Best-in-class in quality of service and reputation | ***Market share gains across the board*** – *Retail client penetration (preferred bank)* | 23.5% | 25.7% |
| 2 | Sustainable profitability above cost of capital | ***RoTE*** | 3.4% | 5.6% |
| 3 | Optimisation of capital allocation | ***Capital allocated to stakes*** | ~16% | <7% |
| 4 | Enhance our leadership in banking digitalisation | ***% digital clients*** | 36.5% | 43.1% |
| | | ***% digitalised processes*** | 69% | 90% |
| 5 | Retain and attract the best talent | ***Advanced training in advisory services*** – *Post-graduate degree in financial advisory* | upf. Universitat Pompeu Fabra Barcelona; CISI | >7,000 *Employees* |

**A positive mid-term balance**

# 2017: “Picking up momentum”

| 2017 Guidance (does not include BPI) | | Main drivers |
|---|---|---|
| NII | (+) Low single digit | ▶ Lower funding costs<br>▶ Strict pricing discipline in loans and deposits<br>▶ Stable loan balances, consumer lending growth<br>▶ Euribor-indexed loans to trough during the year |
| Fees | (+) Low single digit | ▶ Growth in insurance and managed funds |
| Recurrent expenses | <1% growth | ▶ Wage inflation (new Collective Agreement)<br>▶ Strong focus on operational efficiency<br>▶ Still investing in technology |
| Cost of Risk | <40 bps | ▶ Better macro outlook<br>▶ High level of NPL recognition and coverage |

# Revised 2018 Financial Targets

| | | Revised targets 2018 |
|---|---|---|
| Profitability | RoTE | 9-11% |
| | Recurrent C/I ratio | ~55% |
| | Core revenues [(1)] | ~4% CAGR[(2)] |
| | Recurrent operating expenses | Flat 2014[(3)] |
| | Cost of risk | <40 bps |
| Solvenc | CET1 FL | 11-12% |
| | Total Capital FL | >14.5% |
| Dividen | Cash dividend payout ratio | ≥ 50% |
| | Special dividend and/or share buybacks | If CET1 FL >12% |

## Focus of the strategic update: generating a sustainable return above cost of equity

- Core revenue[(1)] growth to be underpinned by sustained insurance and AuM activity and consumer lending growth
- Cost-saving measures to offset wage inflation
- Improving asset quality and positive macro dynamics to support further CoR decline

- Maintaining solid capital metrics still a key priority
- Commitment implies a comfortable buffer above regulatory minima

- Strong capital position supports payout ≥ 50%
- Intend to transition to full cash dividend in 2017

**Geared for growth and increased profitability**

(1) Core revenues: NII + Fees + insurance revenues from life-risk premia and equity accounted income from SegurCaixa Adeslas.
(2) 2016-18. CaixaBank standalone (ex BPI)
(3) Pro-forma Barclays Spain. CaixaBank standalone (ex BPI)

# Actively seeking to return capital to shareholders

## Shareholder Remuneration Policy

**2015 Results**

| € 0.04 Scrip | € 0.04 Cash | € 0.04 Scrip | € 0.04 Cash |
|---|---|---|---|
| SEP 2015 | DEC 2015 | MAR 2016 | JUN 2016 |

**2016 Results (1)**

| € 0.03 Cash | € 0.04 Scrip | € 0.06 Cash |
|---|---|---|
| SEP 2016 | DEC 2016 | APR 2017E |

**Strategic Plan 2015-18**

- Cash dividend payout ≥ 50% from 2015
- Intend to transition to full cash dividend in 2017

(1) On February 2017, the Board of Directors resolved to propose to the shareholders at the Ordinary AGM the distribution of a final cash dividend of EUR 0.06 per share against 2016 profits. In accordance with the proposal terms, the dividend would be paid on 13 April 2017. After payment of this dividend, the total shareholder remuneration for 2016 would be EUR 0.13 per share (gross), bringing the total cash amount paid to 54% of consolidated net profit, in line with the 2015-2018 Strategic Plan. In accordance with the new dividend policy, the Board of Directors also resolved that shareholder remuneration for 2017 be paid through two half-yearly cash dividends.

# International presence & [Investments]

# Stake in BPI increased to 84.5% after a logical and strategically coherent deal

## Strategically coherent deal


Data as of YE2016, domestic activity

| | |
|---|---|
| **Branches** | 545 |
| **Clients** | 1.7 M |
| **Assets** | €32 Bn |
| **NPL ratio**(1) | 3.7% |
| **CET1 FL** | 10.6% |
| **Cost and revenue synergies** | €120 M (ambition 2019) |

- **Attractive and solid franchise**
- **Delivering significant synergies**
- **In-depth knowledge of BPI and Portugal**
- **Alignment of economic and political rights**

## Stake in BPI increased to 84.5% post tender

- MTO for 100% of BPI shares
- Offer accepted by c.568.4 M shares of Banco BPI S.A. representing 39.01% of Banco BPI's share capital
- As a result of the transaction, the stake of CaixaBank in Banco BPI increased from 45.5% to 84.5%
- Consideration offered 1.134€/share with a total disbursement of €644.5 M
- CaixaBank's CET1 / Total Capital ratios FL as of YE2016 pro-forma the take-over bid for BPI and the issuance of Subordinated Notes completed on 7 February 2017 stand at 11.2% and 14.7% respectively

**A partnership of more than 20 years**

(1) Credit at risk ratio according to Instruction 23/2011 of the Bank of Portugal

# Supporting clients internationally and developing joint business initiatives

## Rep offices & branches to better serve our clients[1]


### 18 Representative Offices

**Paris, Milan, Frankfurt, Beijing, Shanghai, Dubai, New Delhi, Istanbul, Singapore, Cairo, Santiago de Chile, Bogotá, NY, Johannesburg, Sao Paulo, Hong Kong, Lima[2], Algiers[2]**

### 3 International Branches (with 5 offices)

**Warsaw**

**Morocco** with three offices:

- **Casablanca**
- **Tangier**
- **Agadir[2]**

**London**

*Forthcoming[2]: Algiers, Lima, Agadir*

## Non-controlled International Banking Stakes

| | | Consolidated carrying amount[3] |
|---|---|---|
| | Erste | €1,267 M |

- Influential position
- Building strategic alliances
- Sharing best practices
- JVs and project development

### JV with Erste and Global Payments

- Payment services
- Czech Rep., Slovakia, Romania
- EBG: 49%
- Global Payments+CABK: 51%

(1) As of 31st of March 2017
(2) In the process of obtaining pertaining licenses
(3) As of 31st of December 2016. Consolidated carrying amount of equity of the different entities, attributable to the CaixaBank Group, net of write-downs

# Solid and liquid legacy assets provide revenue and capital diversification

**Telefónica 5.15%[1]**

One of the largest telecommunications companies in the world in terms of market cap and number of customers. Company market value[1]: €44.4 bn

**Repsol 10.05%[1]**

Integrated global energy company , carrying out upstream and downstream activities. Company market value[1]: €19.7 bn

**~€4.3 bn[2]**

**Diversification**
- Income diversification: sound revenue base
- Geographical diversification

**Value**
- International leaders, defensive sectors
- Solid fundamentals
- Strong financials

**Profitability**
- High dividend yield
- Attractive return
- Tax-efficient (≥ 5%)

**Financial flexibility**
- Very liquid investments
- Limited regulatory capital consumption
- Potential capital buffer

(1) As of December 31st 2016
(2) Market value of CaixaBank stakes as of December 31st 2016

# Activity & results [FY 2016]

# Operating performance confirms inflection point

**1 Positive core revenue momentum**

- Core revenues[(1)] keep growing (2.6% qoq/0.2% FY16 yoy)
- NII up 3.5% qoq and on upper bound of guidance (-4.5% FY16 yoy)
- Fees up 1.6% qoq confirm structural strength despite 1Q market conditions (-1.2% FY16 yoy)
- Restructuring measures keep costs down (0.2% qoq/-1.7% FY16 yoy)
- Recurrent CoR[(2)] of 0.46% bps below guidance of 0.50%
- 2016 RoTE from bancassurance at 10.8% (vs. 10.1% in 2015)

**2 Margins increase on pricing discipline and higher volumes**

- Growth in client funds (2.5% ytd/1.4% qoq) and performing loans (0.4% ytd/0.1% qoq)
- Steady growth in insurance and AuM assets (12.2% ytd/5.1% qoq)
- Market share gains across the board (payroll deposits, insurance, mutual funds, consumer lending, etc.)
- New consumer lending (41% FY16 yoy) and pricing discipline drive customer spread up 8 bps 4Q yoy/ 10 bps qoq

**3 NPAs keep trending down with higher gains on RE sales**

- NPLs continue significant decline (-13.7% ytd/-2.9% qoq) with ratio down to 6.9%
- Fall in net OREO accelerates on higher provisioning and sales (-13.8% ytd/-11.5% qoq)
- Capital gains on RE sales now at 11% over sale price (vs. 2% in 3Q)
- Impairments mostly reflect development of internal models[(3)] and floors, while taxes affected by fiscal reform

**4 SREP results underscore high solvency**

- FL CET1 SREP of 8.75% provides for ample MDA room
- Pre-funding of BPI transaction leads to high capital ratios with CET1 FL at 12.4%
- High CET1 FL ratio to be maintained post BPI acquisition (11.0-11.6% on 100-51% outcome of tender[(4)])

(1) Core revenues: NII + Fees + insurance revenues from life-risk premia and equity accounted income from SegurCaixa Adeslas. Change yoy adjusted for 2015 floors
(2) Trailing 12 months. Excluding provision release related to development of internal models (see below). Including this impact, CoR trailing 12 months stands at 0.15%
(3) Consistent with Circular 4/2016 of the Bank of Spain
(4) Pro-forma figures are internal preliminary estimates. These figures take into account the deconsolidation of BFA from the sale of 2% of its share capital closed in 1Q17

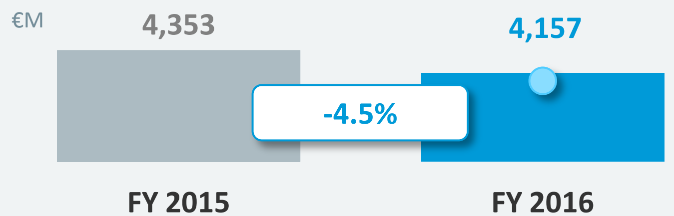
# Meeting 2016 guidance except for 1Q market impact on fees

## *2016 Guidance*

Guidance(1)

### NII

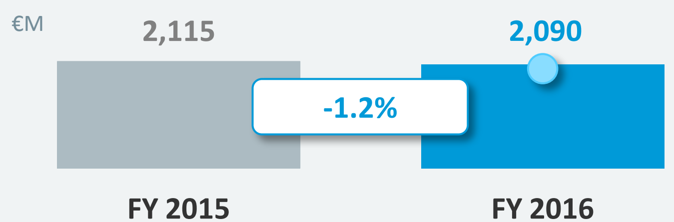
(-) Mid single-digit




✓

### Fees (1)

~ Stable at 2Q levels

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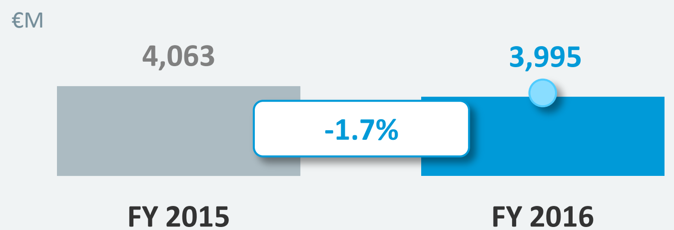
### Recurring Expenses (1)

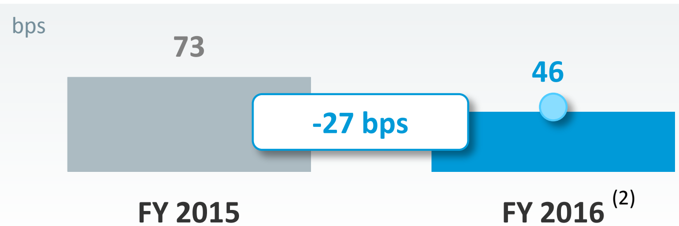
Reduction > 1.5%




✓

### Cost of Risk

~50 bps

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(1) Guidance for fees and recurrent expenses revised from mid-single digit growth and >1% decline, respectively, in 1H16 webcast
(2) Trailing 12 months. Excluding provision release related to development of internal models (Consistent with Circular 4/2016 of the Bank of Spain). Including this impact, CoR trailing 12 months would stand at 0.15%

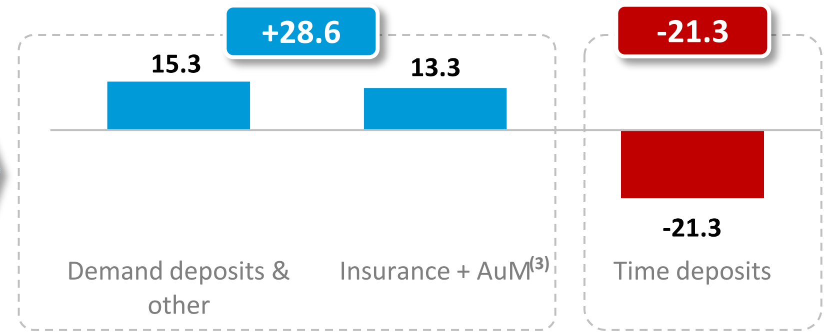
# Unabated trend towards current accounts and managed savings

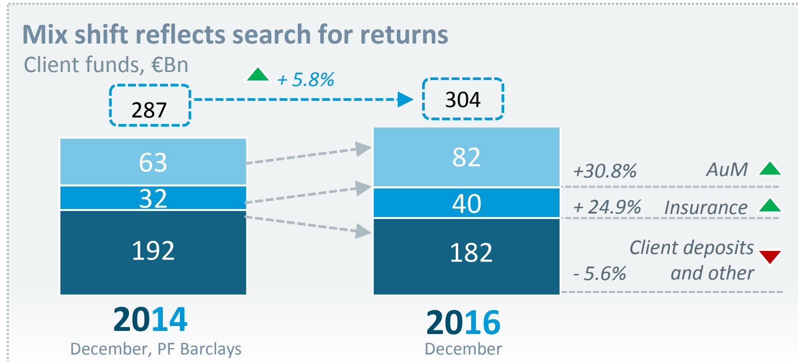
## Customer funds break-down

In €Bn

| | 31st Dec. | ytd | qoq |
|---|---|---|---|
| **I. On balance-sheet funds** | **217.1** | ***0.1%*** | ***0.6%*** |
| Demand deposits | 132.7 | *13.6%* | *7.1%* |
| Time deposits | 39.6 | *(35.0%)* | *(19.9%)* |
| Subordinated liabilities | 3.3 | *(0.0%)* | *0.0%* |
| Insurance | 40.3 | *17.1%* | *5.2%* |
| Other funds | 1.2 | *(10.4%)* | *26.7%* |
| **II. Off balance-sheet funds** | **86.8** | ***8.8%*** | ***3.6%*** |
| Mutual funds[1] | 56.7 | *10.4%* | *5.9%* |
| Pension plans | 25.2 | *8.8%* | *3.3%* |
| Other managed resources[2] | 4.9 | *(7.3%)* | *(16.6%)* |
| **Total customer funds** | **303.9** | ***2.5%*** | ***1.4%*** |

## Inflows and migration grow AuM[3] and life insurance




- Growing total client funds (1.4% qoq/2.5% ytd) while migration to higher yielding alternatives continues
- On-B/S funds remain stable (0.6% qoq/0.1% ytd) as insurance growth (5.2% qoq/17.1% ytd) offsets migration to off-B/S
- Off-B/S funds (3.6% qoq/8.8% ytd) grow with yet another strong quarter in mutual funds

(1) Includes SICAVs and managed portfolios
(2) Includes, among other things, a subordinated bond issued by "la Caixa" (currently Criteria Caixa) as well as insurance contracts from Barclays
(3) Mutual funds and pension plans

# A growing leadership in asset management and insurance products

## Consistently positive trend in life insurance and AuM

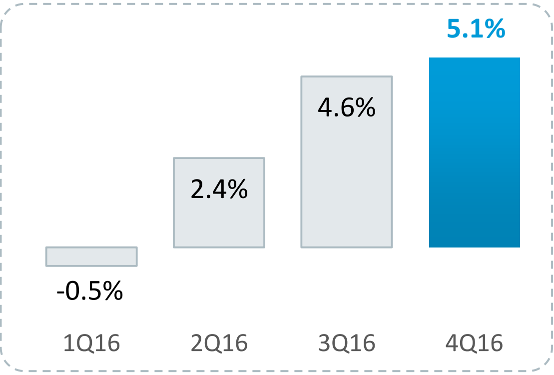
Net inflows (€Bn) and growth in life insurance funds and mutual funds and pension plans AuM (% yoy), FY16

| | | |
|---|---|---|
| Life insurance | €9.4Bn | **15%** yoy vs. 6% sector |

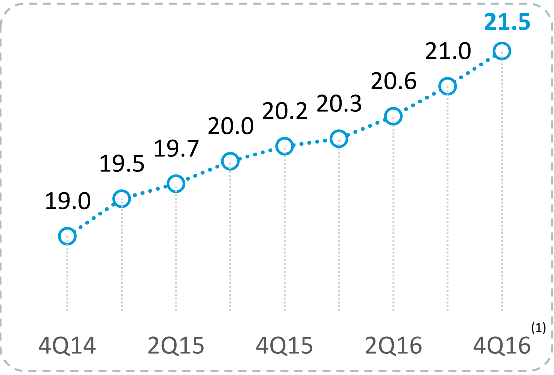
| | | |
|---|---|---|
| Mutual funds | €4.2Bn | **11%** yoy vs. 8% sector |

| | | |
|---|---|---|
| Pension plans | €2.2Bn | **9%** yoy vs. 2% sector |

Life-savings insurance funds + AuM , % qoq



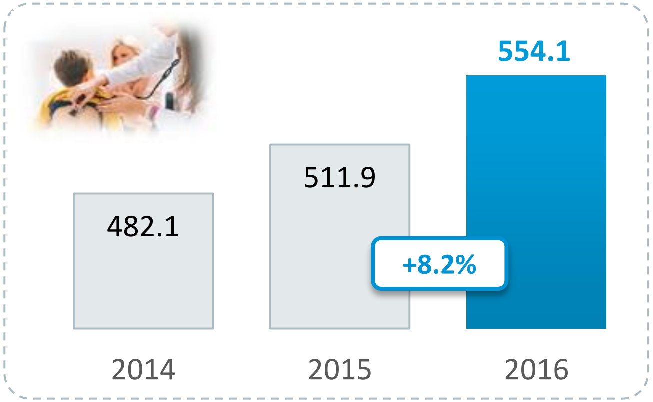

Market share in AuM and life-savings insurance, %



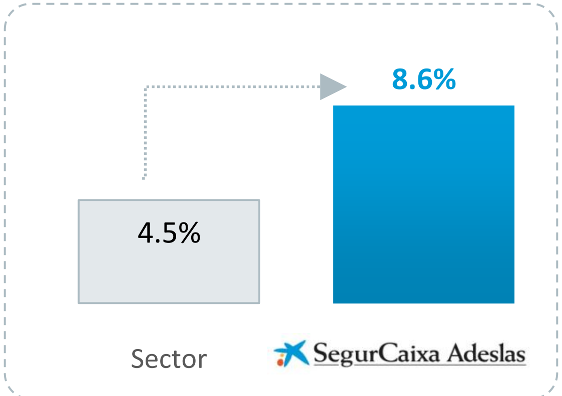

## Also outperforming the market in non-life insurance

## ...which benefit from a unique distribution network

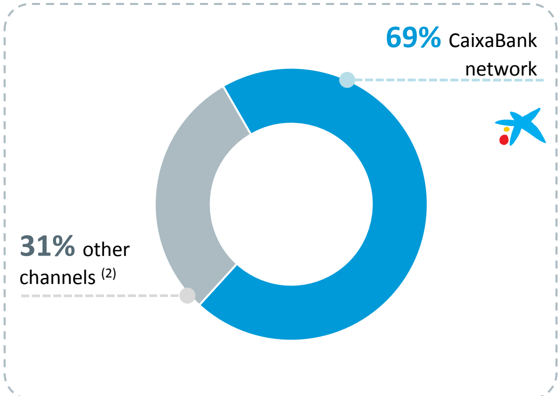
SegurCaixa Adeslas new production, €M




Growth in premia, % yoy




New production by distribution channel, in % of total




(1) Estimate based on published information as of 1st February 2017
(2) Includes SegurCaixa Adeslas branches and other representatives and brokers

# Loan-book stabilises with a gradual change in mix

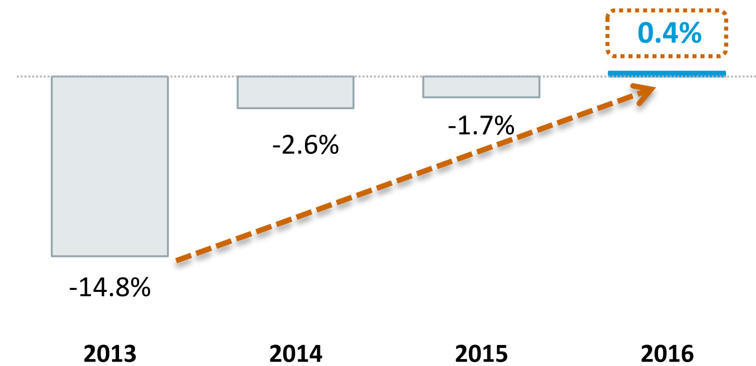
## Loan-book break-down

€Bn, gross amounts

| | 31st Dec. | ytd | qoq |
|---|---|---|---|
| **I. Loans to individuals** | **118.3** | ***(2.2%)*** | ***(0.8%)*** |
| Residential mortgages – home purchases | 86.4 | *(3.3%)* | *(1.2%)* |
| Other loans to individuals [1] | 31.9 | *0.9%* | *0.5%* |
| **II. Loans to businesses** | **74.1** | ***3.4%*** | ***1.4%*** |
| Corporates and SMEs | 64.8 | *8.3%* | *1.7%* |
| Real Estate developers | 8.0 | *(18.3%)* | *(0.5%)* |
| Criteria Caixa | 1.2 | *(37.5%)* | *(0.1%)* |
| **Loans to individuals & businesses** | **192.4** | ***(0.1%)*** | ***0.1%*** |
| **III. Public sector** | **12.5** | ***(9.5%)*** | ***(2.7%)*** |
| **Total loans** | **204.9** | ***(0.8%)*** | ***(0.1%)*** |
| **Performing loans** | **190.5** | ***0.4%*** | ***0.1%*** |

## Performing-loan book growth

Gross performing loans, % ytd (organic)




### Growth skewed toward consumer and business lending

Performing "Other loans to individuals"[1] and "Loans to Corporates and SMEs", in % of total performing loans


- Performing loan book up 0.4% ytd (+0.1% qoq) confirming a mild turnaround in 2016
- Continued growth in consumer lending and business lending offsets adverse mortgage seasonality in 4Q
- Improved quality of the portfolio with decline in NPLs assisted by portfolio sales[3]

(1) "Other loans to individuals" includes consumer lending and other credit to individuals
(2) Pro-forma Barclays Spain
(3) Portfolio sales in 4Q including €420M NPLs

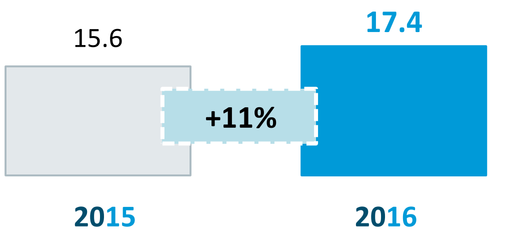
# Better loan production dynamics with strict margin discipline

## Loan production keeps growing

New lending growth, % FY16 vs. FY15

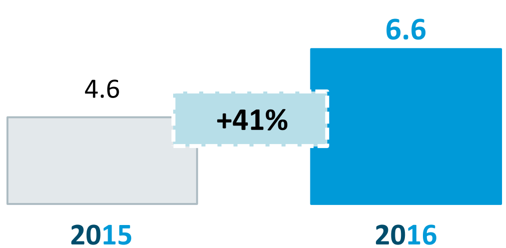
**Corporates and SMEs** **+11%**

New lending to corporates and SMEs, €Bn




**Consumer lending** **+41%**

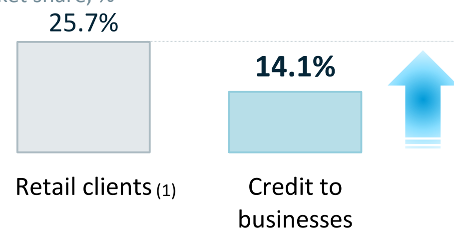
New consumer lending, €Bn




## Realising our potential in business lending

### Gradual transition to a more natural market share

Market share, %




### Enhanced value-proposition based on specialisation and quality of service

- Launch of CIB in 4Q15- now bearing fruits
- 1,363 expert managers and 107 specialised branches

CaixaBank Corporate & Institutional Banking

CaixaBank Business

### Focused value proposition facilitates margin defence

FB yields in 4Q, Δ in bps

| | Δ qoq | Δ yoy |
|---|---|---|
| Corporates & SMEs | +20 | +7 |

(1) Market penetration as primary bank for retail clients (>18 years old). Source: FRS Inmark

# Positive operating performance

## Consolidated income statement[1]

| in €M | Quarterly | | | | Annual | |
|---|---|---|---|---|---|---|
| | Q4 2016 | Q3 2016 | % qoq | %yoy | FY16 | %yoy |
| **Net interest income** | **1,077** | **1,039** | ***3.5*** | ***3.0*** | **4,157** | ***(4.5)*** |
| Net fees and commissions | 544 | 536 | *1.6* | *5.7* | 2,090 | *(1.2)* |
| Income from investments & associates | 278 | 150 | *85.1* | | 828 | *43.1* |
| Trading income | 130 | 125 | *6.1* | *(13.3)* | 848 | *(1.7)* |
| Income and exp. from insurance | 97 | 74 | *31.4* | *57.6* | 311 | *44.8* |
| Other operating income & exp. | (238) | (34) | | *(11.0)* | (407) | *36.1* |
| **Gross income** | **1,888** | **1,890** | ***(0.1)*** | ***28.6*** | **7,827** | ***0.0*** |
| Recurring expenses | (998) | (995) | *0.2* | *0.1* | (3,995) | *(1.7)* |
| Extraordinary operating expenses | 0 | (121) | | | (121) | *(77.7)* |
| **Pre-impairment income** | **890** | **774** | ***15.1*** | ***89.0*** | **3,711** | ***15.3*** |
| Impairment losses & other provisions | 108 | (265) | | | (1,069) | *(57.5)* |
| Gains/losses on asset disposals & others | (774) | (83) | | | (1,104) | |
| **Pre-tax income** | **224** | **426** | ***(47.3)*** | | **1,538** | ***141.0*** |
| Income tax | (149) | (90) | *66.9* | | (482) | |
| **Profit for the period** | **75** | **336** | ***(77.8)*** | | **1,056** | ***28.9*** |
| Minority interests & other | (2) | 4 | | | 9 | *101.6* |
| **Profit attributable to the Group** | **77** | **332** | ***(76.9)*** | | **1,047** | ***28.6*** |

## Core revenues gather momentum

- Sequential NII growth of 3.5% qoq
- Fees up 1.6% qoq confirm structural strength
- Insurance (31.4% qoq) and core revenues (2.6% qoq) receive additional boost from recovered re-insurance flows[2]
- Gross income flat qoq due to DGF and up 29% yoy despite BEA/GFI disposals
- Costs stable at below €1Bn/quarter
- Pre-impairment income up 89% yoy/15.1% qoq
- Q4 sales on RE post 11% capital gain (2% in 3Q)

## One-offs in impairments and taxes

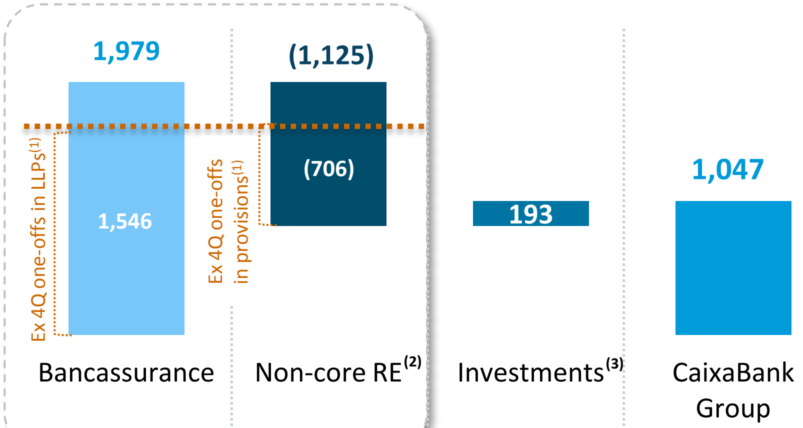
- Impairments and losses on disposal of assets affected by development of internal models[3] (€676M released from loan-book and €656M charged to OREO)
- Other provisions negatively impacted by ECJ floor ruling (-€110M)
- One-off tax hit from fiscal reform (-€149M)

(1) In relation to the income statement for 2015, Bank of Spain Circular 5/2014 resulted in the restatement of gains and losses on the purchase and sale of foreign currency, which are no longer presented under Trading income, but under Net fees and commissions. Barclays Spain consolidated from 1st January 2015 with FY15 including, among others, €602M of badwill from the Barclays Spain acquisition (including fair value adjustments of the assets and liabilities of Barclays); €64M of impairment due to asset obsolescence and €259M in restructuring costs associated with the Barclays Spain acquisition
(2) Recovery of reinsurance flows in November 2016 after expiry of the value-in-force contract with Berkshire Hathaway (signed in 4Q12 and risk-transferring a portfolio of life-risk insurance policies)
(3) Consistent with BoS Circular 4/2016

# Bancassurance business continues to be the main driver behind Group RoTE

## Bottom line evolution of Group P&L

In €M, FY16

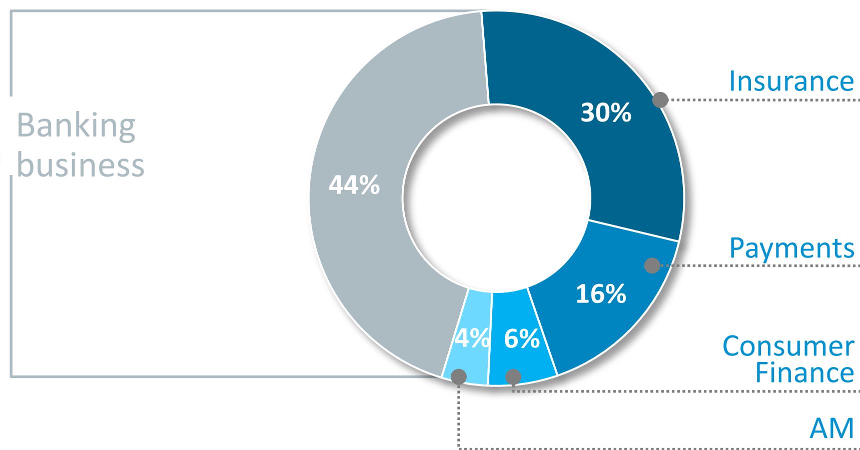



*FY16 vs. FY15,% (non-adjusted)*

| Bancassurance | Non-core RE | Investments | CaixaBank Group |
|---|---|---|---|
| 23.4% | (6.0%) | (52.7%) | 28.6% |

## Non-banking businesses remain key contributors to results

Net income from bancassurance segment reporting(4) breakdown, FY2016



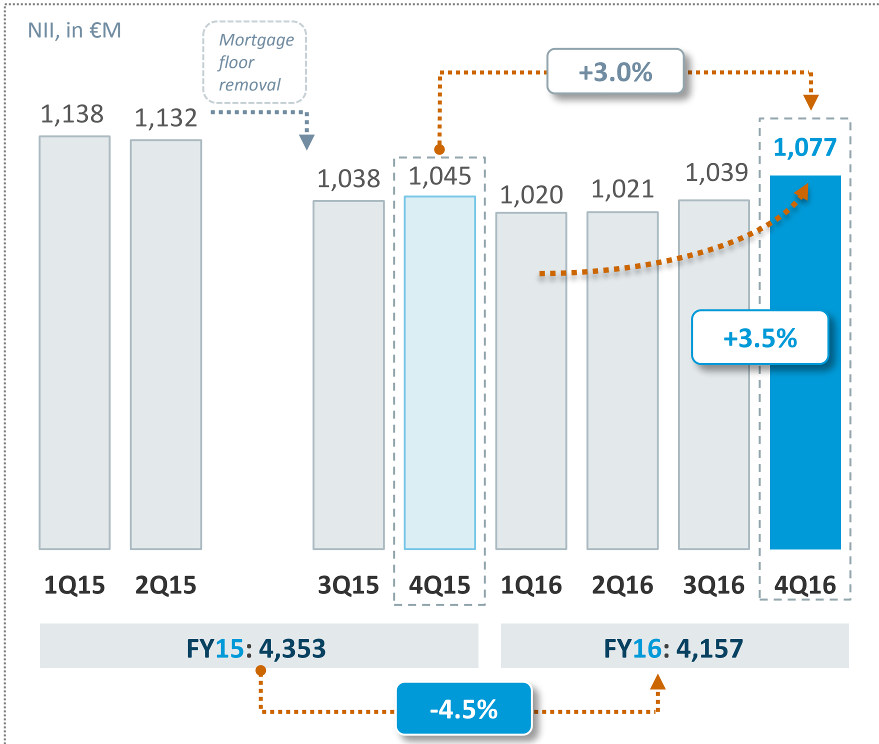

**10.8%** Bancassurance RoTE(4) → **~5.5 pp** Contribution from non-banking businesses to bancassurance RoTE

- Group improvement of 28.6% yoy driven by improved performance of bancassurance segment and lower RE losses
- Bancassurance and non-core RE trends impacted by provisioning release and offset charge
- Declining non-core RE losses (-6.0% yoy) offset fall in income from stakes affected by 4Q fiscal reform
- Double-digit bancassurance RoTE at 10.8% (vs 10.1% in 2015)

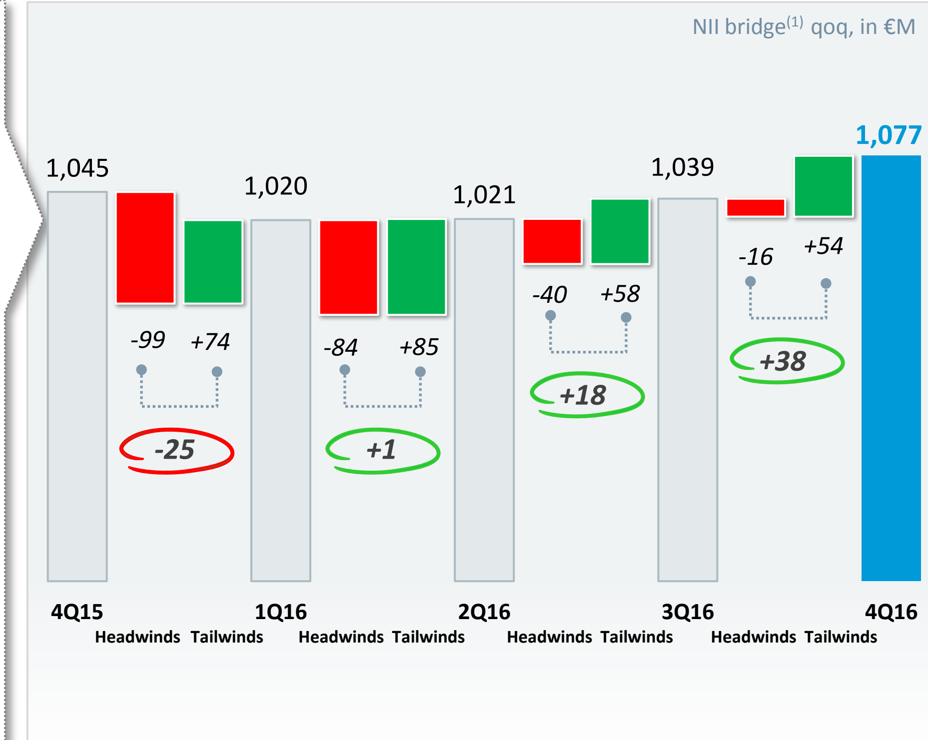
(1) In segment reporting, one-offs in 4Q related to developments in internal models consistent with BoS Circular 4/2016 : +€618M in Bancassurance and -€598M in non-core RE
(2) Non-core RE segment primarily includes non-core lending to RE developers and foreclosed RE assets.
(3) Impacts in 1Q16 related to early redemption of the exchangeable bond for Repsol shares and extraordinary write-downs of non-listed investee companies (Isolux) and impact in 2Q16-4Q16 of GFI and BEA disposal; in 4Q16 one-off impact from fiscal reform
(4) Trailing 12 months RoTE exc. extraordinary operating expenses (€121M) in 3Q16 and adjusting for developments in internal models consistent with Circular 4/2016 (€618M) in 4Q16

# NII improves further as headwinds lose steam

## NII ends on upper bound of guidance




## Loans gradually becoming a tailwind



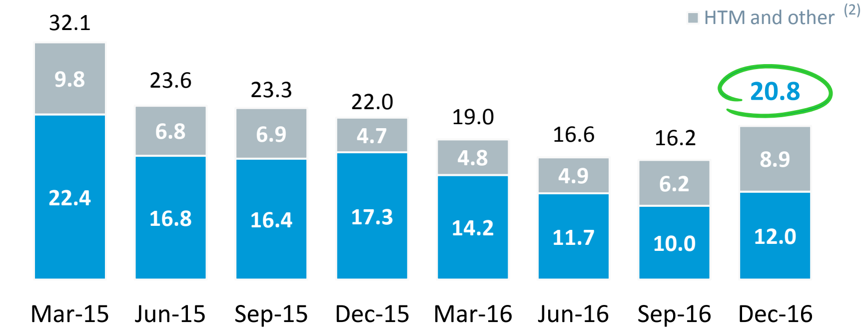

- NII grows as lower funding costs and positive loan-book dynamics offset drag from ALCO book
- Lower retail and wholesale funding costs are still the main contributor
- Positive loan volume trends and mix of new production gradually support NII- also positively impacted by 4Q one-off
- FY16 yoy evolution reflects negative impact of floor removal

(1) Headwinds mainly include the yield impact related to the ALCO book. Tailwinds mainly include the impact from funding and net (volume and yield) impact related to the loan book.

# Reduced ALCO book drag while loan book starts to contribute

## Conservative increase in ALCO book

ALCO portfolio[1], in €Bn



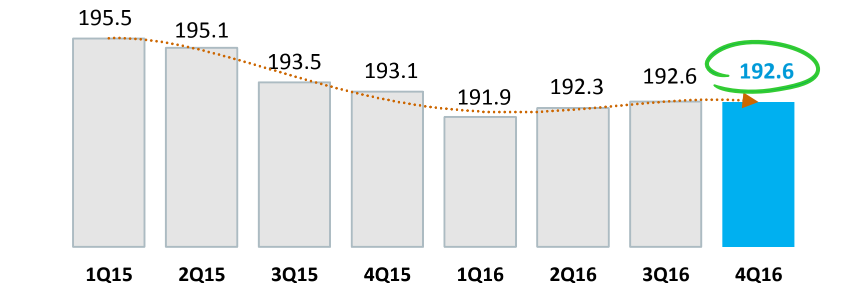

| | Mar-15 | Jun-15 | Sep-15 | Dec-15 | Mar-16 | Jun-16 | Sep-16 | Dec-16 |
|---|---|---|---|---|---|---|---|---|
| Yield, % | 3.4 | 3.6 | 3.5 | 3.1 | 3.0 | 2.7 | 2.5 | 2.0 |
| Average life, yrs | 3.1 | 3.4 | 4.2 | 4.6 | 3.9 | 3.7 | 3.1 | 4.0 |
| Duration, yrs | | | | | | | | 2.4 |

▶ **New purchases partly swapped into floating**

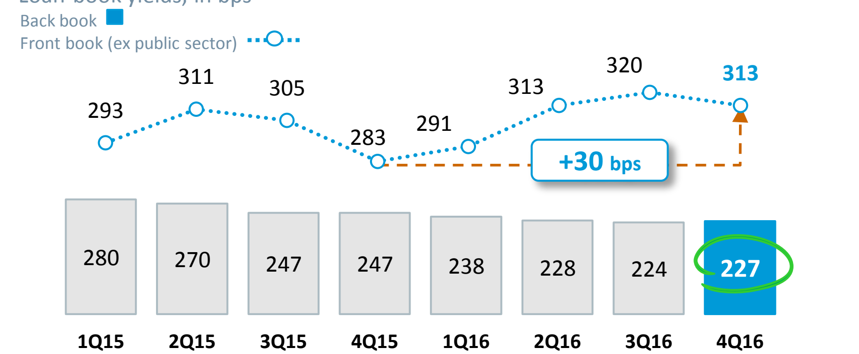
- Increase in ALCO book partly swapped into floating to provide resilience in a higher-yield environment
- Lower yields reflect higher-yielding maturities
- Lower risk relative to peers: 6.0% ALCO/total assets vs. 11.4% peer average[3]

## Loan balances stable and back-book yields grow

Average loan balance (net), in €Bn




Loan-book yields, in bps



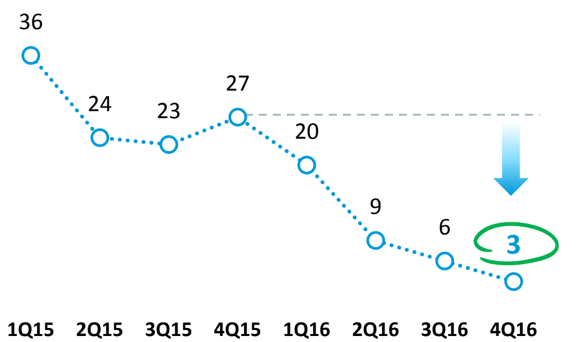

- FB accretive to BB on mix-shift to higher-yielding segments
- BB yields stable ex one-offs with lower drag from Euribor resets (-3 bps vs.-4 bps in 3Q)
- Gradual but favourable loan-book trends with spreads stabilising

(1) Banking book fixed-income securities portfolio, excluding trading book assets and liquidity management portfolio of €2.6Bn, as of the end of the year
(2) Held to maturity securities and debt securities at amortised cost
(3) Peers include Bankia, Bankinter, BBVA Spain + RE business, Sabadell (ex TSB). Latest available data: CaixaBank, Bankia, Bankinter, BBVA Spain + RE business, Sabadell (ex TSB) as of December 2016. Lack of available data for POP and SAN in 4Q. Sources: Based on company information

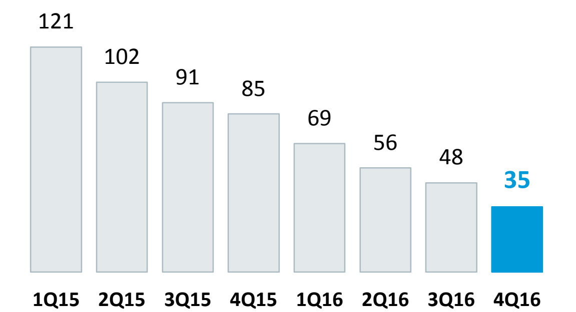
# Steady decline in interest expense remains a key margin driver

## Deposit pricing now close to zero

Time deposits: front book (bps)



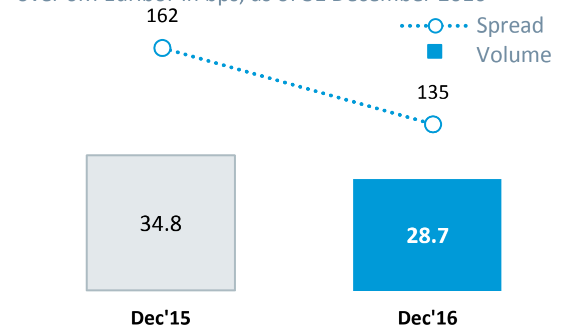

Time deposits: back book (bps)



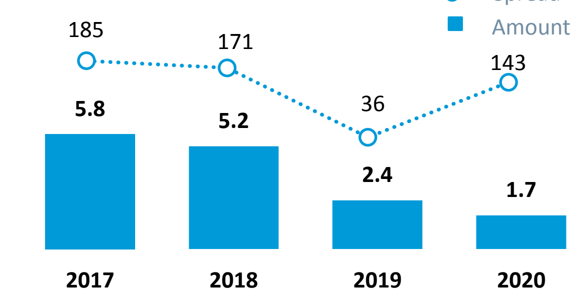

- Some potential for liability re-pricing (new deposits priced 32 bps below BB) albeit at a lower pace
- Back book evolution in 4Q impacted by high-yielding maturities

## Lower wholesale funding costs

Static wholesale funding back-book[1] in €Bn and spread over 6M Euribor in bps, as of 31 December 2016



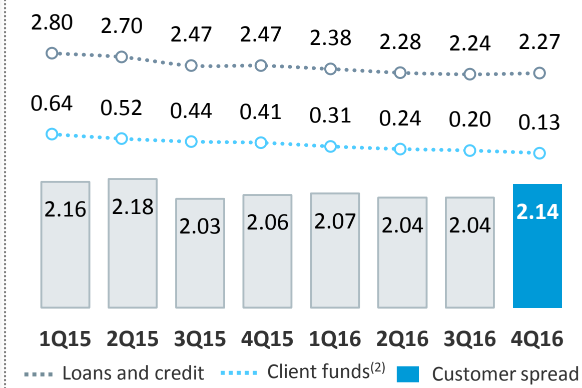

Maturities in €Bn[1]; spread over 6M Euribor in bps, as of 31 December 2016



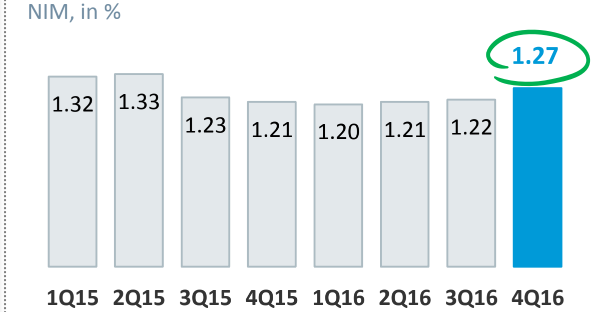

- Wholesale funding improvement (back book -27 bps yoy) to be affected by MREL issuance over coming years
- TLTRO2 provides additional support

## Increased customer spread and NIM

Customer spread, in %




NIM, in %

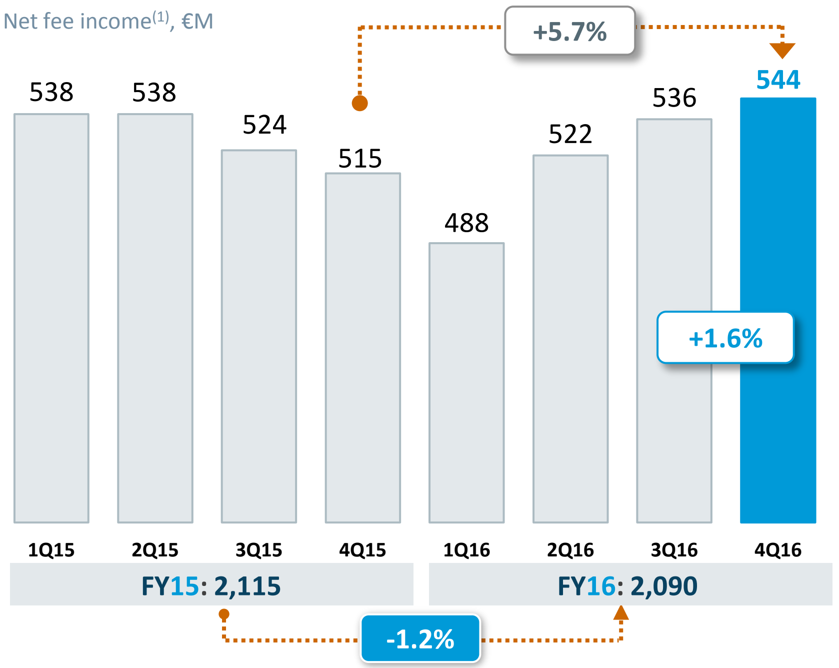



- Customer spread up on positive deposit and loan dynamics
- NIM increase reflects NII improvement and decline in non-interest bearing assets

(1) Includes securitisations placed with investors and self-retained multi-issuer covered bonds
(2) The cost of customer funds reflects the cost of both demand and time deposits, as well as repos with retail clients. Excludes the cost of institutional issuance and subordinated liabilities

# Well-established fee trends show structural strength

## Another strong quarter on the back of AuM and insurance fees

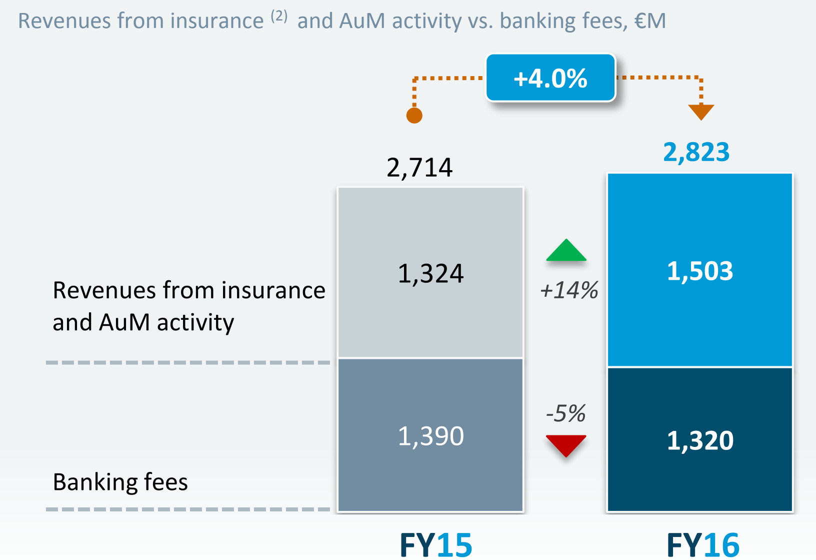



- Net fees confirm strength with three consecutive solid quarters following an exceptionally low 1Q
- Banking fee evolution in 4Q reflects lower non-recurrent activity after a strong 3Q
- Asset management and insurance fees grow 6.2% yoy, with a rising contribution to total fees (+3 pp yoy)

## Insurance and pension fees on a steady upward trend

| Net fees breakdown, €M | FY16 | % yoy | % qoq |
|---|---|---|---|
| Banking and other fees | 1,320 | (5.0) | (2.8) |
| Mutual funds | 403 | (4.8) | 10.4 |
| Pension plans | 187 | 12.7 | 2.4 |
| Insurance distribution fees | 180 | 32.6 | 14.6 |

## Insurance + AuM revenue more than offset lower banking fees



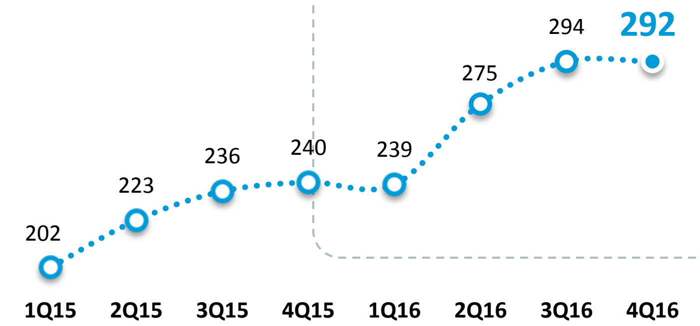

(1) 2015 and 1Q16 figures were restated to reflect changes introduced by BoS Circular 5/2014 that resulted in the reclassification of gains and losses on the purchase and sale of foreign currency from Gains/(losses) on financial assets and liabilities and others to Net fee and commission income
(2) Excludes trading income and other operating income and expenses

# Insurance and pensions remain key contributors to bancassurance revenue

## Growing revenues from insurance & pensions activity

In €M

FY16 +22% yoy




### Growing contribution to revenues

% of CABK bancassurance revenues[(1)]


**Market-leading businesses mitigate effect of low rates**

## Insurance and pensions contribute 16% of revenues

FY16, in €M

| | Bancassurance | Insurance & pensions | *Insurance as % bancassurance* |
|---|---|---|---|
| **Revenues** (excluding non-recurrent items[(1)]) | **6,946** | **1,100** | **16%** |
| *% yoy* | *-2%* | *+22%* | *+3 p.p.* |
| **Net interest income** | **4,387** | **297** | **7%** |
| *% yoy* | *-6%* | *+4%* | *+1 p.p.* |
| Net fees and commissions | 2,089 | 367 | 18% |
| *% yoy* | *-1%* | *+22%* | *+3 p.p.* |
| Income from associates (equity accounted) | 159 | 125 | 79% |
| *% yoy* | *+29%* | *+25%* | *-3 p.p.* |
| Income and exp. from insurance | 311 | 311 | 100% |
| *% yoy* | *+45%* | *+45%* | *0 p.p* |

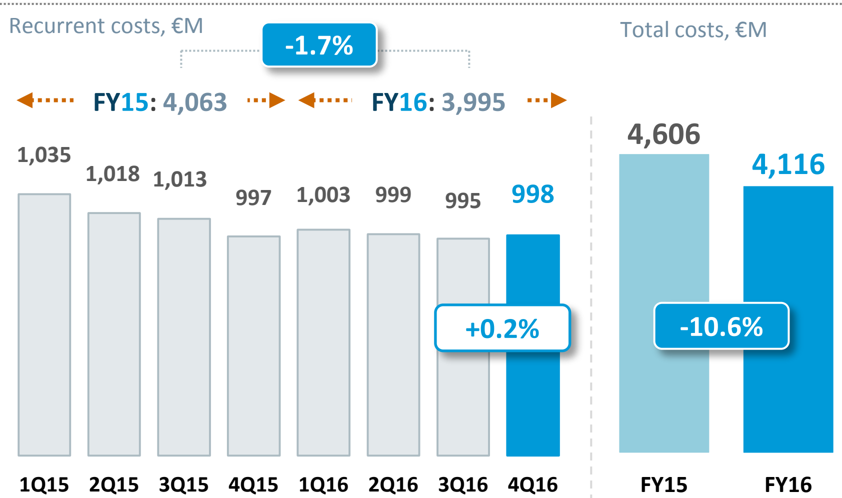
Insurance revenue received boost of **c.€20M in 4Q** following the recovery of **value-in-force reinsurance** flows from November

VidaCaixa

(1) Excludes trading income and other operating income and expenses.

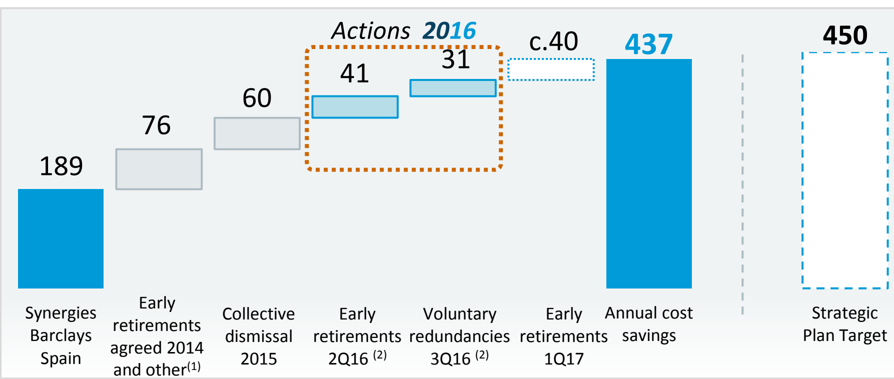
# Operating costs flat while further restructuring announced in 1Q17

## Operating costs stable below €1Bn/quarter

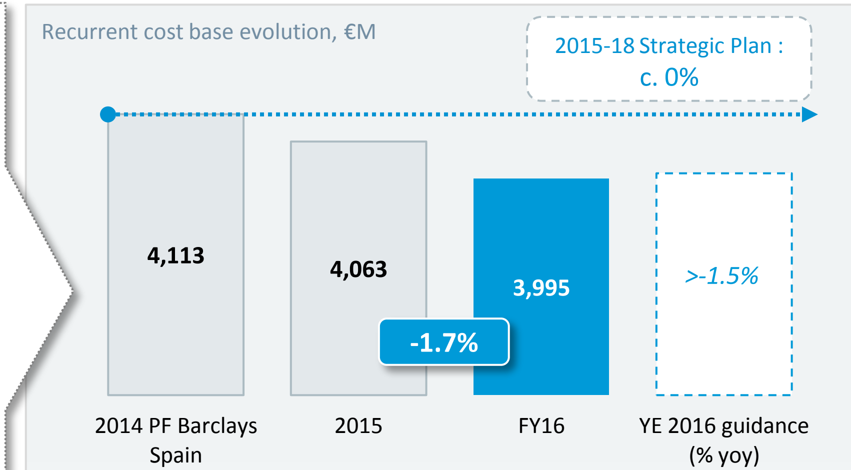



## Less than €20M to reach Strategic Plan cost savings target

Annual cost savings (structural), in €M




## Cost trending better than planned




**-18%** 2011 cost base (PF acquisitions) vs. FY16

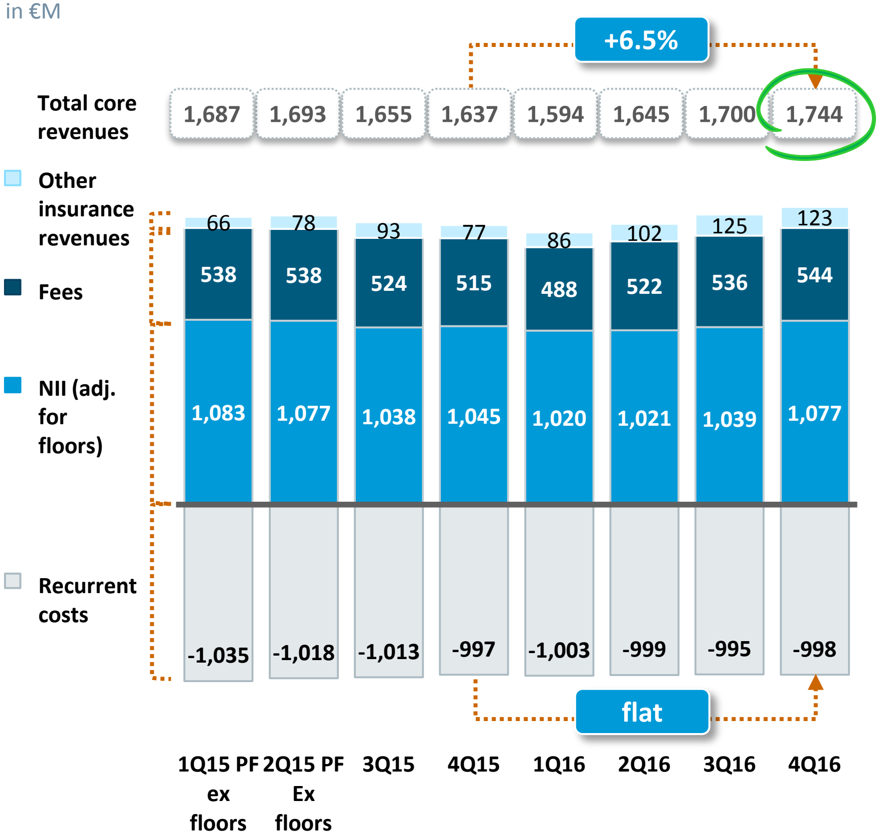
- Recurrent costs down 1.7% yoy as synergies from acquisitions and staff departures keep feeding in
- Early delivery of cost-saving plans supports gradual efficiency gains (recurrent C/I ratio[3] down 89 bps ytd to 51.0%)
- Early retirement scheme in 1Q17 for c.350 employees with restructuring cost of c.€150M and annual cost savings of c.€40M (departures from 1st of March)

(1) Includes €47M related to early retirements agreed in 2014 and €29M related to the remaining savings of the voluntary redundancies plan signed in 2013 with departures throughout 2013 and 2014
(2) For 2016, cost savings from early retirements agreed in 2Q16 estimated at c.€20M since departures began in June and cost savings from departures agreed in 3Q16 estimated at c.€4M since departures began in November
(3) Trailing 12 months C/I ratio, excluding the 3Q 16 voluntary redundancy scheme, the 1Q15 integration of Barclays Spain and the 2Q15 collective dismissal agreement

# Sustained improvement in key operating metrics

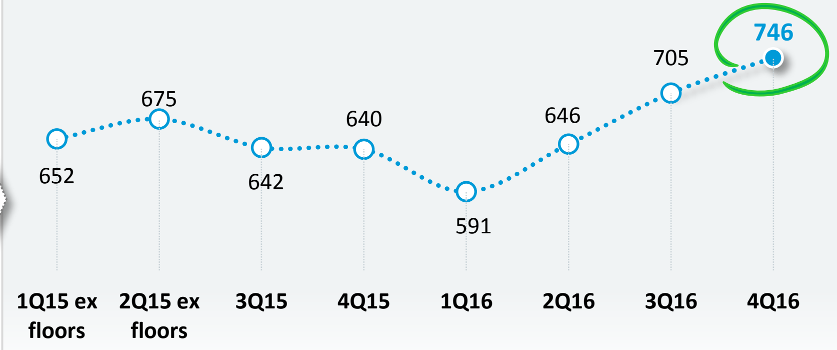
## Positive dynamics in core revenues and costs...

Core revenues (NII + Fees + other revenues from insurance[1]) and recurrent cost base, in €M

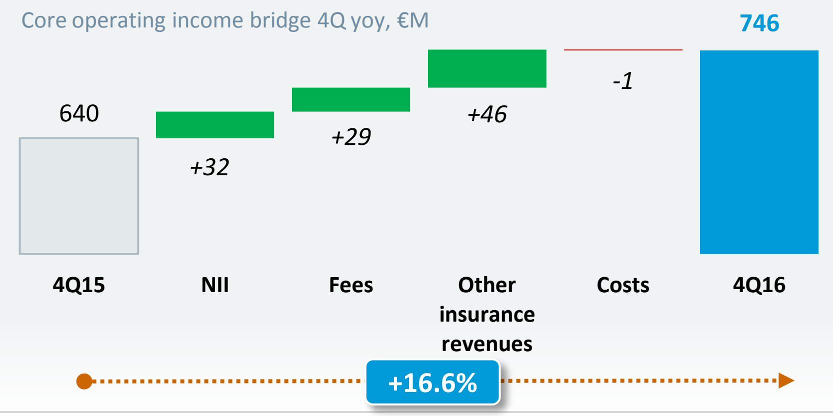



## ... keep boosting core operating income[2]

Core operating income, in €M




Core operating income bridge 4Q yoy, €M

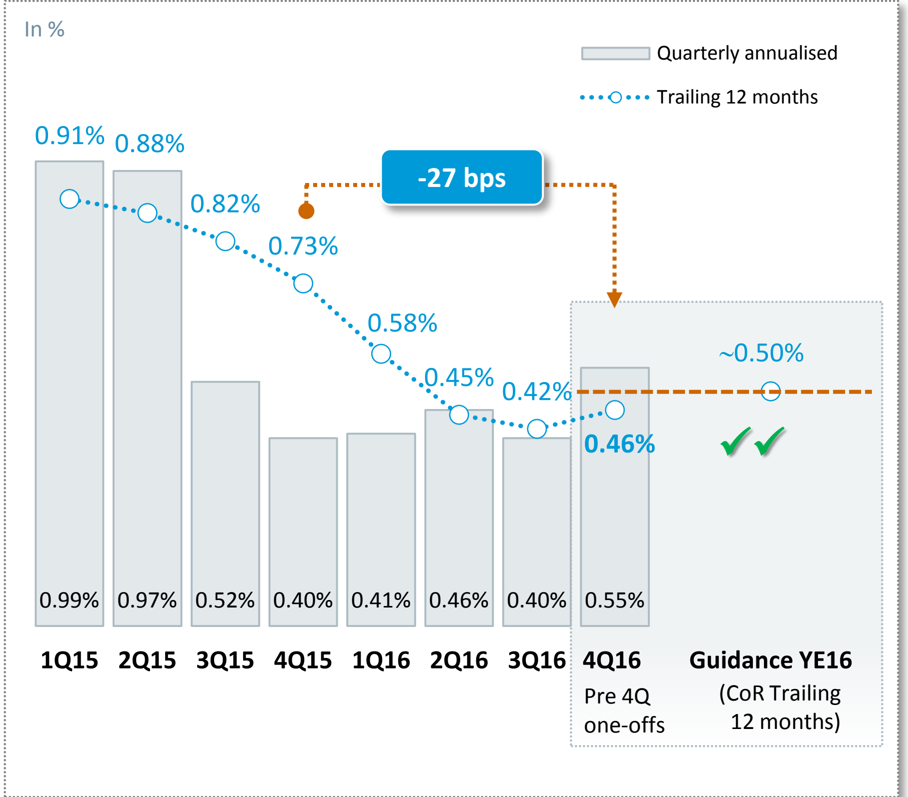



**2016 core operating income up 17% on higher revenues**

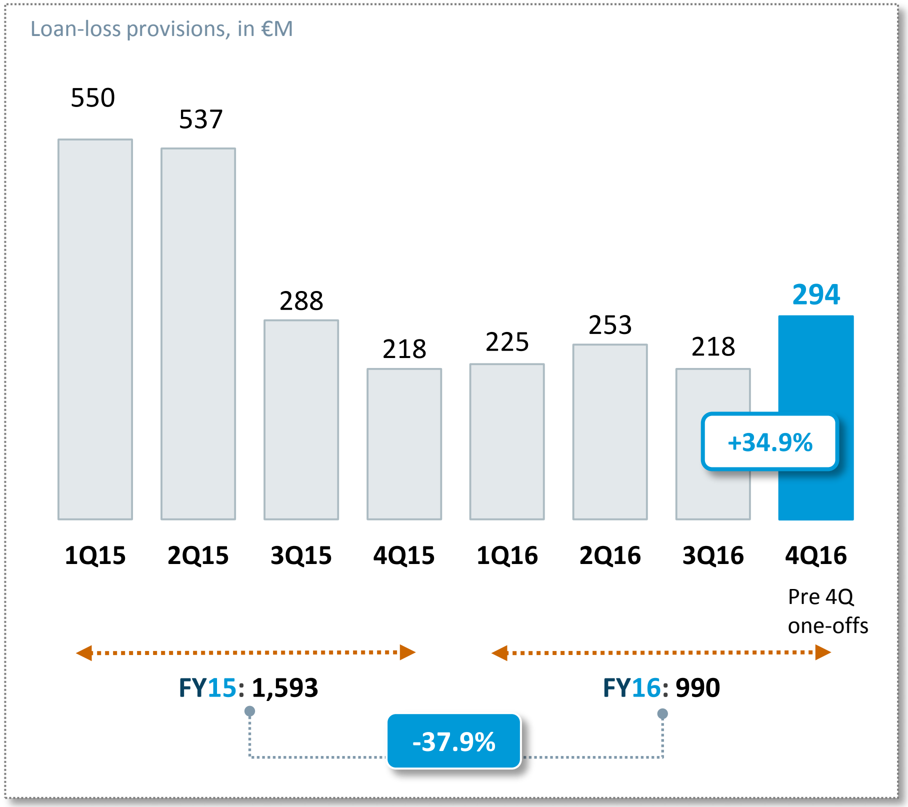
(1) Includes life-risk premia and equity accounted income from SegurCaixa Adeslas
(2) Core operating income defined as NII+Fees+ other revenues from insurance (life-risk premia and equity accounted income from SegurCaixa Adeslas) minus recurrent costs

# Loan loss provisions below annual guidance

## CoR[1] below YE guidance




## LLPs down significantly yoy

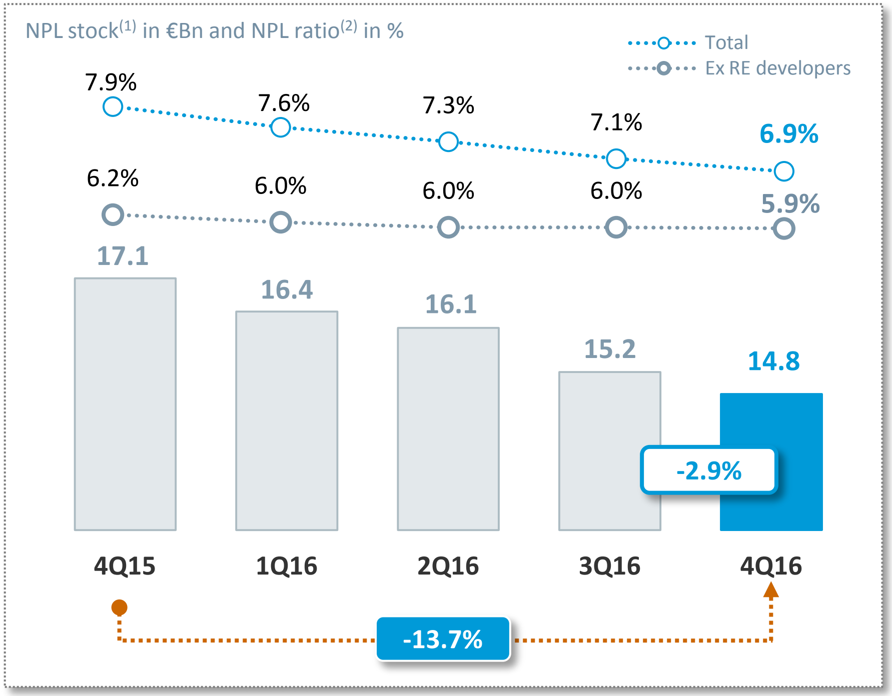



- Reported CoR at 0.15% (post 4Q one-offs) and 0.46% (pre 4Q one-offs) below annual guidance of 0.50%
- Release of €676M in credit provisions and increased OREO coverage by €656M
- 2016 LLPs down 37.9% yoy with qoq evolution reflecting isolated impacts from non granular exposures

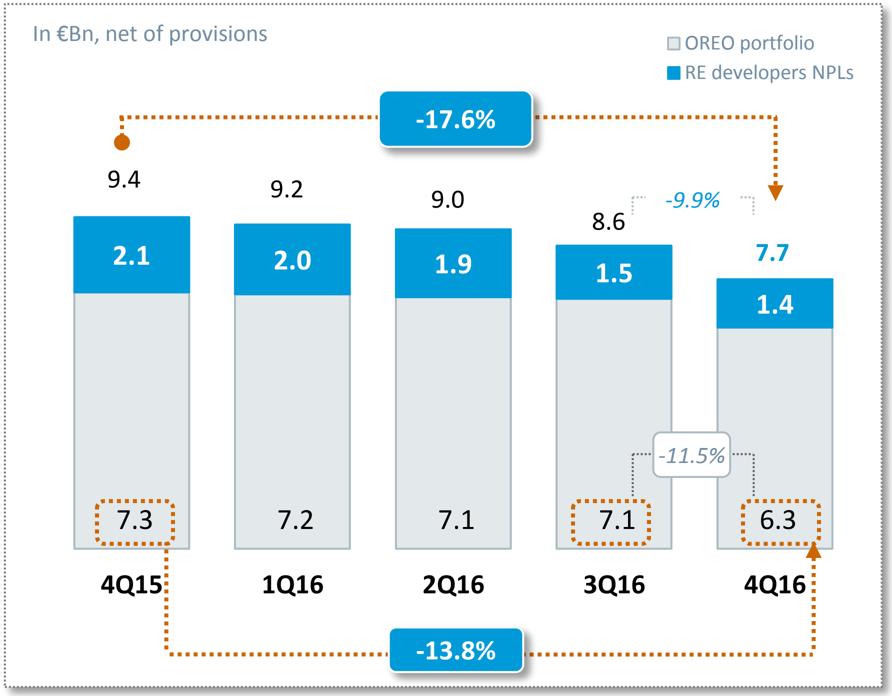
(1) Loan-loss provisions over total gross customer loans plus contingent liabilities, as of the end of the period on a trailing 12 months and on an annualised quarterly basis

# Steady improvement in asset quality metrics

## Another quarter of NPL declines




## Net non-performing RE assets[3] trending down

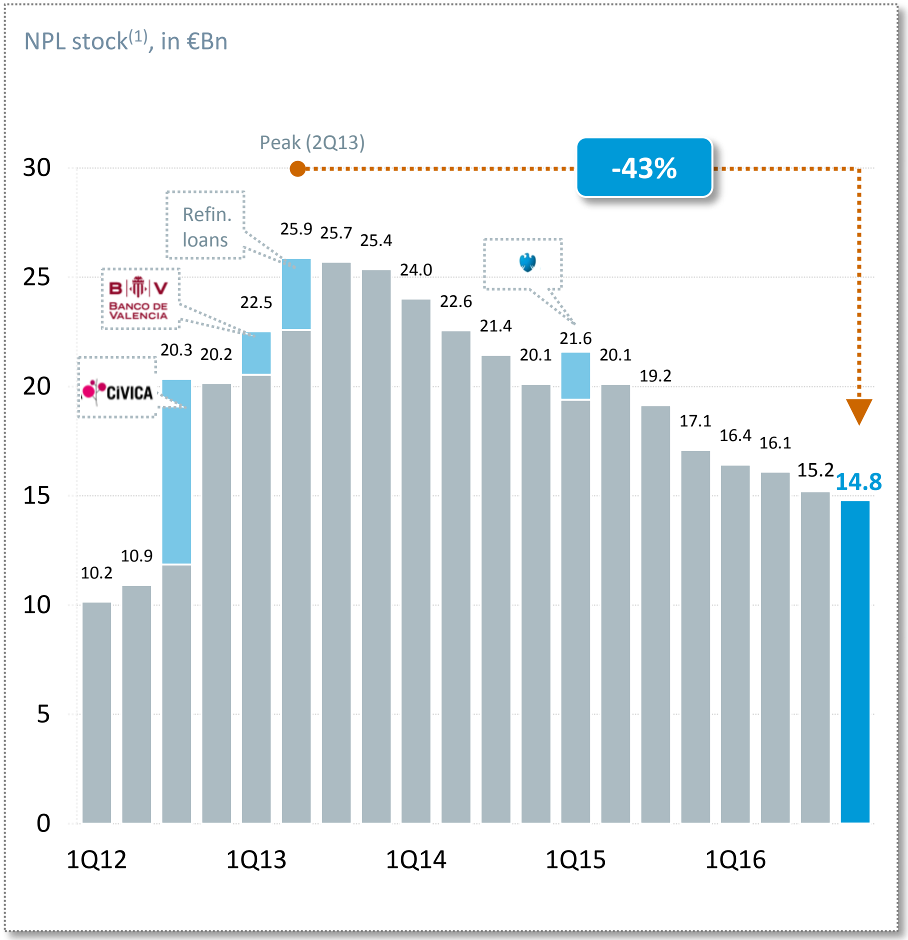



- NPLs fall 3% qoq and show a 43% reduction from 2Q13 peak
- RE developer NPLs becoming non-material in a sector that is set for growth
- NPL ratio of 6.9% down 1pp in 2016 (0.3 pp ex-RE developer)
- Lower inflows and provisions reduce net OREOs (-11.5% qoq) and contribute to decline in net non-performing RE assets (-17.6% ytd)
- Comfortable NPL and OREO coverage ratios of 47% and 60%[4] affected by development of internal models

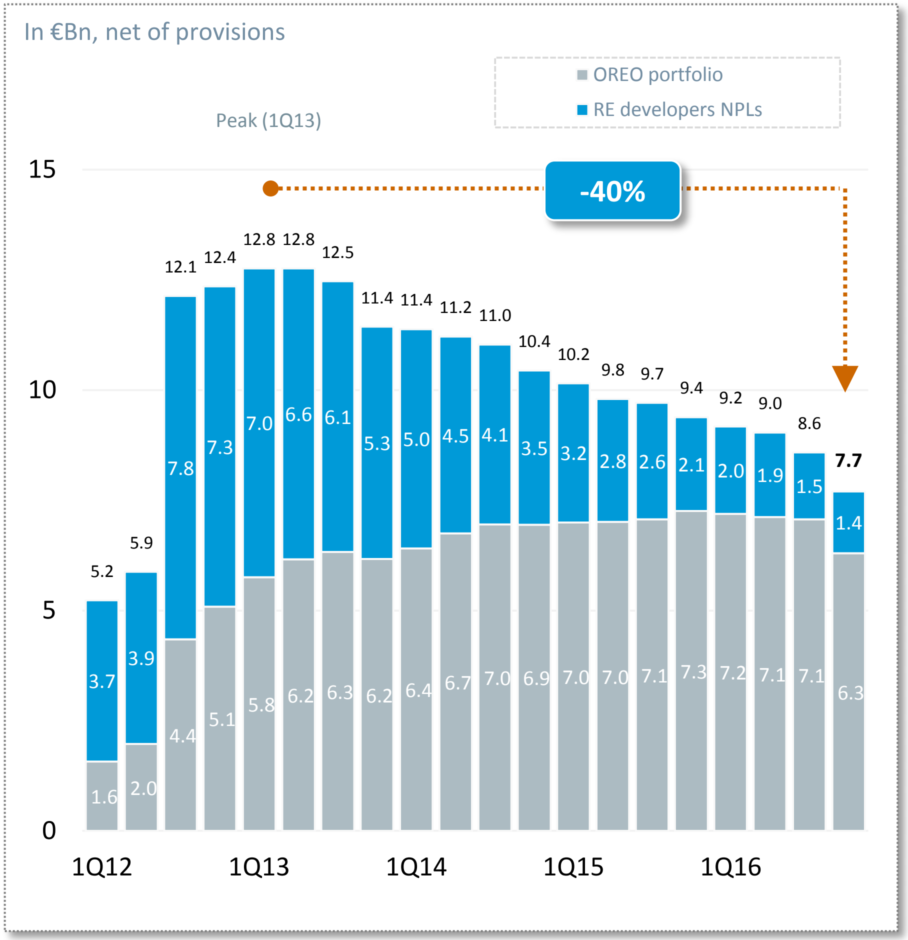
(1) Including non-performing contingent liabilities (€403M in 4Q16)
(2) NPL ratio is the ratio of NPLs to total gross customer loans and contingent liabilities as of at the end of the period
(3) OREO portfolio net of provisions and non-performing RE developer loans net of specific provisions. The series was restated to exclude sub-standard RE loans
(4) Loan equivalent coverage ratio, i.e. including write-downs on conversion to OREO. Coverage ratio stands at 50% when only considering accounting provisions

# Significant NPA reduction since peak in 2013

## NPL stock on a steady downward trend




## Net non-performing RE assets(2)

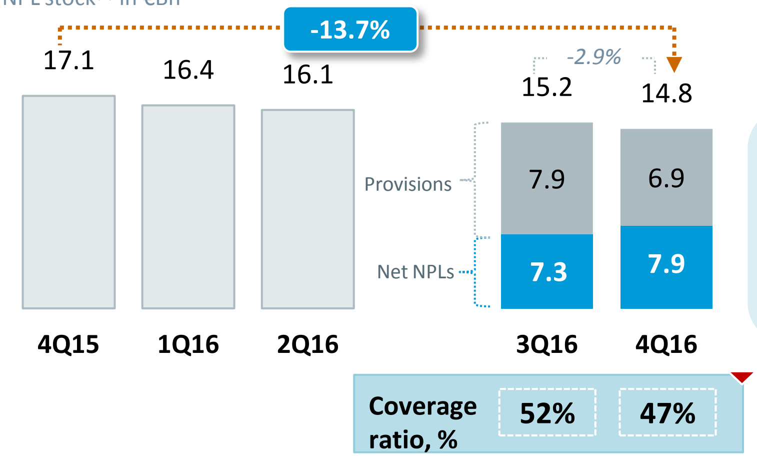



(1) Including non-performing contingent liabilities

(2) OREO portfolio and RE developer non-performing loans, both net of provisions. In 4Q13, detailed portfolio review resulting in: 1) Reclassification from substandard to NPLs; 2) Assignment of remaining RE developer generic provision (€1.9 bn at Q3) → o/w €310 M allocated to foreclosed assets; 3) €1.7 bn loan reclassification to non-RE

# Reduced NPAs with high and stable coverage

## Release of provisions from loan-book[1]

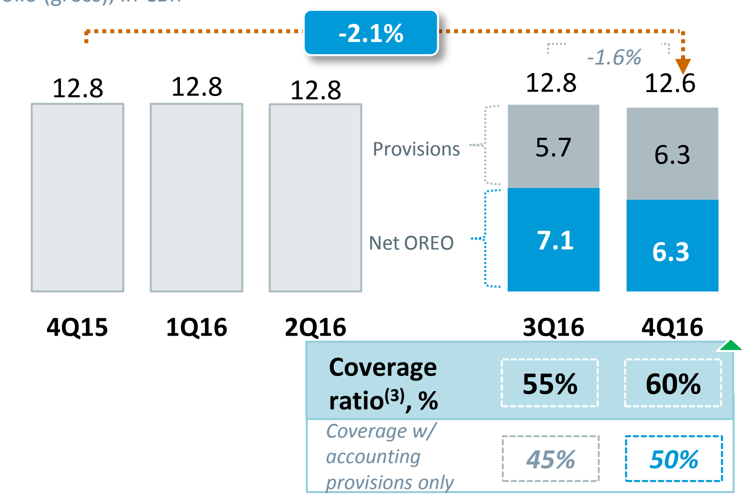



**Total NPA coverage**

**53.3%**

vs. 53.9% 3Q

## Applied to OREO book[1]




- Improved quality of NPLs: >90 days past due down from 75% to 58% in 24 months
- 70% NPLs are collateralised and covered at 107% including appraised collateral
- Uncollateralised NPLs covered at 68%

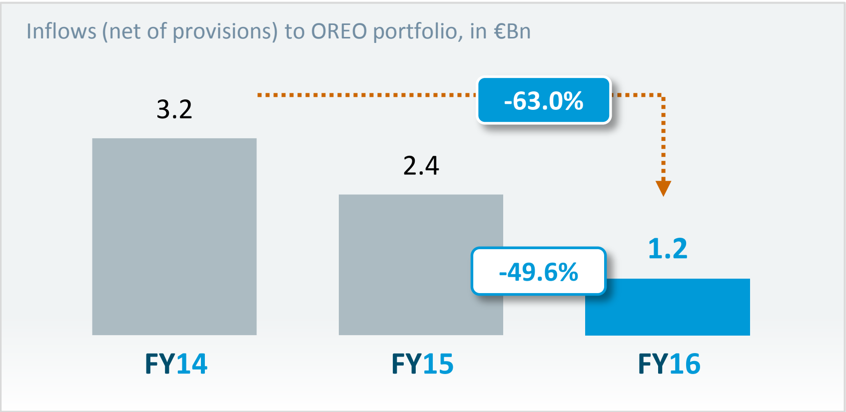
- Internal models[4] do not allow the offset of unrealised gains vs shortfalls
- At current coverage levels, no further OREO impairments expected since calendar provisioning no longer applies
- Existing level of profits on RE sales expected to increase in the future

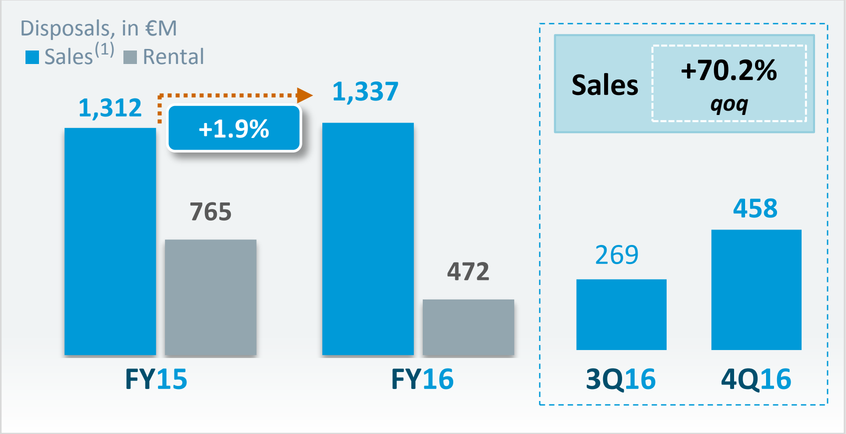
**Total NPA coverage stable at 53%**

(1) Released credit provisions related to development of internal models consistent with BoS Circular 4/2016, among others: €676M. Increased OREO provisions: €656M
(2) Including non-performing contingent liabilities (€403M in 4Q16)
(3) OREO coverage when considering the loan equivalent coverage ratio, i.e. including write-downs on conversion to OREO and charges to provisions subsequent to the real estate foreclosure divided by the debt cancelled during the foreclosure. Note that the series prior to and including 3Q16 has been restated. The revised ratio for 1Q16 and 2Q16 is 55%
(4) Consistent with Circular 4/2016 of the Bank of Spain

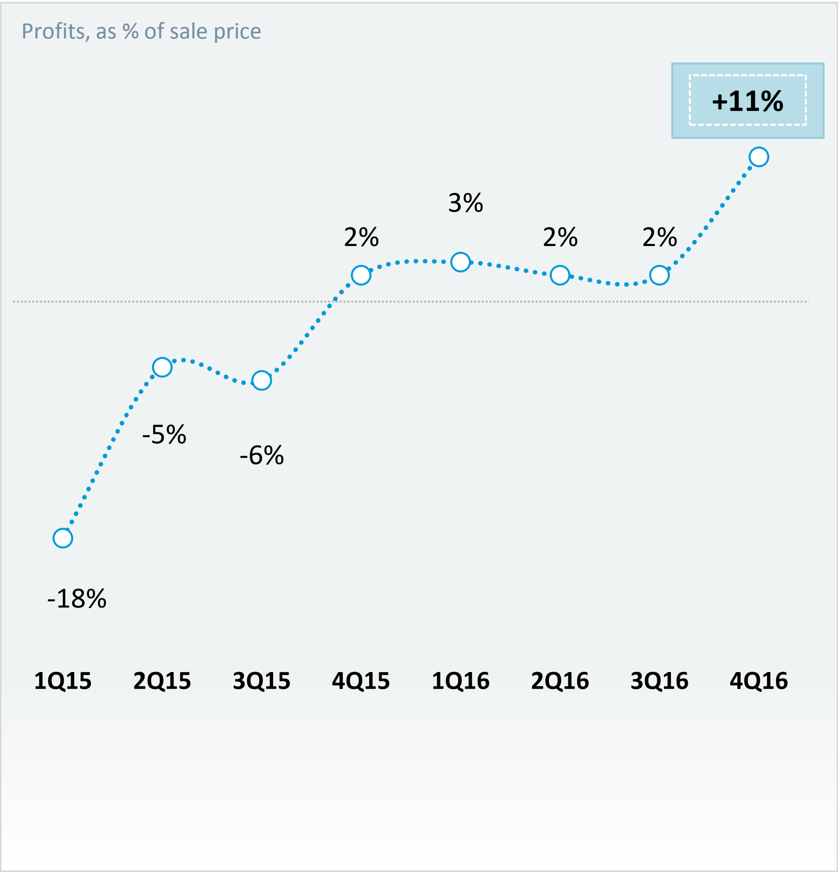
# OREO sales and profits accelerate while inflows decline further

## Inflows on a declining trend while sales increase




## Profits picking up significantly in 4Q



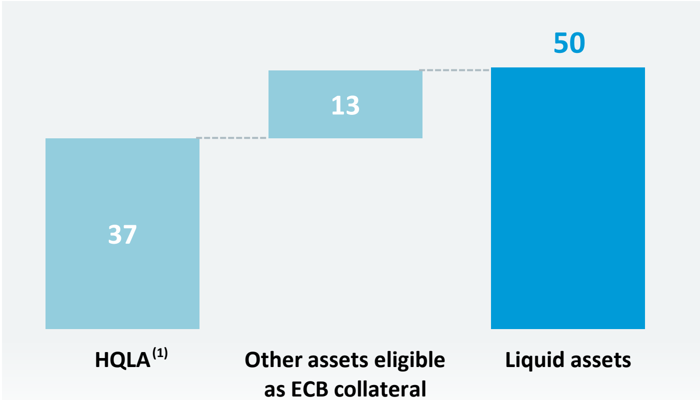

**Better RE fundamentals and increased coverage to support future profits**

(1) Revenue of RE sales

# Strong liquidity position remains a hallmark

## Comfortable liquidity metrics

Liquid assets, in €Bn 31 December 2016

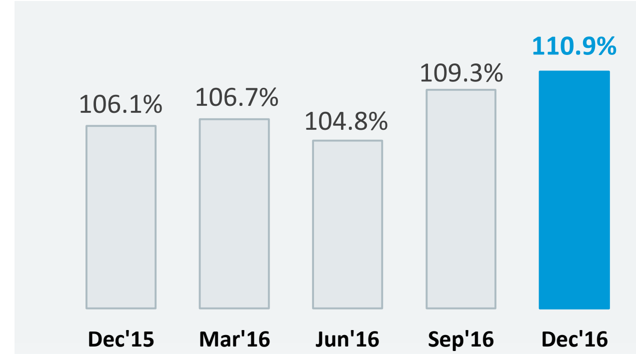



**LCR**

**160%**

**€26.8 Bn** TLTRO 2

LtD ratio, %

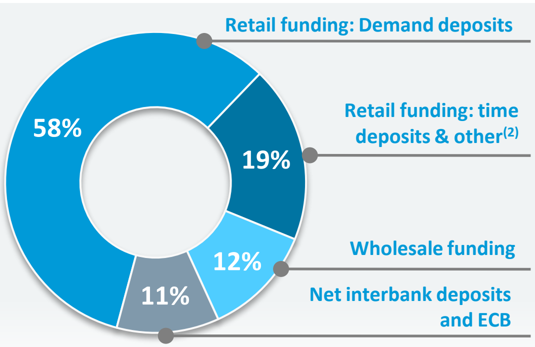



## Stable funding structure

Financing structure, % of total 31 December 2016

**€229.7 Bn**

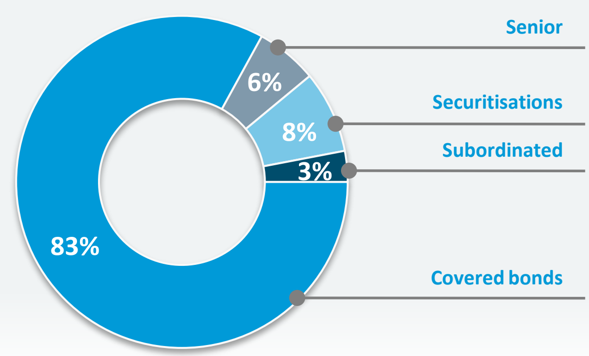
Total




Wholesale funding[3] by category, 31 December 2016

**€28.7 Bn**

Total

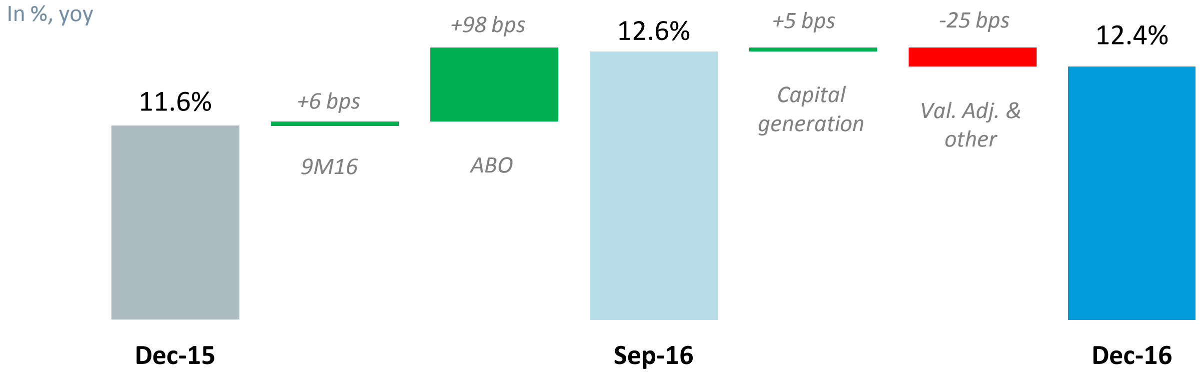



(1) High quality liquid assets
(2) Other includes: subordinated and retail debt securities
(3) Includes securitisations placed with investors and self-retained multi-issuer covered bonds

# SREP results underscore high solvency

## CET1 FL ratio evolution

In %, yoy




In €Bn

| | Dec-15 | Sep-16 | Dec-16 |
|---|---|---|---|
| **CET1** | 16.6 | 17.0 | 16.7 |
| **RWAs** | 143.6 | 135.5 | 134.5 |

- Capital build offset by one-offs related to new provisioning rules
- SREP requirement for 2017 of 7.375% CET1 phase-in including the Capital Conservation buffer (1.25% [(1)]) and the O-SII buffer (0.125% [(2)]). CET1 fully loaded requirement stands at 8.75%
- SREP disclosure for 2017 reaffirms solvency strength with comfortable CET1 management buffer
- CET1 FL ratio maintained within 11-12% target post BPI MTO

## Capital ratios

In % as of 31 December 2016

| | *Phase-in* | *Fully loaded* |
|---|---|---|
| CET1 | 13.2% | 12.4% |
| Total Capital | 16.1% | 15.4% |
| Leverage ratio | 5.7% | 5.4% |

Capital ratios as of 31 December 2016 pro-forma 84.5% stake in BPI post take-over bid [(3)] and taking into account the issuance of Subordinated Notes completed in Feb-17[(4)], in %

| | *Phase-in* | *Fully loaded* |
|---|---|---|
| **CET1 PF** | 12.0% | 11.2% |
| **Total Capital PF** | 15.4% | 14.7% |

(1) The Capital Conservation buffer considers a linear implementation period of four years starting on 1 January 2016 and should reach 2.5% in 2019
(2) The O-SII buffer considers a linear implementation period of four years starting on 1 January 2016 and should reach 0.25% in 2019
(3) Pro-forma figures are internal preliminary estimates. These figures take into account the deconsolidation of BFA from the sale of 2% of its share capital closed in 1Q17
(4) In February 2017, CaixaBank completed an Issue of €1Bn of Subordinated Notes

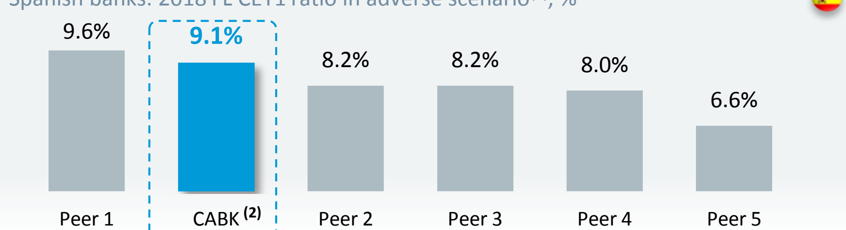
# ECB/EBA stress testing underscores solvency

## Amongst the most solvent banks in the Euro Area

2018 FL CET1 capital surplus (vs. ECB minimum reference of 5.5% + G-SIB buffer if applicable) in the adverse scenario[1], in bps

| | 2018 FL CET1 capital surplus (bps) | 2018 FL CET1 (adverse scenario) | Capital depletion (adverse scenario) |
|---|---|---|---|
| Peer1 | 577 | 11.3% | 3.61% |
| Peer2 | 471 | 10.2% | 2.26% |
| Peer3 | 403 | 9.5% | 5.91% |
| Peer4 | 399 | 10.5% | 3.19% |
| **CaixaBank[2]** | **357** | **9.1%** | **2.48%** |
| Peer 5 | 269 | 8.2% | 2.08% |
| Peer 6 | 252 | 8.0% | 4.23% |
| Peer 7 | 248 | 9.0% | 3.71% |
| Peer 8 | 170 | 8.2% | 1.99% |
| Peer 9 | 101 | 8.5% | 2.36% |
| Peer 10 | 100 | 7.5% | 3.41% |
| Peer 11 | 60 | 7.1% | 3.29% |
| Peer 12 | 30 | 7.8% | 3.32% |

Spanish banks: 2018 FL CET1 ratio in adverse scenario[3], %




## Outcome confirms comfortable buffer

FL SREP requirement for 2017 [4], in %

**FL SREP requirement for 2017** (4.5% Pillar 1 + 1.5% Pillar 2 Requirements + 2.5% conservation buffer + 0.25% O-SII buffer) — **8.75%**

Capital depletion in the adverse scenario (2015 vs. 2018) vs. CBR

**Combined buffer requirement (CBR)** (2.5% conservation buffer + 0.25% O-SII buffer) — **2.75%**

**Capital depletion in adverse scenario FL:** CET1 FL 2015 – CET1 2018 FL post stress — **2.48%**

- SREP disclosure for 2017 reaffirms solvency strength…
- …with comfortable CET1 FL management buffer

(1) The comparison group includes the top 15 Eurozone banks by market capitalisation in the Euro stoxx bank index as of 30 June 2016 excluding Bankia and Natixis because EBA published the result for BFA and BPCE respectively (peers included are: ABN AMRO, BBVA, BNP Paribas, Commerzbank, Crédit Agricole, Deutsche Bank, Erste Bank, ING, Intesa Sanpaolo, KBC, Banco Santander, SocGen and UniCredit). Source: EBA/ECB

(2) The EBA stress test methodology was applied to CaixaBank in an internal exercise, resulting in a 9.1% ratio in the adverse scenario in December 2018, pro-forma the BEA/GFI asset swap with CriteriaCaixa. The European authorities' exercise encompassed the whole CriteriaCaixa Group based on the highest prudential consolidation level at 31 December 2015

(3) The comparison group includes BFA, BBVA, Banco Popular, Banco Sabadell and Santander. Source: ECB/EBA

(4) Implementation period starting on 1 January 2017

# [Appendix]

# CaixaBank Credit Ratings

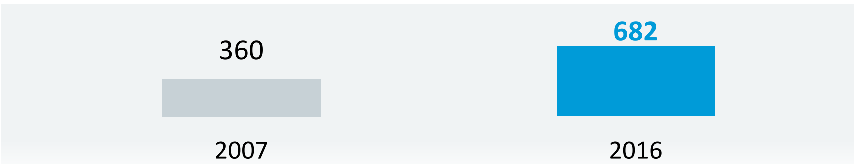
| | Long term | Short term | Outlook | Rating of covered bond program |
|---|---|---|---|---|
| Moody's (1) | Baa2 | P-2 | stable | Aa2 (5) |
| S&P Global Ratings (2) | BBB | A-2 | positive | A+ (6) |
| FitchRatings (3) | BBB | F2 | positive | - |
| DBRS (4) | A (low) | R-1 (low) | stable | AA (high) (7) |

(1) As of 18/01/17
(2) As of 09/02/17
(3) As of 07/04/17
(4) As of 16/03/17
(5) As of 18/06/15
(6) As of 07/04/17
(7) As of 16/01/17

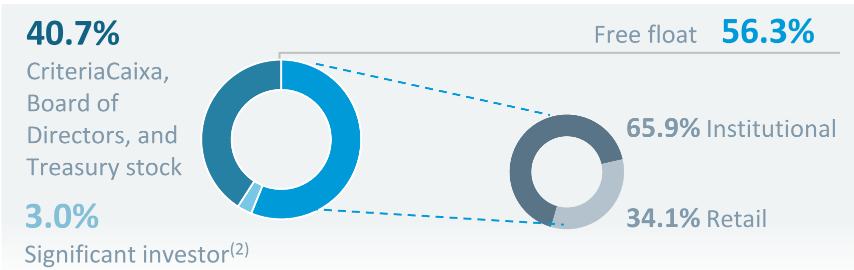
# Transparency, independence and good governance are key priorities

## Increased free float with diversified investor base

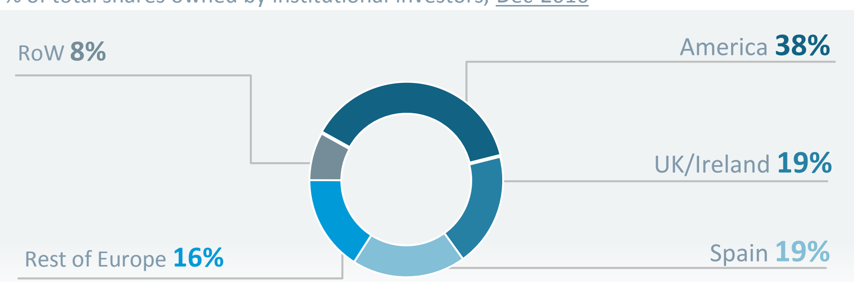
Number of shareholders, in thousands



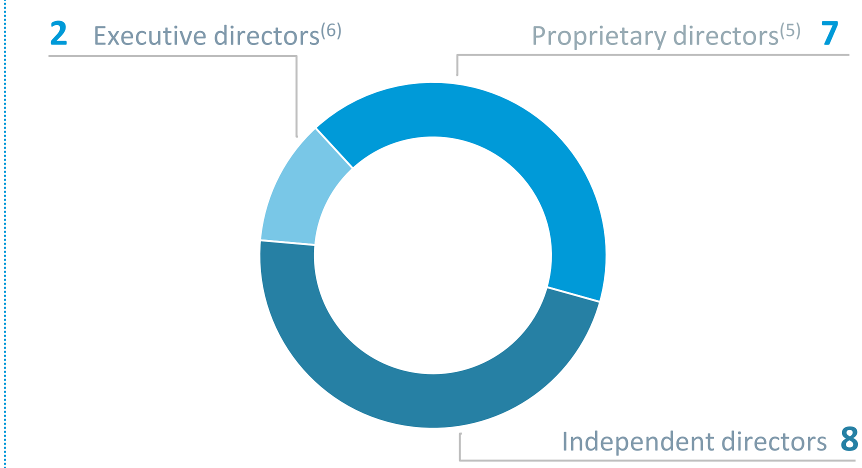

Shareholder base by group[1], In % of share capital as of 31st of Mar-2017




Geographical distribution of institutional investors[3]
% of total shares owned by institutional investors, Dec-2016




## Board of Directors composition[4]




- **Control and management of the bank** is shared by the AGM, Board of Directors and Board committees: Audit and control; Executive; Appointments; Remuneration; Risks. The majority shareholder is not overrepresented in the board.
- **CABK's relationship with other Group entities is immaterial**, performed on an arm's length basis and governed by the Internal Relations Protocol

(1) The book of registered shares has an excess of approximately 67M shares which are allocated to the institutional category
(2) As of reported by BlackRock on 22nd of March 2017 at the CNMV
(3) Percentage calculated on the institutional free float identified at the Shareholder identification elaborated by CMi2i
(4) As of 10th of April 2017. Excluding 1 vacancy
(5) Including 1 from Cajas (Fundación Bancaria Caja Navarra, Fundación Cajasol, Fundación Caja Canarias and Fundación Caja de Burgos Fundación Bancaria) and 1 from Mutua Madrileña (pending for verification by the competent banking supervisor). The total number of proprietary directors including the executive director appointed by "la Caixa" Banking Foundation is 8
(6) One executive director is appointed by "la Caixa" Banking Foundation and, as such, is both executive and proprietary

# Balance sheet and P&L

## Balance sheet

| € million | Dec. 31, 2015 | Dec. 31, 2016 |
|---|---|---|
| Cash, cash balances at central banks and other demand deposits | 6,615 | 13,260 |
| Financial assets held for trading | 13,312 | 11,668 |
| Available-for-sale financial assets | 62,997 | 65,077 |
| Loans and receivables | 210,473 | 207,641 |
| Loans and advances to central banks and credit institutions | 6,649 | 6,742 |
| Loans and advances to customers | 202,896 | 200,338 |
| Debt securities | 928 | 561 |
| Held-to-maturity investments | 3,820 | 8,306 |
| Investments in joint ventures and associates | 9,674 | 6,421 |
| Tangible assets | 6,293 | 6,437 |
| Intangible assets | 3,672 | 3,687 |
| Non-current assets held for sale | 7,961 | 6,405 |
| Other assets | 19,438 | 19,025 |
| **Total assets** | **344,255** | **347,927** |
| **Liabilities** | **319,050** | **324,371** |
| Financial liabilities held for trading | 12,200 | 10,292 |
| Financial liabilities measured at amortised cost | 253,499 | 254,093 |
| Deposits from central banks and credit institutions | 34,262 | 36,345 |
| Customer deposits | 184,110 | 187,167 |
| Debt securities issued | 32,336 | 27,708 |
| Other financial liabilities | 2,791 | 2,873 |
| *Memorandum item: Subordinated liabilities* | *4,345* | *4,119* |
| Liabilities under insurance or reinsurance contracts | 40,291 | 45,804 |
| Provisions | 4,598 | 4,730 |
| Other liabilities | 8,462 | 9,452 |
| **Equity** | **25,205** | **23,556** |
| Own funds | 23,689 | 23,400 |
| *Of which: Profit/(loss) attributable to the Group* | *814* | *1,047* |
| Minority interest, valuation adjustment and other | 1,516 | 156 |
| **Total liabilities and equity** | **344,255** | **347,927** |

## P&L

| | January - December | | Change |
|---|---|---|---|
| € million | 2016 | 2015 | % |
| Interest income | 6,753 | 8,372 | (19.3) |
| Interest expense | (2,596) | (4,019) | (35.4) |
| **Net interest income** | **4,157** | **4,353** | **(4.5)** |
| Dividend income | 199 | 203 | (2.0) |
| Share of profit/(loss) of entities accounted for using the equity method | 629 | 375 | 67.5 |
| Net fee and commission income | 2,090 | 2,115 | (1.2) |
| Gains/(losses) on financial assets and liabilities and others | 848 | 863 | (1.7) |
| Income and expense arising from insurance or reinsurance contracts | 311 | 214 | 44.8 |
| Other operating income and expense | (407) | (299) | 36.1 |
| **Gross income** | **7,827** | **7,824** | **0.0** |
| Recurring administrative expenses, depreciation and amortisation | (3,995) | (4,063) | (1.7) |
| Extraordinary expenses | (121) | (543) | (77.7) |
| **Pre-impairment income** | **3,711** | **3,218** | **15.3** |
| **Pre-impairment income stripping out extraordinary expenses** | **3,832** | **3,761** | **1.9** |
| Impairment losses on financial assets and other provisions | (1,069) | (2,516) | (57.5) |
| Gains/(losses) on disposal of assets and others | (1,104) | (64) | |
| **Profit/(loss) before tax** | **1,538** | **638** | **141.0** |
| Income tax expense | (482) | 181 | |
| **Profit/(loss) for the period** | **1,056** | **819** | **28.9** |
| Profit/(loss) attributable to minority interest and others | 9 | 5 | 101.6 |
| **Profit/(loss) attributable to the Group** | **1,047** | **814** | **28.6** |

Note: The heading Loans and advances to customers was affected in the year by changes in retail activity and the reverse repurchase agreements signed (€-3,119 million). The Own funds heading was affected in the second quarter by the swap agreement with CriteriaCaixa and in the third quarter by the private placement of treasury shares among qualified investors.

# Investor Relations

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