



**Committed to trustworthy and profitable banking**

**Corporate Presentation**

**August 2018**

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1.



**CAIXABANK**  
AT A GLANCE

2.



COMPETITIVE  
STANCE

3.



STRATEGIC  
PLAN

4.



INTERNATIONAL  
PRESENCE &  
INVESTMENTS


5.



ACTIVITY &  
RESULTS

## Key figures<sup>(1)</sup>

June 2018

|   |  |                        |  |
|---|--|------------------------|--|
|  | <b>Consolidated balance sheet (€ Bn)</b>                   | <b>396.1</b>           | <b>Leading retail franchise in Iberia</b>        |
|   | <b>Customer loans and advances (€ Bn)</b>                  | <b>225.7</b>           |  |
|   | <b>Customer funds (€ Bn)</b>                               | <b>366.2</b>           |  |
|   | <b>Customers (M), 26.7% as main bank<sup>(2)</sup></b>     | <b>15.7</b>            |  |
|   | <b>Market capitalisation(€ Bn)<sup>(3)</sup></b>           | <b>22.2</b>            | <b>Solid balance sheet and P&amp;L metrics</b>   |
|   | <b>1H18 Attributable profit (€ M)</b>                      | <b>1,298</b>           |  |
|   | <b>CET1/Total capital Fully Loaded ratios (%)</b>          | <b>11.4%/15.7%</b>     |  |
|   | <b>Long Term Ratings<sup>(4)</sup></b>                     | <b>Baa1/BBB+/BBB/A</b> |  |
|   | <b>Employees</b>   | <b>37,286</b>          | <b>Unique omni-channel distribution platform</b> |
|   | <b>Branches (#)<sup>(5)</sup></b>                          | <b>5,239</b>           |  |
|   | <b>ATMs (#)<sup>(6)</sup></b>                              | <b>9,411</b>           |  |
|   | <b>Digital clients<sup>(7)</sup> as % of total clients</b> | <b>55%</b>             |  |

(1) Figures refer to CaixaBank Group unless otherwise noted.

(2) Market penetration-primary bank among Spanish retail clients. Source: FRS Inmark 2017.

(3) Share price multiplied by the number of issued shares excluding treasury shares at closing of 29 June 2018.

(4) Moody's, Standard&Poor's, Fitch, DBRS.

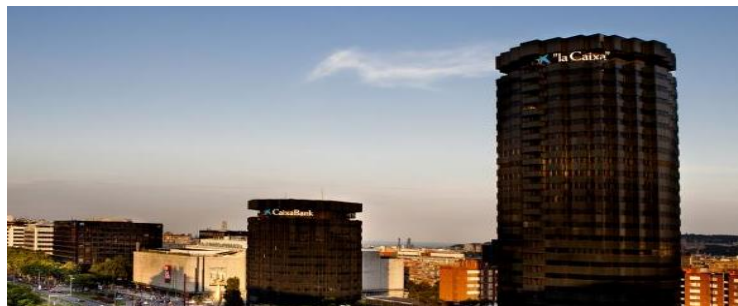
(5) # of branches in Spain and Portugal, of which 4,543 are retail branches in Spain.

(6) # of ATMs in Spain.

(7) Customers aged 20-74 years old with at least one transaction in the last 12 months.

## Flagship Group in Iberian retail banking

### Leading bancassurance franchise



- ▶ **Main banking** relationship for 26.7% of Spaniards<sup>(1)</sup> and **leader in online & mobile** banking in Spain
- ▶ **15.7M clients**; 13.8M in Spain, 1.9M in Portugal
- ▶ **5,239 branches<sup>(2)</sup>; 9,411 ATMs<sup>(3)</sup>**: best-in-class omni-channel platform
- ▶ **Highly-rated brand**: based on trust and excellence in quality of service

### Robust financials



- ▶ **€22.2 bn Market capitalisation<sup>(4)</sup>**. Listed since 1 July 2011
- ▶ **Net profit 1H18: €1,298M**; 10.4% RoTE<sup>(5)</sup>; 12.0% Spain Bancassurance RoTE<sup>(6)</sup>
- ▶ **Solid capital metrics**: CET1 B3 FL at 11.4%; CET1 phase-in at 11.6%
- ▶ **Outstanding NPL Coverage** ratio: 56%
- ▶ **Ample liquidity**: €80 Bn in liquid assets
- ▶ **Stable funding structure**: LTD ratio 102%

### 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) Retail clients in Spain aged 18 or above.

(2) # of branches in Spain and Portugal, of which 4,543 are retail branches in Spain.

(3) # of ATMs in Spain.

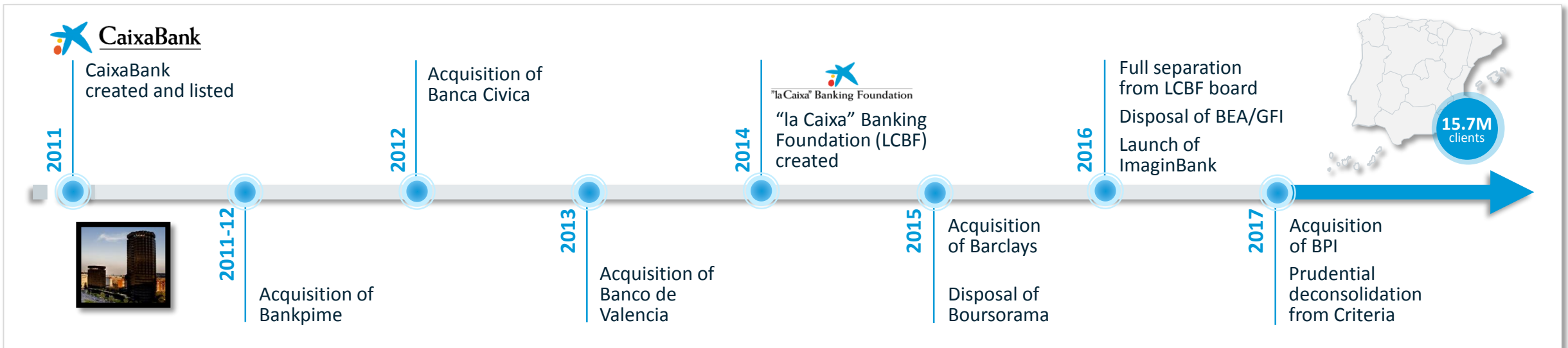
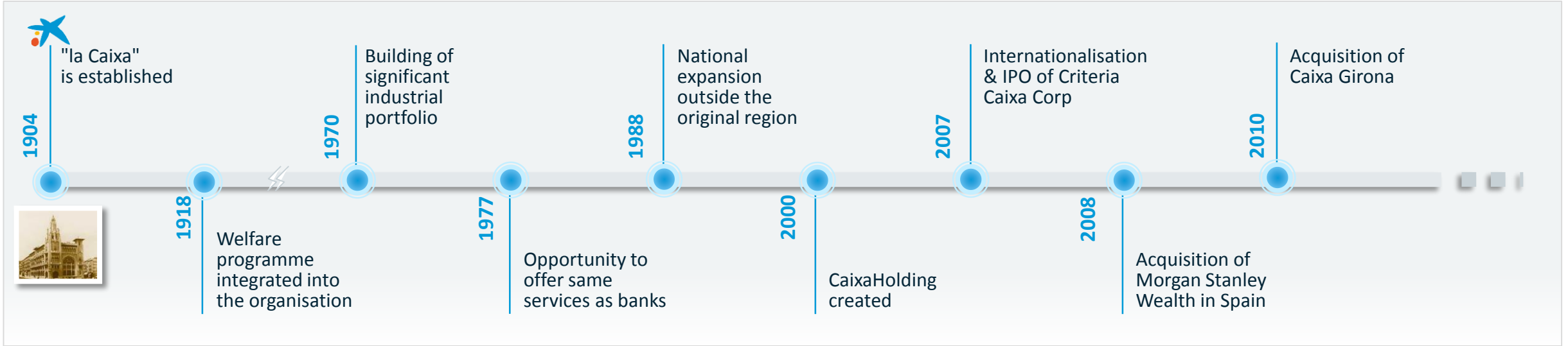
(4) Share price multiplied by the number of issued shares excluding treasury shares at closing of 29 June 2018.

(5) RoTE trailing 12 months.

(6) RoTE trailing 12 months excluding extraordinary items. It includes the AT1 coupon accrued in the year (-€52M post-tax, trailing 12M).

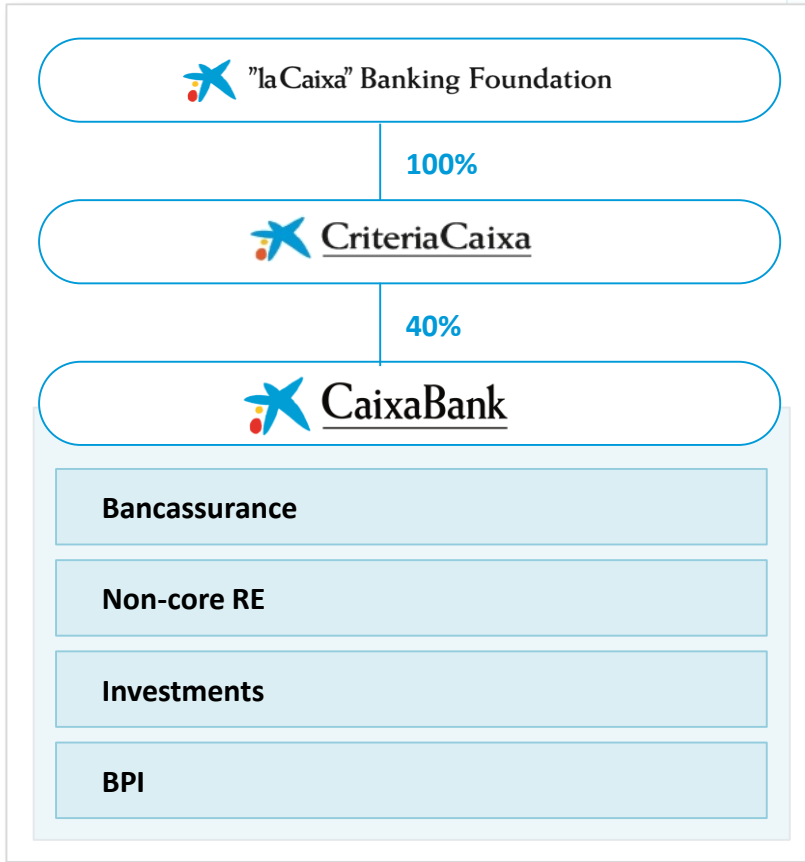


## A history that spans over 110 years



## Final restructuring of “la Caixa” Group was recently completed

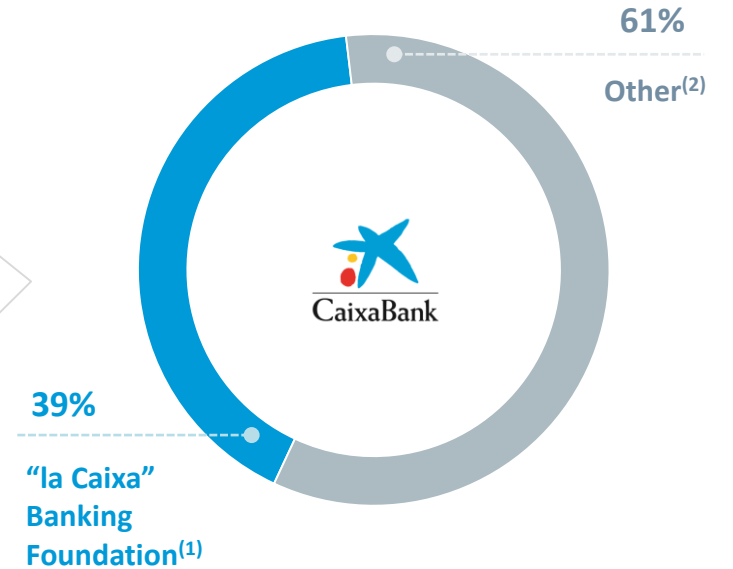
From unlisted savings-bank to 3 institutions with separate missions and governance



Prudential deconsolidation acknowledged by the ECB in September 2017

- ▶ **CRI stake reduced: 40% (vs. 81.5% Jun-2011)**
  - ▶ **Reduced lending to CRI**
  - ▶ **The Foundation no longer controls the board**
    - Lead independent director
    - Non-executive Chairman
    - Clear separation of roles
- *Best-in-class corporate governance*

CaixaBank board distribution, %



(1) Includes 6 proprietary directors representing “la Caixa” Banking Foundation and 1 board member proposed by the banking foundations formerly comprising Banca Cívica.

(2) Includes 9 independent directors, 1 proprietary director proposed by Mutua Madrileña and the CEO.



## Organic growth has been reinforced by well-timed acquisitions

### Well-timed acquisitions and proven integration track record

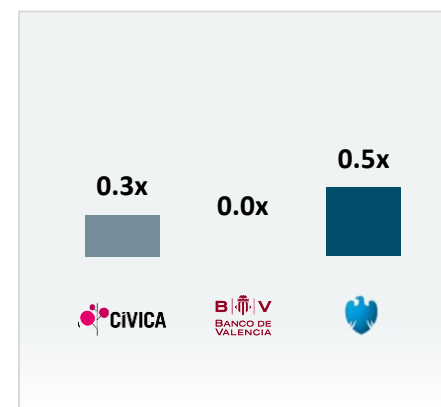


### Strict financial discipline for acquisitions

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

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

Attractive P/BV multiples



2017 tender offer

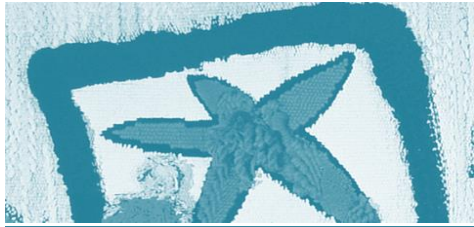
|   |                            |
|---|----------------------------|
| P/TBV   | Total synergy target       |
| <b>0.68x</b>  | <b>€122 M</b><br>By 2020 + |
| May 2018  |                            |
| Agreement to acquire 8.425% stake from Allianz Group <sup>(3)</sup> |                            |
| Price:  | <b>€1.45/share</b>         |

(1) Time lapsed from closing, legal merger or acquisition agreement until completion of IT integration. The integration of Banca Civica involved completing 4 sequential integrations.

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

(3) On 6 May 2018, CaixaBank announced an agreement to acquire 8.425% of the share capital of Banco BPI from companies of the Allianz group. CaixaBank owns 94.2% of BPI share capital as of 26 June 2018 and held an EGM on 29 June 2018, approving to de-list the remaining shares of Banco BPI. As of 19 July 2018, the % stake at BPI stands at 94.6%.

## Premium brand reputation with ample external recognition



**Premium brand reputation**



**Best Bank in Spain 2017**

*Euromoney*



**Best Private Bank in Spain 2017, 2018**

*Euromoney*



**Best Private Bank for Customer Service in Europe 2017**

*The Banker*



**Best Private Bank for use of technology in Europe**

*Professional Wealth Management (PWM)*



**European Seal of Excellence +500**



**Dow Jones Sustainability Index**  
*87 pts. score, among world's top banks in CR*



**Most responsible financial institution & best corporate governance**  
*Merco (2017)*



**Wide recognition of leading IT infrastructure**



**Technology Project Year 2017: Artificial Intelligence**

*The Banker*



**Best Bank in Spain 2017, 2018**  
**Best Consumer Digital Bank in Western Europe 2017**

*Global Finance*



**Most Innovative Financial Institution Western Europe 2018**

*Global Finance*



**Innovation of the Month Award**

*EFMA & Accenture*



**European Retail Bank of The Year 2017**

*Retail Banker*



**Model Bank of the Year 2017**

*Celent*



**The best bank in Portugal in 2018**  
*Euromoney*



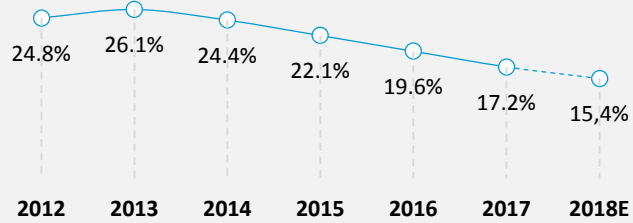
### Other recognitions in 2017:



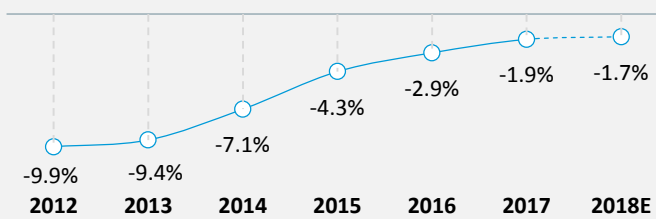
## Geared to performance of the Iberian economies

### SPAIN

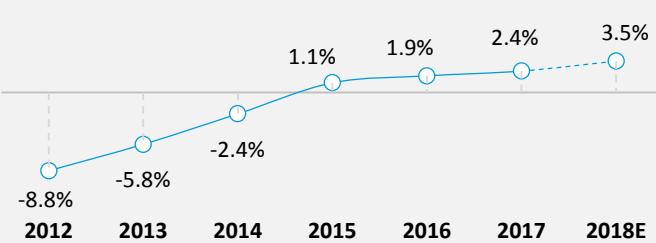
Unemployment rate, % yoy



Credit<sup>(1)</sup> (industry), % yoy



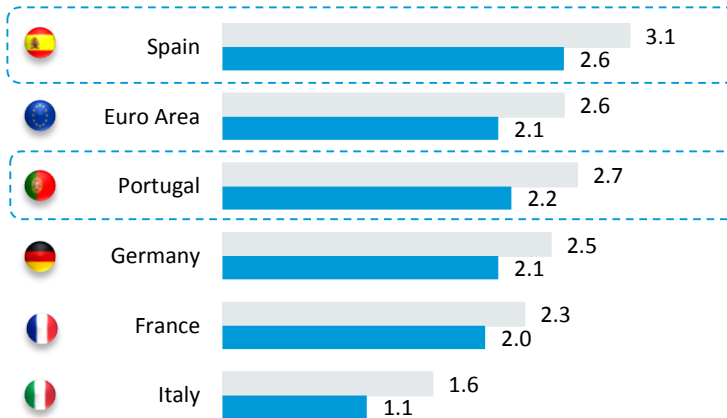
Housing prices (nominal), % yoy



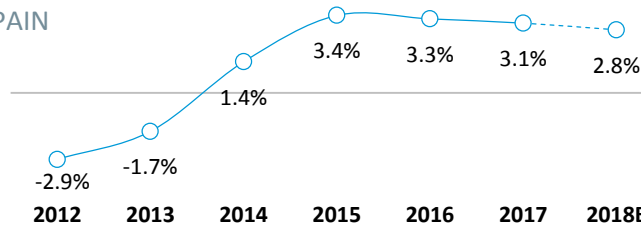
### Solid economic recovery

GDP growth, % yoy

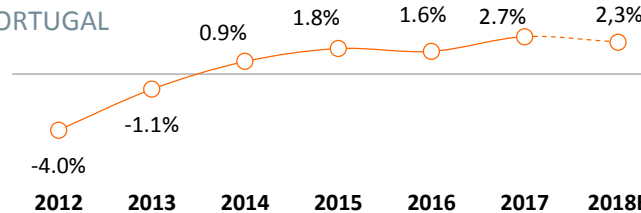
2017 2018-19 (forecast)



#### SPAIN

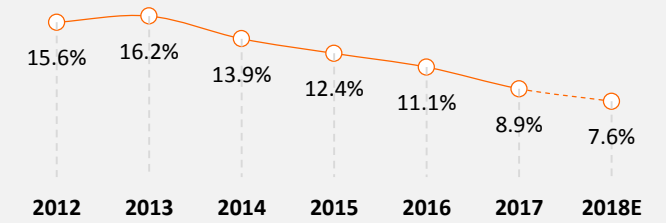


#### PORTUGAL

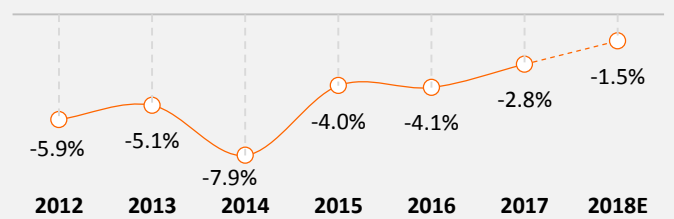


### PORTUGAL

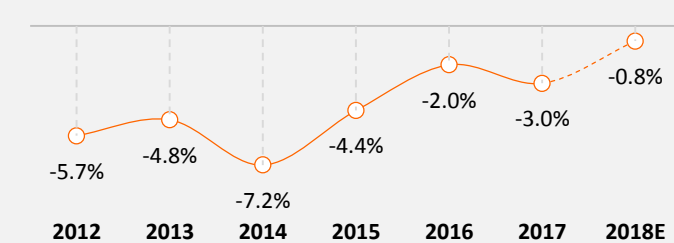
Unemployment rate, % yoy



Credit<sup>(1)</sup> (industry), % yoy



General government balance, % of GDP



(1) Loans to the "Other Resident Sectors" excluding to financial services companies (Bank of Spain and Bank of Portugal statistics).

Sources: Eurostat (GDP growth), Bank of Spain and Bank of Portugal (credit and deposits growth), INE Spain and Portugal (unemployment rate and general government balance), Spanish Ministry of Public Works. (housing prices), and CaixaBank Research (all forecasts 2018E). Forecasts as of 28 June 2018.



## A one-stop shop distribution model for lifetime finance and insurance needs



*“Much more than just a bank”*

**Scale and capillarity**  
Proximity/ customer intimacy

**13.8M** clients (Spain)

**4,543** retail branches (Spain)

**9,411** ATMs (Spain)

**Comprehensive offering**  
Wide and bespoke with 100% owned factories

**#1 Insurance**

Group in Spain

**#1 Asset Management**

Group in Spain

**#1 in payments**

in Spain

**IT and digitalisation**  
Mobility and big data

**55%** of our clients are digital<sup>(1)</sup>

**32%** penetration in digital<sup>(2)</sup>

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

**13,170** certified advisors (Spain)

**1.6M** affluent banking clients<sup>(3)</sup>

**>100,000** private banking clients<sup>(3)</sup>

**Provides unique advantages in current operating environment**

(1) Customers aged 20-74 years old with at least one transaction in the last 12 months.

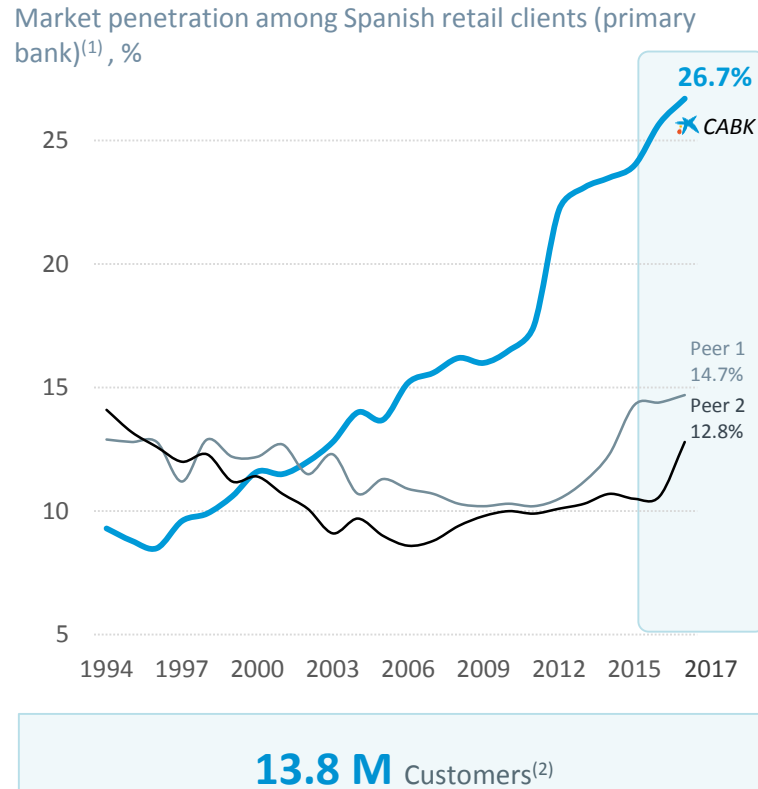
(2) 12 months average; source: Comscore, latest available data.

(3) Latest available data as of June 2018, in Spain.

Sources: Bank of Spain, ICEA, Inverco, Comscore.

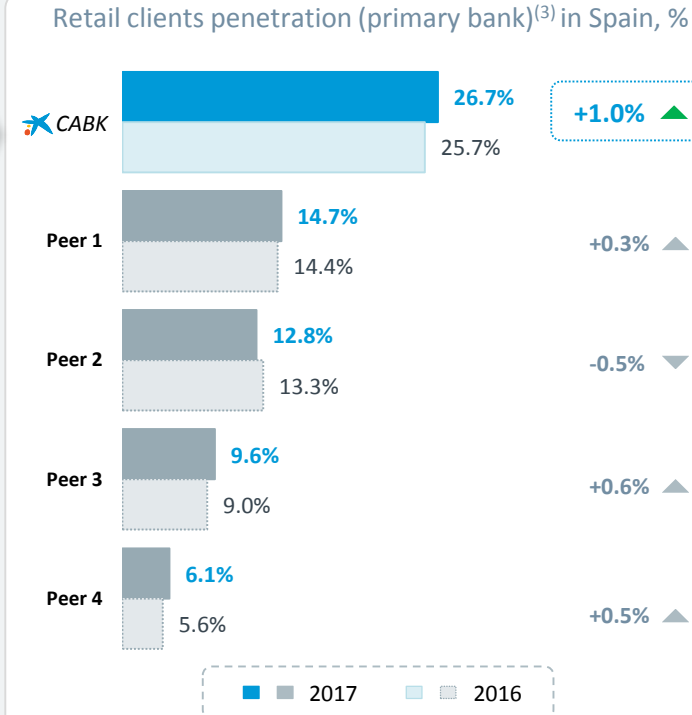
## The “bank of choice” for Spanish retail customers

Market share in line with two closest peers combined...

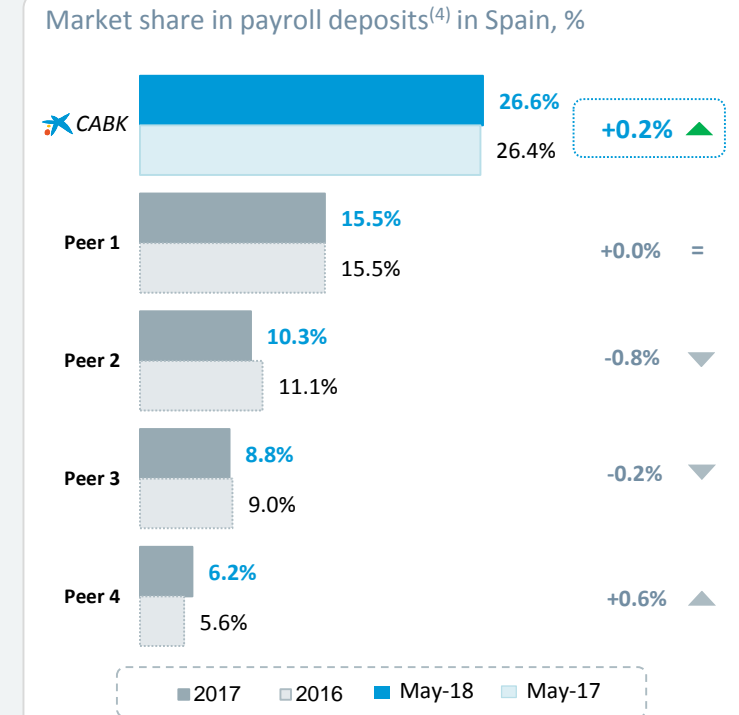


... yet still growing organically more than peers

### Organic growth reflects franchise and value proposition strengths



### Growing leadership in client income flows



Leadership in income flows is key to generate further relationship value

(1) Retail clients in Spain aged 18 or above. Peer group includes: Banco Santander (including Banco Popular), BBVA. Source: FRS Inmark 2017.

(2) In Spain.

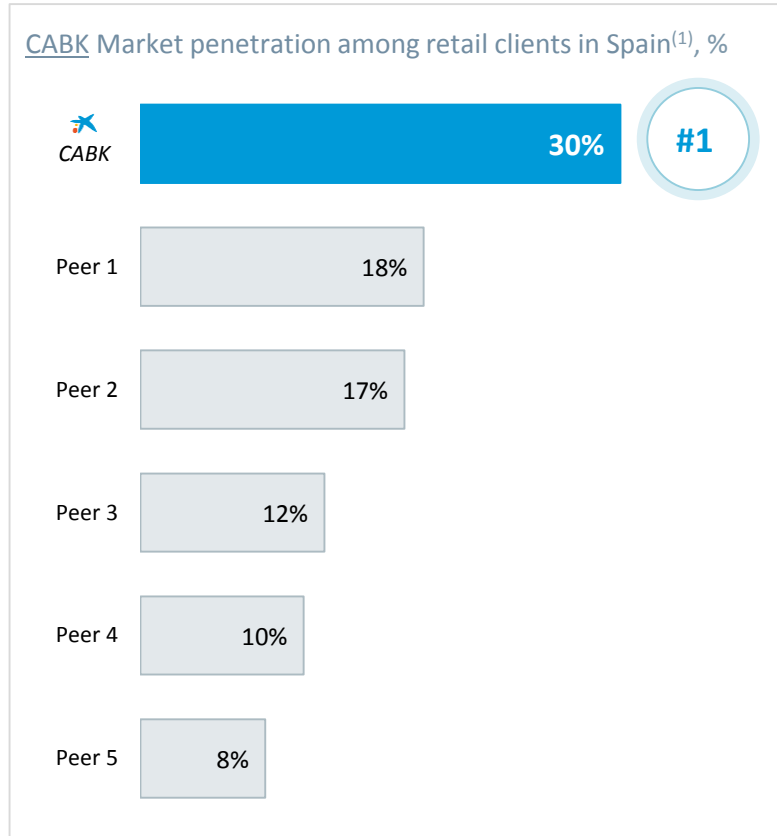
(3) Retail clients in Spain aged 18 or above. Peers include Banco Sabadell, Banco Santander + Popular (Pro-forma in 2016), Bankia, BBVA. Source: FRS Inmark 2017 report.

(4) Peers include Banco Sabadell, Banco Santander (ex Banco Popular), Bankia, BBVA. Sources: for CaixaBank, Social Security (May 2018); peers: FRS Inmark 2017.

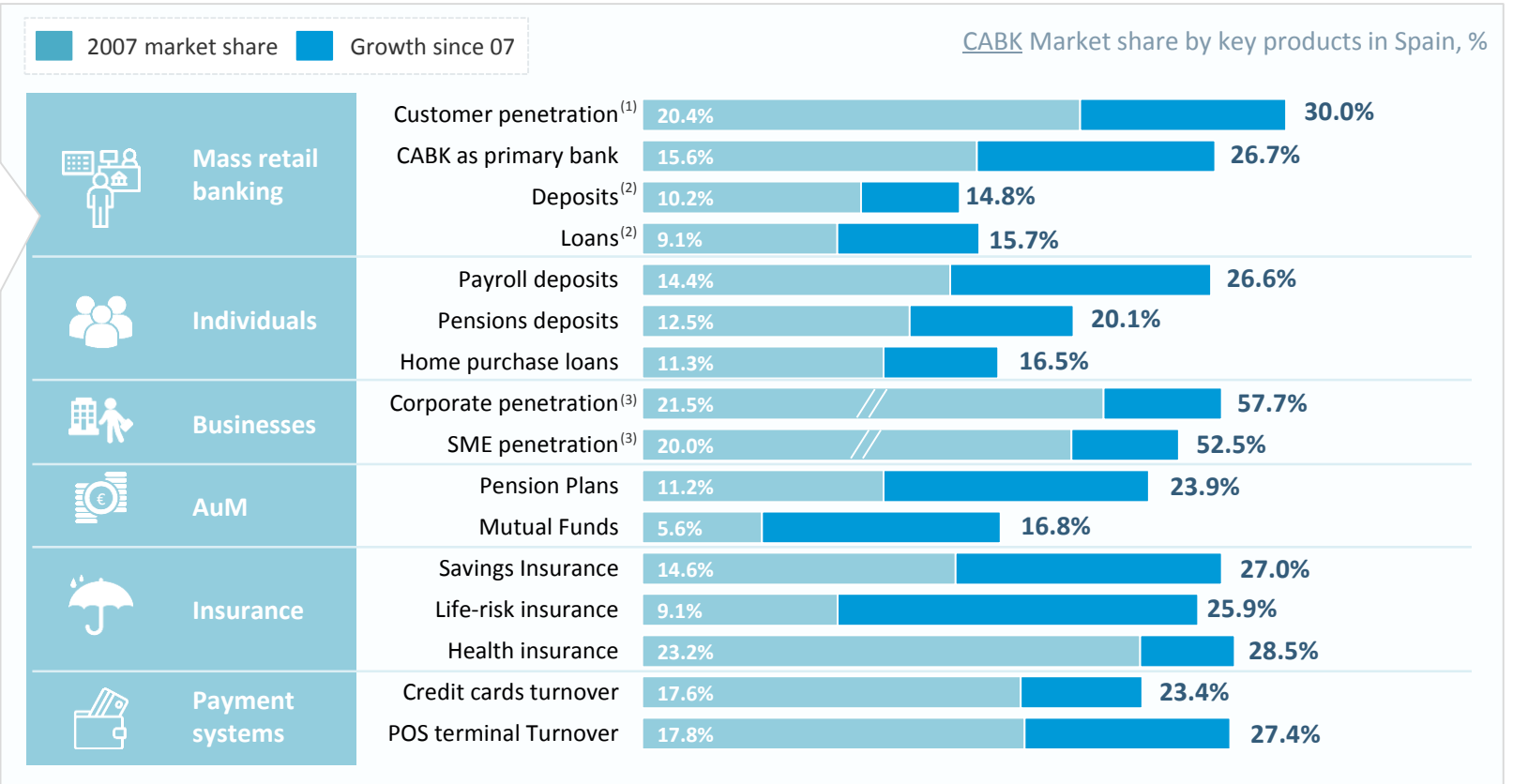


# Our leading market position generates valuable network effects

## Leading franchise in Spanish retail banking



## Strong market shares across the board



(1) Spanish customers older than 18 years of age. Peers include BBVA, Bankia, Cajas Rurales, Sabadell and Santander (including Banco Popular).

(2) Deposit included demand and time deposits and loan data to the other resident sectors as per Bank of Spain data.

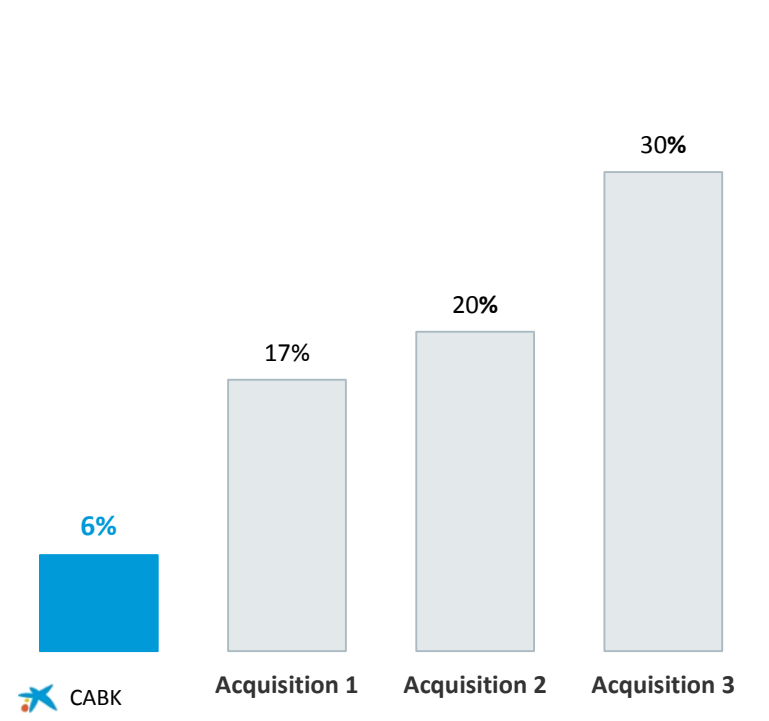
(3) SMEs: Firms with turnover <€50M. Latest data for 2017; initial data for 2008 (bi-annual survey). Corporate: firms with turnover >€50M. Latest data for 2017; initial data for 2008 (bi-annual survey). For firms with turnover €1-100M, market penetration was at 48,0% in 2017 according to FRS Inmark survey.

Latest available data as of 27 July 2018. Source: FRS Inmark 2017, Social Security, BoS, INVERCO, ICEA, AEF and Cards and Payments System.

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

## Minimal HQ staff

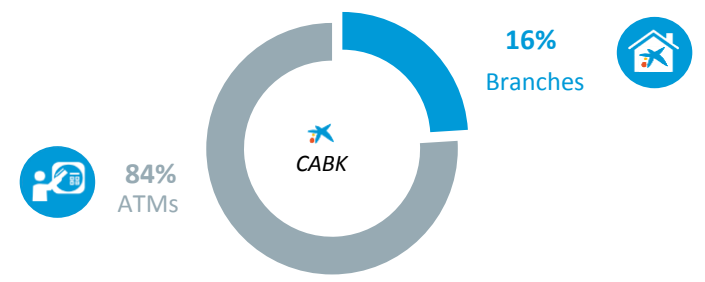
HQ staff as % of total employees<sup>(1)</sup>



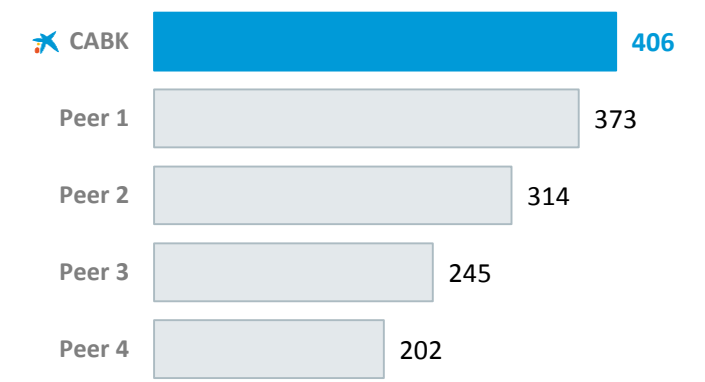
**Economies of scale**

## Scalable and efficient sales-oriented network

CABK (ex BPI) Task absorption at the branch<sup>(2)</sup> (%)



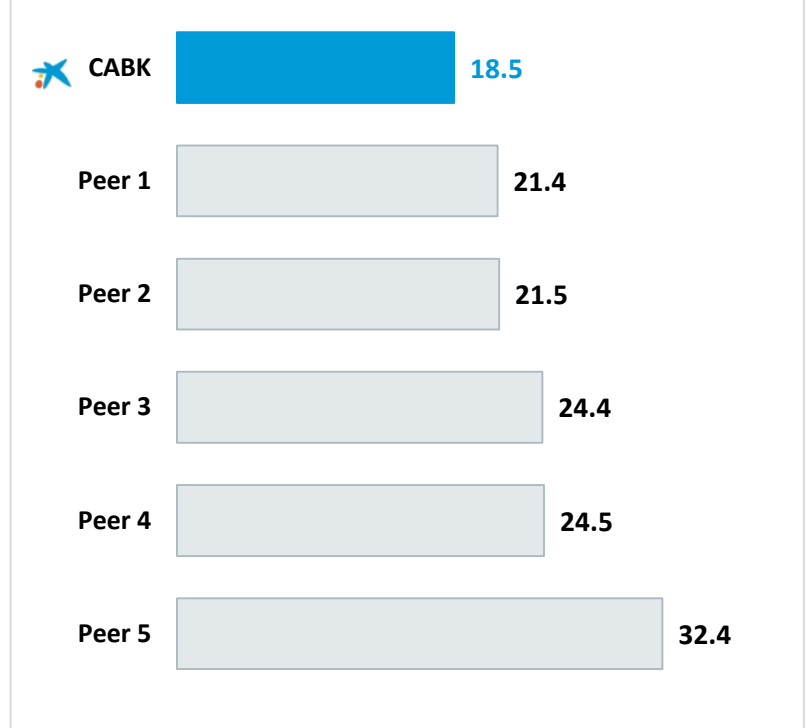
Retail customers per employee<sup>(3)</sup>



**Sales force focused on value creation**

## Scale economies result in significant cost benefits

General expenses<sup>(4)</sup>/gross income, in %



**Extremely competitive general expenses**

(1) Data as of December 2016 for CaixaBank ex BPI and own estimates as of the acquisition date for the acquired entities (Banca Cívica, Banco de Valencia and Barclays).

(2) During branch opening hours. As of June 2018

(3) Source: FRS Inmark 2017 Report on the financial behavior of individuals and reports from companies (Spain). Peers in Spain, including: Bankia, BBVA, SAB and SAN (including Banco Popular).

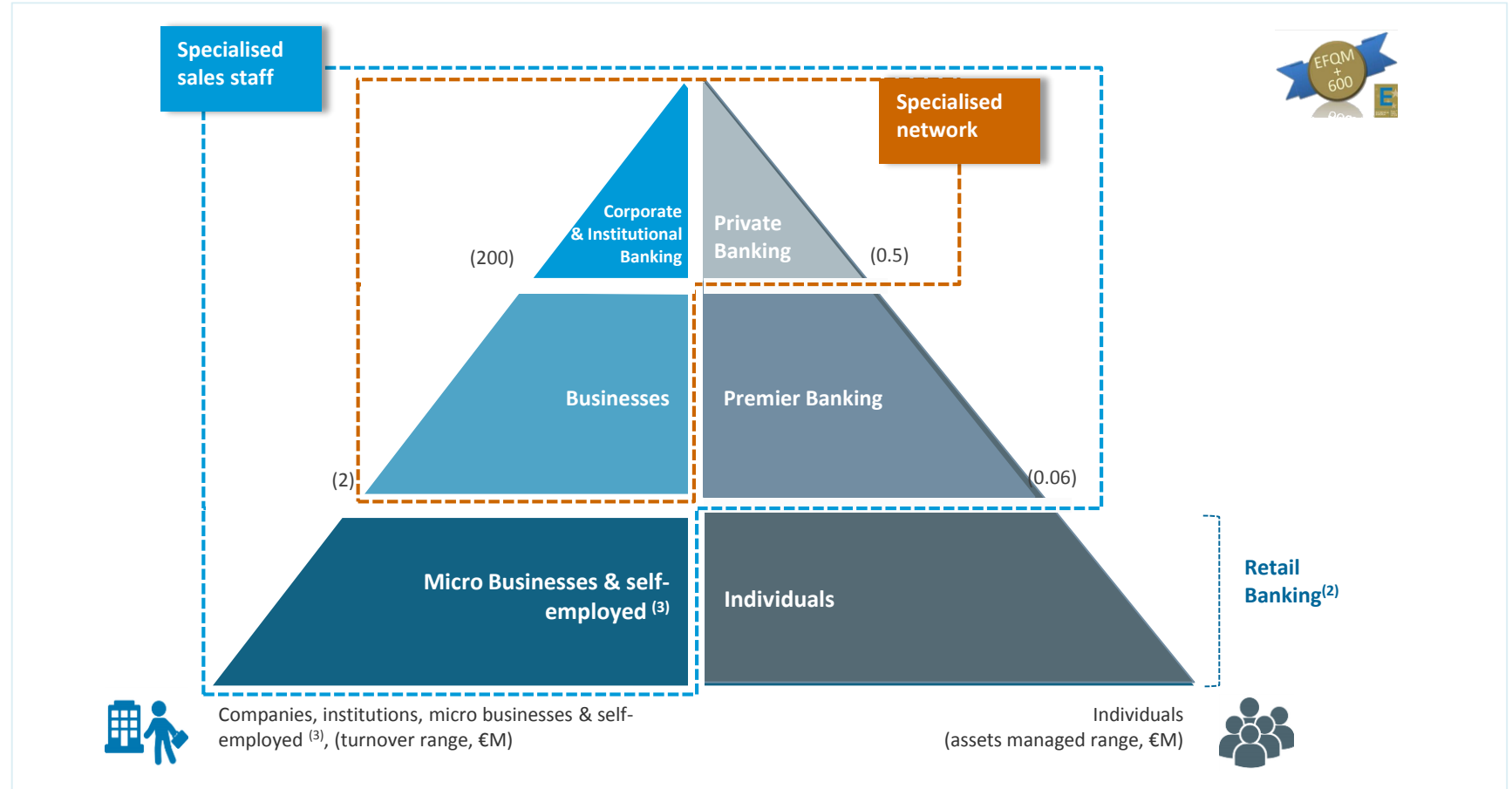
(4) General expenses and amortizations last 12 months. Recurrent expenses for CABK and SAB. 1Q18 for CaixaBank (ex BPI) and peers. Peers include: Bankia, Bankinter, BBVA Spain + RE business, Sabadell (ex TSB), SAN Spain + RE business.

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

### One of the largest customer bases



### Segmentation is key to better serving client needs<sup>(1)</sup>



- (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.
- (4) Total customers: CaixaBank + BPI.

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

### The largest physical footprint in Spain



**4,543**  
retail branches


**18%**  
market share

CABK Branch market share by province<sup>(1)</sup>, %



**19%**  
market share

**9,411**  
ATMs



**Employees with mobile equipment**

### Leader in digital channels in Spain



**55%**


of our clients are digital<sup>(2)</sup>



**32%**  
penetration<sup>(3)</sup>

**28%**  
of transactions





**+ 53%**  
CAGR 2012-2017<sup>(4)</sup>

**27%**  
of transactions

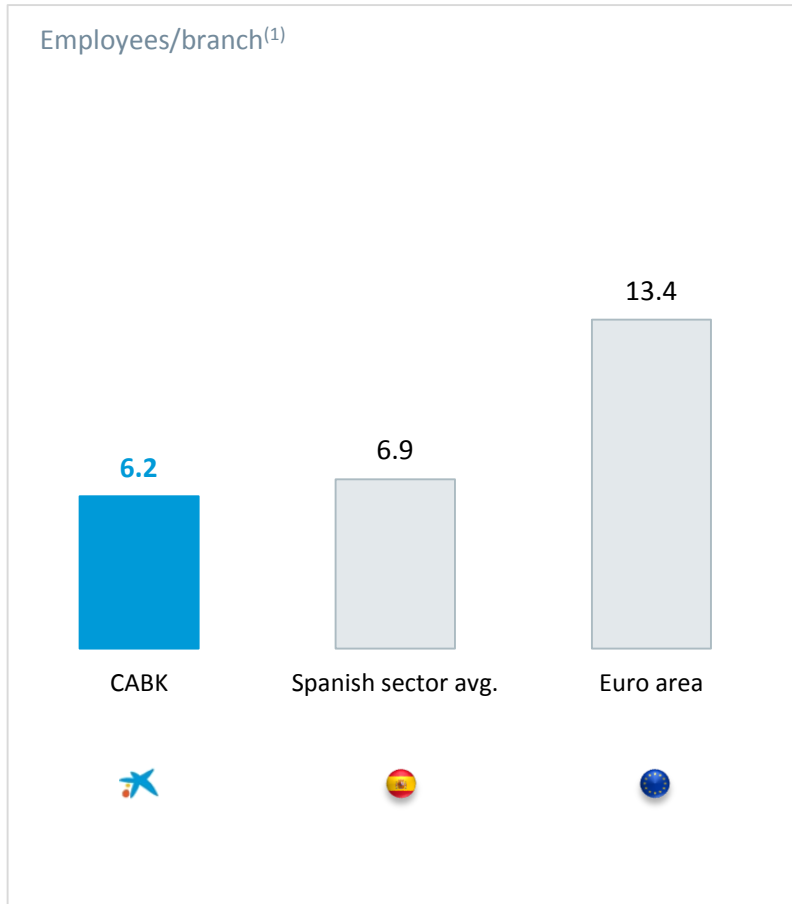


**Staff time is freed-up to concentrate on building relationships and innovation**

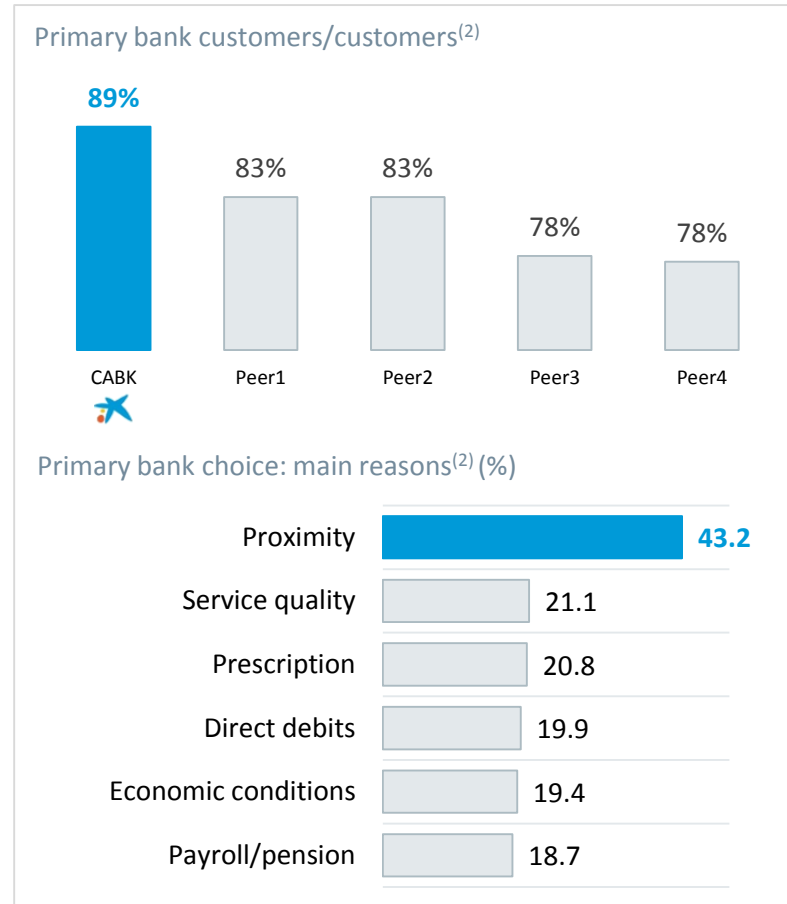
(1) As of December 2017. Source: Bank of Spain.  
 (2) Customers aged 20-74 years old with at least one transaction in the last 12 months.  
 (3) 12 month average, latest available data (April 2018). Source: ComScore.  
 (4) As of December 2017.

## An efficient and effective branch model which evolves over time

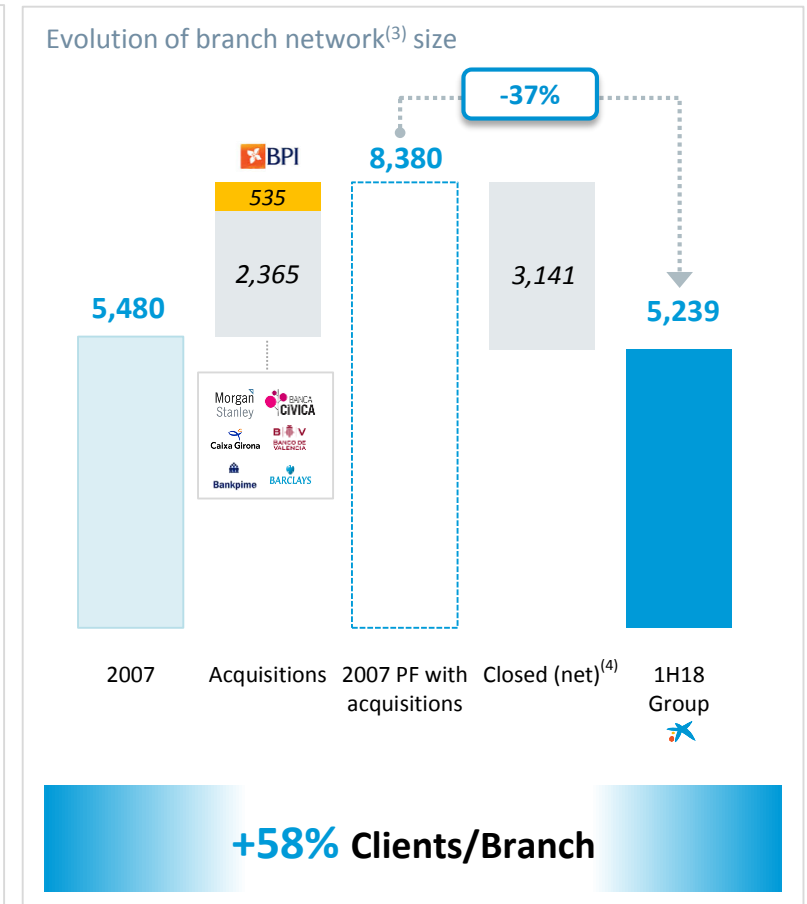
### Light branch model...



### ...very effective in a geographically-dispersed country



### A dynamic network



(1) CaixaBank ex BPI figures as of June 2018 and Spanish sector avg. and euro area figures as of 2017

(2) FRS Inmark 2017 (Spain). Peers: SAN (including POP), BBVA, SAB, BKIA.

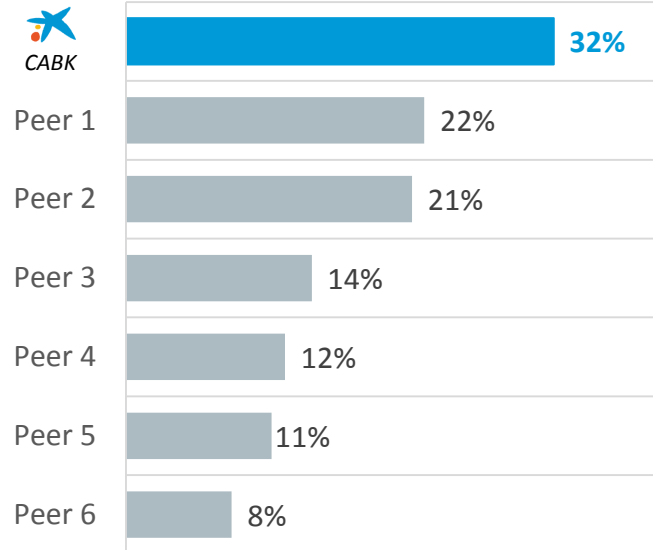
(3) Excluding international branches and representative offices.

(4) Number of closed branches net of number of opened branches.

## At the forefront of digitalisation

### The highest digital penetration

Market penetration among digital clients<sup>(1)</sup> in %



**55%** of our clients are digital<sup>(2)</sup>

### Innovative products and services



>1 M clients



3.8 M users



Available from Oct-17

### Leveraging IT for commercial effectiveness...



SMART PCs  
~100%



NEW BRANCH FORMAT (STORES)  
**222**  
*With extended opening hours*



DIGITAL SALES  
~30%  
*of consumer loans<sup>(3)</sup>*

### ...while boosting efficiency and facilitating compliance



DIGITAL PROCESSES<sup>(4)</sup>  
~ 100%



DIGITAL SIGNATURES  
>100M



AUTOMATION  
**21%** *administrative tasks in branches vs. 42% in 2006*

Not just “anytime, anyplace, anywhere” but also a bespoke offering

(1) 12 month average, latest available data (April 2018). In Spain. CaixaBank ex BPI; peer group includes: Bankia, Bankinter, Banco Sabadell, Banco Santander, BBVA, ING. Source: Comscore.

(2) Customers aged 20-74 years old with at least one transaction in the last 12 months.

(3) Sales executed via electronic channels (web, mobile and ATM).

(4) % of documentation related to product acquisition that is digitalised.  
Latest available data as of 27 July 2018.



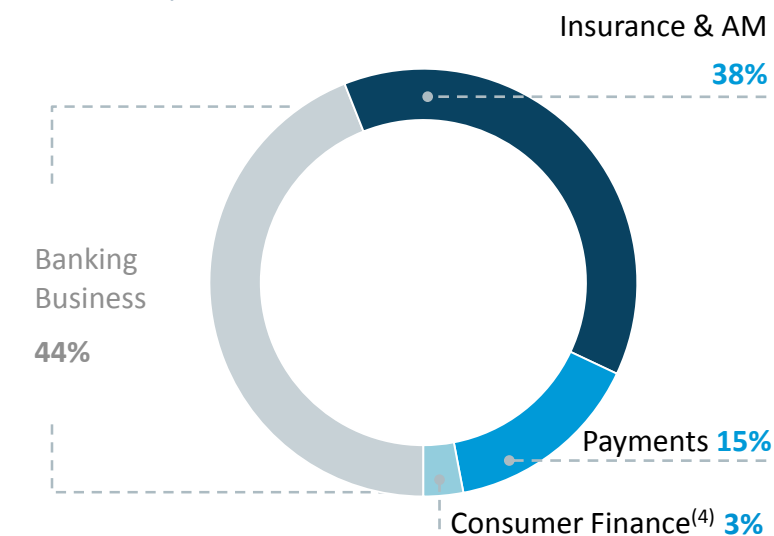
## A financial supermarket providing a one-stop shop for lifetime finance & insurance needs

### Large and profitable businesses...

| Business   | Company                              | % ownership  |
|--|--------------------------------------|--|
| Life insurance              | <b>VidaCaixa</b>                     | €83.8 Bn assets<br>#1 in Spain<br><b>100%</b>                      |
| Non-life insurance          | <b>SegurCaixa Adeslas</b>            | €1.9 Bn premia<br>#1 in Health ins. <sup>(1)</sup><br><b>49.9%</b> |
| Asset management            | <b>CaixaBank</b><br>ASSET MANAGEMENT | €62.4 Bn AuM<br>#1 in Spain<br><b>100%</b>                         |
| Consumer Finance            | <b>CaixaBank</b><br>CONSUMER FINANCE | €2.2 Bn new business<br>€3.3 Bn assets<br><b>100%</b>              |
| Credit cards                | <b>CaixaBank</b><br>PAYMENTS         | €19.8 Bn turnover <sup>(2)</sup><br>#1 in Spain<br><b>100%</b>     |
| Payments at point of sale  | <b>Comercia Global Payments</b>      | €23.5 Bn turnover <sup>(2)</sup><br>393,419 PoS<br><b>49%</b>      |
| Microcredit               | <b>MicroBank</b>                     | ~70% new microcredit to households (yoy)<br><b>100%</b>            |

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

Breakdown by business, in % over total



**CABK bancassurance RoTE<sup>(3)</sup>**  
→ ~6.0 pp from non-banking businesses

**12.0%**  
+2.2 pp yoy

### A resilient model for a low rate environment

(1) In Spain  
 (2) Turnover January-June  
 (3) RoTE trailing 12 months excluding extraordinary items. It includes the AT1 coupon accrued in the year (-€52M post-tax, trailing 12M).  
 (4) CaixaBank Consumer Finance and MicroBank. Other consumer lending business included in "banking business" and "payments business".  
 Latest available data as of 27 July 2018.

## A trustworthy brand

### Main corporate responsibility aims

Integrity, transparency and good governance

Promoting entrepreneurship and financial inclusion

Incorporating social and environmental criteria in risk analysis, products and services

Social commitment: corporate volunteering & financial education

#### CORPORATE VALUES



Quality



Trust



Social Commitment

#### Main highlights & COMMITMENTS

- *Inclusion of CaixaBank in the **main worldwide sustainability indices (DJSI, FTSE4Good, ...)** and in the **CDP A-list 2017** of the leading companies fighting against climate change*
- ***MicroBank**, CaixaBank's social bank, **first European institution** by volume of **microcredit loans** granted*
- ***Equator Principles' signatory**: consideration of social and environmental impacts in financing large projects*
- ***Extension to clients of welfare programmes** of "la Caixa" Banking Foundation. Eg.: labour inclusion ("Incorpora" programme), Business Alliance for Children Vaccination*
- *More than **32,000 flats** in social rent, the **main private social housing stock in the country***
- ***€44.4M** budget of "la Caixa" Foundation, channelled through the CaixaBank commercial branch network to cover **local social needs***
- ***Corporate Volunteering** programme with more than **5,500 employees** as active participants*
- ***Chairing the Spanish Network of the United Nations Global Compact** since 2012*

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM



FTSE4Good



1.



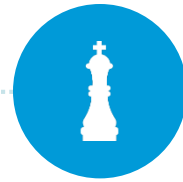
CAIXABANK  
AT A GLANCE

2.



COMPETITIVE  
STANCE

3.



**STRATEGIC  
PLAN  
2015-2018**

4.



INTERNATIONAL  
PRESENCE &  
INVESTMENTS

5.



ACTIVITY &  
RESULTS

**2007-2014: emerged from the crisis as a stronger institution**

**Building the leading Spanish banking franchise**

**From # 3 to # 1**

Growing organically and non-organically



**Strengthening the balance sheet**

**Best in class**

Only domestic bank with investment grade ratings throughout the crisis



**Transforming the corporate structure**

**Proactive change**

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



## Strategic priorities 2015-2018



Strategic Plan  
**2015-2018**

“ *Committed to trustworthy and profitable banking* ”

## 5 strategic priorities 2015-2018



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

|          |   |  | 2014  | 2Q18                                      |
|----------|---|--|---|---|
| <b>1</b> | <b>Client focus: Best-in-class in quality of service and reputation</b> |  |   |   |
|          |   |  | <b>Market share gains across the board</b><br><i>Retail client penetration (preferred bank)<sup>(1)</sup></i> | 23.5% → 26.7%                             |
| <b>2</b> | <b>Sustainable profitability above cost of capital</b>                  |  |   |   |
|          |   |  | <b>RoTE</b>   | 3.4% → 10.4%                              |
| <b>3</b> | <b>Optimisation of capital allocation</b>                               |  |   |   |
|          |   |  | <b>Capital allocated to stakes</b>  | ~16% → ~5%                                |
| <b>4</b> | <b>Enhance our leadership in banking digitalisation</b>                 |  |   |   |
|          |   |  | <b>% digital clients<sup>(2)</sup></b>  | 45% → 55%                                 |
|          |   |  | <b>% digitalised processes<sup>(3)</sup></b>  | 69% → ~100%                               |
| <b>5</b> | <b>Retain and attract the best talent</b>                               |  |   |   |
|          |   |  | <b>Advanced training in advisory services</b><br><i>Post-graduate degree in financial advisory</i>            | <br><br><b>13,170</b><br><i>Employees</i> |

Moving with confidence toward our strategic targets

(1) Source: FRS Inmark.  
 (2) Digital clients as % of total clients. Customers aged 20-74 years old with at least one transaction in the last 12 months.  
 (3) % of documentation related to product acquisition that is digitalised.



## 2018 Financial Targets<sup>(1)</sup>

|               |  | Revised targets          |   |
|---------------|--|--------------------------|---|
|               |  | 2018                     |   |
| Profitability | RoTE   | 9-11%                    | <p><b>Focus of the strategic update: generating a sustainable return above cost of equity</b></p> <ul style="list-style-type: none"> <li>Core revenues<sup>(3)</sup> growth to be underpinned by sustained insurance and AuM activity and consumer lending growth</li> <li>Cost-saving measures to offset wage inflation</li> <li>Improving asset quality and positive macro dynamics to support further CoR decline</li> </ul> |
|               | Recurrent C/I ratio <sup>(2)</sup>             | ~55%                     |   |
|               | Core revenues <sup>(3)(4)</sup>                | ~4% CAGR <sup>(1)</sup>  |   |
|               | Recurrent operating expenses <sup>(5)(6)</sup> | Flat 2014 <sup>(1)</sup> |   |
|               | Cost of risk                                   | <40 bps <sup>(1)</sup>   |   |
| Solvency      | CET1 FL  | 11-12%                   | <ul style="list-style-type: none"> <li>Maintaining solid capital metrics still a key priority</li> <li>Commitment implies a comfortable buffer above regulatory minima</li> </ul>   |
|               | Total Capital FL                               | >14.5%                   |   |
| Dividend      | Cash dividend payout ratio                     | ≥ 50%                    | <ul style="list-style-type: none"> <li>Strong capital position supports payout ≥ 50%</li> <li>Transition to full cash dividend in 2017</li> </ul>   |
|               | Special dividend and/or share buybacks         | If CET1 FL >12%          |   |

(1) See p.60 (Appendix) for updated 2018 Group guidance.

(2) Cost-to-income ratio trailing 12 months stripping out extraordinary expenses.

(3) Core revenues: NII + Fees + insurance revenues from life-risk premia and equity accounted income from SegurCaixa Adeslas.

(4) 2016-18. CaixaBank standalone (ex BPI).

(5) Recurrent administrative expenses, depreciation and amortization.

(6) Pro-forma Barclays Spain. CaixaBank standalone (ex BPI).

## Actively seeking to return capital to shareholders

### Shareholder Remuneration Policy



### 2015-18 Strategic Plan

- ▶ Cash dividend payout **≥ 50%** from 2015
- ▶ Transition to **full cash** dividend in 2017



(1) The total shareholder remuneration for 2016 has been 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.

(2) In accordance with the new dividend policy, the Board of Directors also resolved that shareholder remuneration for 2017 will be paid through two half-yearly cash dividends. The AGM approved the distribution of a final cash dividend of EUR 0.08 per share (gross) against 2017 profits paid on 13 April 2018. After payment of this dividend, the total shareholder remuneration for 2017 was EUR 0.15 per share (gross), bringing the total cash amount paid to 53% of consolidated net profit, in line with the 2015-2018 Strategic Plan.



## Supporting clients internationally and developing joint business initiatives

### Representation offices & international branches to better serve our clients<sup>(1)</sup>



17

#### Representative Offices

Paris, Milan, Beijing, Shanghai, Dubai, New Delhi, Istanbul, Singapore, Cairo, Santiago de Chile, Bogotá, New York, Johannesburg, Sao Paulo, Hong Kong, Lima, Algiers

4

#### International branches (6 offices)

Warsaw  
 Morocco with three offices:
 

- Casablanca
- Tangier
- Agadir


 London  
 Frankfurt

3

#### Spanish Desk

Lisbon  
 Mexico City  
 Vienna

### Non-controlled International Banking Stakes



9.92%

% stake

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

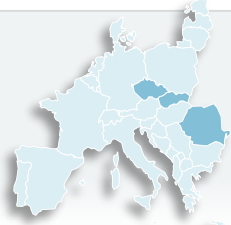
#### JV with Erste and Global Payments

Payment services

Czech Rep., Slovakia, Romania

EBG: 49%

Global Payments + CABK: 51%



(1) As of 30 June 2018.

## Solid and liquid legacy assets provide revenue and capital diversification

*Telefonica*

5.00%

One of the largest telecommunications companies in the world in terms of market cap and number of customers. Company market value<sup>(1)</sup>: €37.8 Bn



9.46%<sup>(2)</sup>

Integrated global energy company, carrying out upstream and downstream activities. Company market value<sup>(1)</sup>: €26.1 Bn

~€4.4  
Bn<sup>(1)</sup>

### 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) Market value of CaixaBank stakes as of 29 June 2018. Source: Bloomberg.

(2) There are two equity-swap contracts on 73,622,117 shares of Repsol, S.A. (equivalent to c.4.73%): one executed on 26 October 2017 for a 1.96% stake (strike: €15.39/share), and another on 22 March 2018 for a 2.77% stake (strike: €15.55/share).

1.



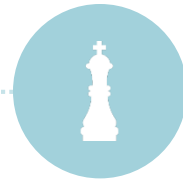
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**ACTIVITY &  
RESULTS  
2Q 2018**

## Higher profitability and significant asset-quality improvement

|   | <p><b>Improvement in core operating income contributes to grow RoTE &gt;10%</b></p>        | <table border="1"> <thead> <tr> <th>NII</th> </tr> </thead> <tbody> <tr> <td><b>+2.8%</b> yoy</td> </tr> <tr> <td>+2.3% qoq</td> </tr> </tbody> </table>                            | NII                | <b>+2.8%</b> yoy  | +2.3% qoq                            | <table border="1"> <thead> <tr> <th>Fees + other insurance revenues<sup>(1)</sup></th> </tr> </thead> <tbody> <tr> <td><b>+2.5%</b> yoy</td> </tr> <tr> <td>+6.3% qoq</td> </tr> </tbody> </table>          | Fees + other insurance revenues <sup>(1)</sup> | <b>+2.5%</b> yoy                     | +6.3% qoq                            | <table border="1"> <thead> <tr> <th>Core operating income<sup>(2)</sup></th> </tr> </thead> <tbody> <tr> <td><b>+2.4%</b> yoy</td> </tr> <tr> <td>+8.0% qoq</td> </tr> </tbody> </table> | Core operating income <sup>(2)</sup> | <b>+2.4%</b> yoy   | +8.0% qoq   | <table border="1"> <thead> <tr> <th>Net income</th> </tr> </thead> <tbody> <tr> <td><b>+36.1%</b> yoy</td> </tr> <tr> <td>-15.7% qoq</td> </tr> </tbody> </table>                                     | Net income                                       | <b>+36.1%</b> yoy | -15.7% qoq |
|---|--|---|--------------------|-------------------|--------------------------------------|---|--|--------------------------------------|--------------------------------------|--|--------------------------------------|--------------------|---|---|--|-------------------|------------|
| NII   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>+2.8%</b> yoy  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| +2.3% qoq   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| Fees + other insurance revenues <sup>(1)</sup>                                    |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>+2.5%</b> yoy  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| +6.3% qoq   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| Core operating income <sup>(2)</sup>  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>+2.4%</b> yoy  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| +8.0% qoq   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| Net income  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>+36.1%</b> yoy   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| -15.7% qoq  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
|   | <p><b>Broad-based volume growth with stable customer spread</b></p>                        | <table border="1"> <thead> <tr> <th>AuM &amp; insur. funds</th> </tr> </thead> <tbody> <tr> <td><b>+2.2%</b> ytd</td> </tr> <tr> <td>+1.3% qoq</td> </tr> </tbody> </table>         | AuM & insur. funds | <b>+2.2%</b> ytd  | +1.3% qoq                            | <table border="1"> <thead> <tr> <th>Performing loans</th> </tr> </thead> <tbody> <tr> <td><b>+0.8%</b> ytd s.a.<sup>(3)</sup></td> </tr> <tr> <td>+0.9% qoq s.a.<sup>(3)</sup></td> </tr> </tbody> </table> | Performing loans                               | <b>+0.8%</b> ytd s.a. <sup>(3)</sup> | +0.9% qoq s.a. <sup>(3)</sup>        | <table border="1"> <thead> <tr> <th>Consumer loans<sup>(4)</sup></th> </tr> </thead> <tbody> <tr> <td><b>+10.6%</b> ytd</td> </tr> <tr> <td>+5.0% qoq</td> </tr> </tbody> </table>       | Consumer loans <sup>(4)</sup>        | <b>+10.6%</b> ytd  | +5.0% qoq   | <table border="1"> <thead> <tr> <th>Customer spread</th> </tr> </thead> <tbody> <tr> <td><b>+7</b> bps ytd</td> </tr> <tr> <td>-1 bp qoq</td> </tr> </tbody> </table>                                 | Customer spread                                  | <b>+7</b> bps ytd | -1 bp qoq  |
| AuM & insur. funds  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>+2.2%</b> ytd  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| +1.3% qoq   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| Performing loans  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>+0.8%</b> ytd s.a. <sup>(3)</sup>  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| +0.9% qoq s.a. <sup>(3)</sup>   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| Consumer loans <sup>(4)</sup>   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>+10.6%</b> ytd   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| +5.0% qoq   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| Customer spread   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>+7</b> bps ytd   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| -1 bp qoq   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
|   | <p><b>Asset-quality improvement boosted by agreement to sell RE business</b></p>           | <table border="1"> <thead> <tr> <th>NPLs</th> </tr> </thead> <tbody> <tr> <td><b>-11.1%</b> ytd</td> </tr> <tr> <td>NPL ratio: 5.3%; -70 bps ytd</td> </tr> </tbody> </table>       | NPLs               | <b>-11.1%</b> ytd | NPL ratio: 5.3%; -70 bps ytd         | <table border="1"> <thead> <tr> <th>CoR<sup>(5)</sup></th> </tr> </thead> <tbody> <tr> <td><b>24</b> bps</td> </tr> <tr> <td>-10 bps ytd</td> </tr> </tbody> </table>                                       | CoR <sup>(5)</sup>                             | <b>24</b> bps                        | -10 bps ytd                          | <table border="1"> <thead> <tr> <th>RE sales<sup>(4)(6)</sup></th> </tr> </thead> <tbody> <tr> <td><b>+124.4%</b> yoy</td> </tr> <tr> <td>17% capital gains</td> </tr> </tbody> </table> | RE sales <sup>(4)(6)</sup>           | <b>+124.4%</b> yoy | 17% capital gains   | <table border="1"> <thead> <tr> <th>OREO <sup>(4)</sup><br/>PF RE business sale (NBV)</th> </tr> </thead> <tbody> <tr> <td><b>~€0.5Bn</b></td> </tr> <tr> <td>~ -90% ytd</td> </tr> </tbody> </table> | OREO <sup>(4)</sup><br>PF RE business sale (NBV) | <b>~€0.5Bn</b>    | ~ -90% ytd |
| NPLs  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>-11.1%</b> ytd   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| NPL ratio: 5.3%; -70 bps ytd  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| CoR <sup>(5)</sup>  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>24</b> bps   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| -10 bps ytd   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| RE sales <sup>(4)(6)</sup>  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>+124.4%</b> yoy  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| 17% capital gains   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| OREO <sup>(4)</sup><br>PF RE business sale (NBV)                                  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>~€0.5Bn</b>  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| ~ -90% ytd  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
|  | <p><b>Strong liquidity and solvency maintained after recent corporate transactions</b></p> | <table border="1"> <thead> <tr> <th>CET1 FL</th> </tr> </thead> <tbody> <tr> <td><b>11.4%</b></td> </tr> <tr> <td>11.7% PF post RE sale <sup>(7)</sup></td> </tr> </tbody> </table> | CET1 FL            | <b>11.4%</b>      | 11.7% PF post RE sale <sup>(7)</sup> | <table border="1"> <thead> <tr> <th>Total Capital FL</th> </tr> </thead> <tbody> <tr> <td><b>15.7%</b></td> </tr> <tr> <td>16.1% PF post RE sale <sup>(7)</sup></td> </tr> </tbody> </table>                | Total Capital FL                               | <b>15.7%</b>                         | 16.1% PF post RE sale <sup>(7)</sup> | <table border="1"> <thead> <tr> <th>Liquid assets</th> </tr> </thead> <tbody> <tr> <td><b>€80 Bn</b></td> </tr> </tbody> </table>  | Liquid assets                        | <b>€80 Bn</b>      | <table border="1"> <thead> <tr> <th>LCR (12M average)</th> </tr> </thead> <tbody> <tr> <td><b>199%</b></td> </tr> </tbody> </table> | LCR (12M average)   | <b>199%</b>                                      |                   |            |
| CET1 FL   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>11.4%</b>  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| 11.7% PF post RE sale <sup>(7)</sup>  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| Total Capital FL  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>15.7%</b>  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| 16.1% PF post RE sale <sup>(7)</sup>  |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| Liquid assets   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>€80 Bn</b>   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| LCR (12M average)   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |
| <b>199%</b>   |  |   |                    |                   |                                      |   |  |                                      |                                      |  |                                      |                    |   |   |  |                   |            |

Group RoTE<sup>(5)</sup> at **10.4%** (+0.6 pp qoq)

(1) Other insurance revenues include life-risk premia, equity accounted income from SegurCaixa Adeslas and other insurance stakes from BPI. (2) Core revenues minus recurrent operating expenses. (3) Seasonally adjusted. (4) In Spain. (5) Trailing 12 months. (6) Include rentals. (7) As per current estimate.

## Client funds reflect continuous growth complemented by positive seasonality

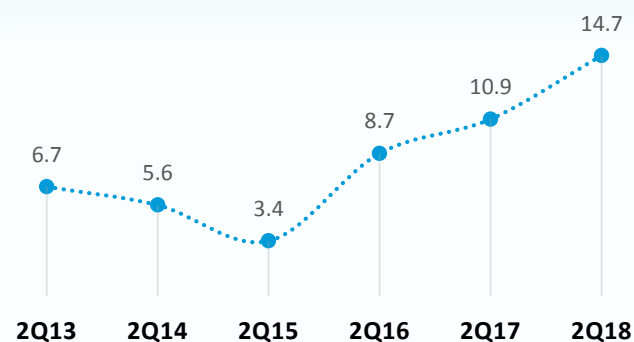
### Customer funds

Breakdown, in €Bn

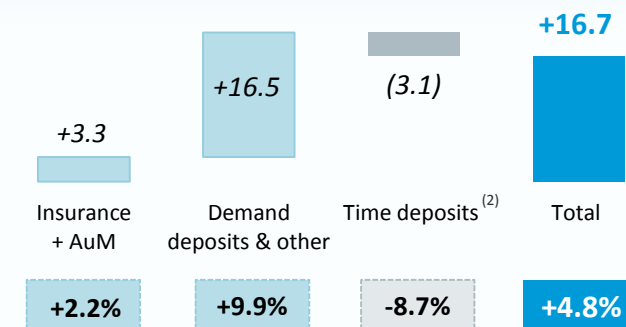
|   | 30 June 2018 | % ytd        | % qoq         |
|---|--------------|--------------|---------------|
| <b>I. On balance-sheet funds</b>        | <b>262.6</b> | <b>+6.1%</b> | <b>+5.0%</b>  |
| Demand deposits <sup>(1)</sup>          | 176.0        | +10.8%       | +8.6%         |
| Time deposits <sup>(2)</sup>            | 32.7         | -8.7%        | -1.6%         |
| Subordinated liabilities <sup>(3)</sup> | 0.0          | -100.0%      | -100.0%       |
| Insurance                               | 51.5         | +3.0%        | +1.7%         |
| Other funds                             | 2.4          | +152.1%      | +17.8%        |
| <b>II. Assets under management</b>      | <b>98.3</b>  | <b>+1.8%</b> | <b>+1.2%</b>  |
| Mutual funds <sup>(4)</sup>             | 68.3         | +2.1%        | +1.0%         |
| Pension plans                           | 30.0         | +1.3%        | +1.5%         |
| <b>III. Other managed resources</b>     | <b>5.3</b>   | <b>-1.7%</b> | <b>+24.0%</b> |
| <b>Total customer funds</b>             | <b>366.2</b> | <b>+4.8%</b> | <b>+4.2%</b>  |

### Customer funds evolution

Customer funds, Δ qoq in €Bn



Customer funds Δ ytd, in €Bn and %



- ▶ Continued mix-shift from term deposits to demand deposits and long-term saving products
- ▶ On B/S fund growth boosted by seasonal effects in demand deposits
- ▶ Demand deposits further increased by retail sub-debt redemption in June
- ▶ Steady growth in AuM inflows despite market volatility

(1) Includes seasonal payrolls and pension pre-payment effects in 2Q.

(2) Includes retail commercial paper amounting to €522M (Group) and €497M (CABK) at 30 June 2018.

(3) Redemption of €2 Bn Series I/2012 subordinated liabilities on 4 June 2018.

(4) Including SICAVs and managed portfolios.



## Strong and sustained growth in long-term savings and protection businesses

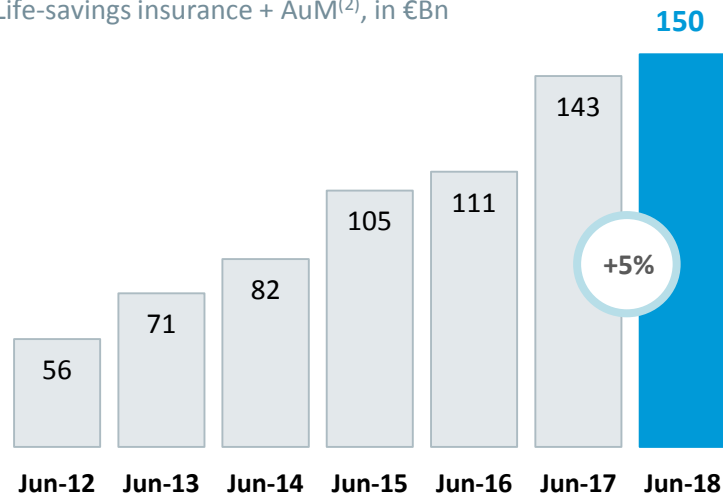
### Long-term savings products



**Net inflows**  
1H18, CABK<sup>(1)</sup>

**€3.9 Bn**

Life-savings insurance + AuM<sup>(2)</sup>, in €Bn



**Market share**  
Long-term savings  
(Spain)<sup>(3)(4)</sup>

**21.5%**

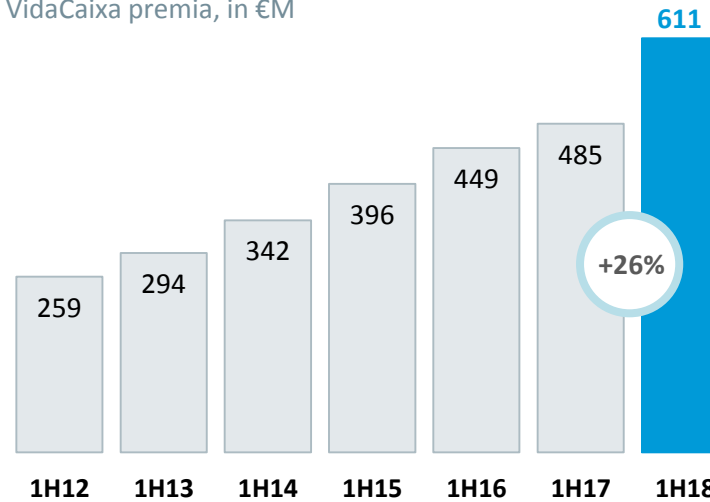
### Life-risk insurance



**Production**  
1H18, VidaCaixa

**€611 M**

VidaCaixa premia, in €M



**Market share**  
Life-risk premia  
(Spain)<sup>(4)</sup>

**25.9%**

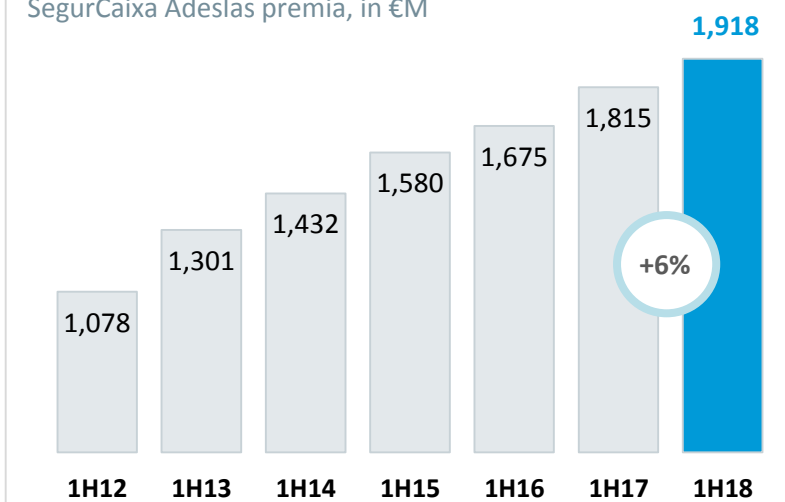
### Non-life insurance



**Production**  
1H18, SegurCaixa Adeslas

**€1.9 Bn**

SegurCaixa Adeslas premia, in €M



**Market share**  
Health insurance  
(Spain)<sup>(4)</sup>

**28.5%**

(1) Net inflows into life-saving insurance and AuM (pension plans and mutual funds, SICAVs and managed portfolios) excluding the market impact on AuM.

(2) Includes pension plans, own and third-party mutual funds, SICAVs and managed portfolios.

(3) Market share for own mutual funds and pension plans as of June 2018, internal estimates for life-saving insurance.

(4) Sources: Inverco, ICEA. Latest available data.

## Broad-based loan growth with lower mortgage deleveraging

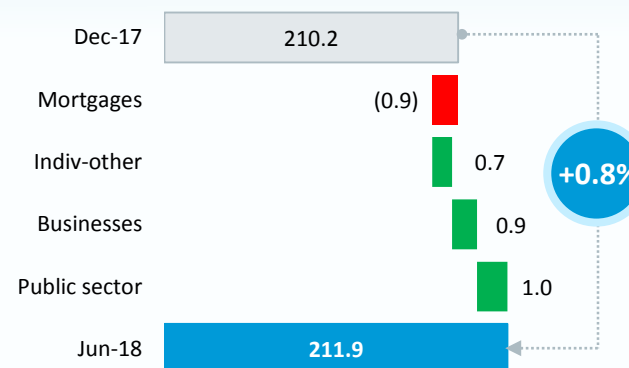
### Loan book

Breakdown, in €Bn

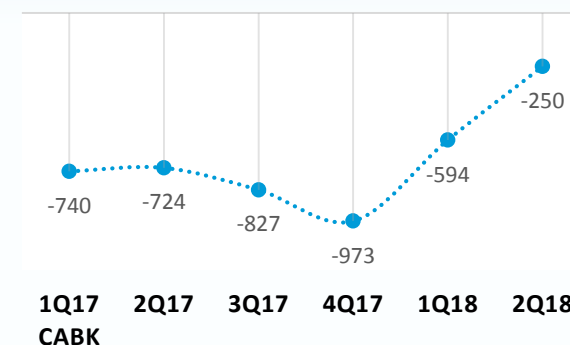
|  | 30 June 2018 | % ytd         | % qoq       |
|--|--------------|---------------|-------------|
| <b>I. Loans to individuals</b>                               | <b>129.8</b> | <b>1.0%</b>   | <b>1.4%</b> |
| Residential mortgages  | 93.2         | (1.1%)        | (0.4%)      |
| Other loans to individuals <sup>(1)</sup>                    | 36.6         | 6.6%          | 6.3%        |
| <i>o/w: CABK consumer loans<sup>(2)</sup></i>                | 11.0         | 10.6%         | 5.0%        |
| <b>II. Loans to businesses</b>                               | <b>83.0</b>  | <b>(0.5%)</b> | <b>0.9%</b> |
| Corporates and SMEs  | 75.9         | (0.6%)        | 0.7%        |
| Real Estate developers                                       | 7.1          | 0.6%          | 2.4%        |
| <b>Loans to individuals &amp; businesses</b>                 | <b>212.8</b> | <b>0.4%</b>   | <b>1.2%</b> |
| <b>III. Public sector</b>                                    | <b>13.0</b>  | <b>8.1%</b>   | <b>0.0%</b> |
| <b>Total loans</b>   | <b>225.7</b> | <b>0.8%</b>   | <b>1.1%</b> |
| <b>Performing loans</b>                                      | <b>213.5</b> | <b>1.6%</b>   | <b>1.6%</b> |
| <i>Performing loans ex 2Q seasonal impacts<sup>(1)</sup></i> | 211.9        | 0.8%          | 0.9%        |

### Performing loan book

In €Bn and % ytd, adjusted for 2Q seasonal impacts<sup>(1)</sup>



Performing residential mortgage book (Group), Δ qoq in €M



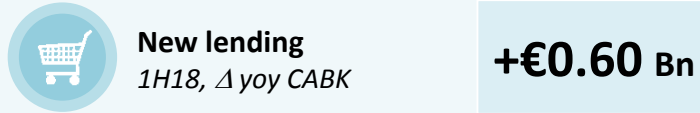
- ▶ Both consumer and business segments support loan growth
- ▶ Other loans to individuals reflects seasonality related to pension prepayments
- ▶ Mortgage deleveraging continues to wind down
- ▶ Steep decline in NPLs improves portfolio quality

(1) Other loans to individuals (other than consumer loans) includes seasonal pension advances in June amounting to €1.6Bn.

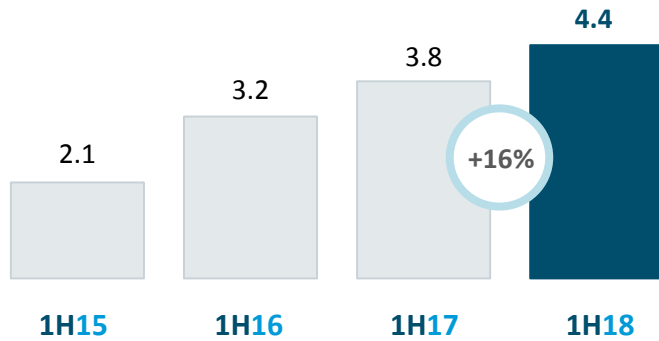
(2) Unsecured loans to individuals, excluding those for home purchases. Includes personal loans from CaixaBank, MicroBank and CaixaBank Consumer Finance, as well as revolving credit card balances (CaixaBank Payments) excluding float.

## Positive loan production dynamics continue

### Consumer lending

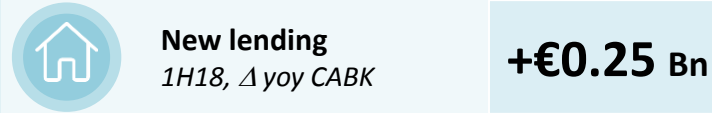


New lending (CABK), €Bn

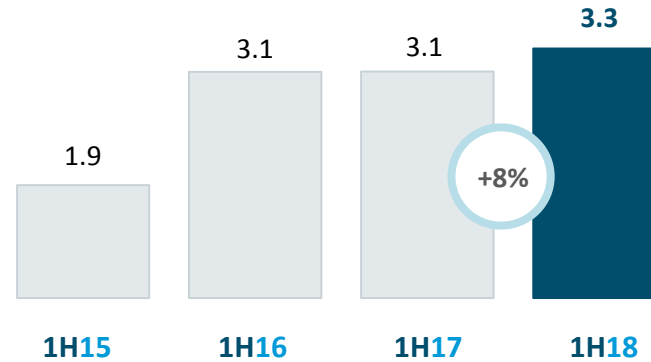


**Strategic alliances and commercial agreements with vendors**

### Residential mortgages



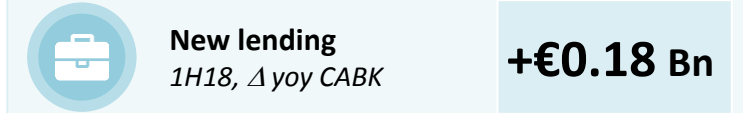
New lending (CABK), €Bn



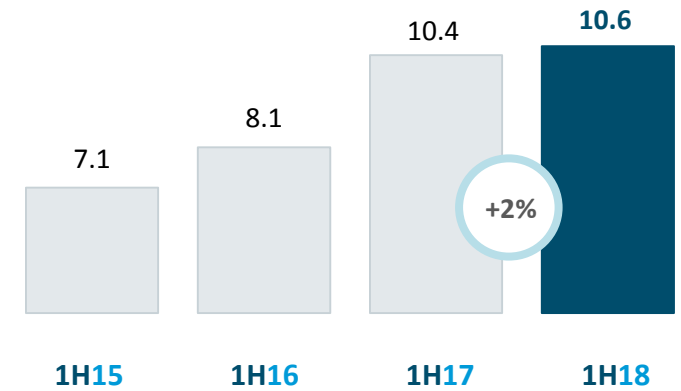
**~60%**  
at fixed rate

**Protecting clients against eventual rate rises**

### Businesses <sup>(1)</sup>



New lending (CABK), €Bn



**Specialisation and mobility solutions are key advantages**

(1) Including credit to SMEs and corporate.

## Promoting digital prowess and customer experiences

### Evolving into a nimble organisation

**neX**  
INSPIRE TOGETHER

- Reorganising retail banking
- Reinforcing client centricity
- New ways of working

**Global Customer Experience**

### Reinforcing our distribution model

#### A digital benchmark *with the largest digital client base in Spain*

|  |   |   |   |
|--|---|---|---|
| <p><b>Best Digital Bank in Western Europe 2018</b></p> | <p><b>55%</b></p> <p><i>Of our clients are digital <sup>(1)</sup></i></p> | <p><b>32%</b></p> <p><i>#1 in digital client penetration <sup>(2)</sup></i></p> | <p><b>Constant innovation to add value to our clients – Recent examples</b></p> <ul style="list-style-type: none"> <li>10M payments by mobile (1H18)</li> <li>Booking.com partnership in CaixaBank Now</li> <li>Quipu agreement, for shops and self-employed</li> </ul> |
|--|---|---|---|

#### Leveraging IT *to transform the distribution network*

|  |  |  |  |
|--|--|--|--|
| <p><b>100%</b></p> <p><i>Employees with Smart PC</i></p> | <p><b>~100%</b></p> <p><i>Digital processes <sup>(3)</sup></i></p> | <p><b>222</b></p> <p><i>New concept "Store" Branches</i></p> | <ul style="list-style-type: none"> <li>Urban branches</li> <li>Extended opening hours</li> </ul> |
|--|--|--|--|

(1) Customers aged 20-74 years old with at least one transaction in the last 12 months. In Spain.

(2) 12 month average, latest available data (April 2018). In Spain. Source: Comscore.

(3) % of documentation related to product acquisition that is digitalised.

## Double-digit RoTE underpinned by higher revenues and lower CoR

### Consolidated Income Statement

| In €M   | 2Q18         | 2Q17         | % yoy       | % qoq         |
|---|--------------|--------------|-------------|---------------|
| <b>Net interest income</b>                    | <b>1,229</b> | <b>1,196</b> | <b>2.8</b>  | <b>2.3</b>    |
| Net fees and commissions                      | 668          | 664          | 0.4         | 6.7           |
| Income and exp. from insurance <sup>(1)</sup> | 144          | 123          | 17.6        | 4.3           |
| Other revenues                                | 351          | 404          | (13.4)      | 18.4          |
| <i>Trading</i>                                | 157          | 134          | 16.7        | 14.7          |
| <i>Dividends and equity accounted</i>         | 353          | 296          | 19.4        | 30.8          |
| <i>Other operating income/expenses</i>        | (159)        | (26)         | -           | 44.0          |
| <b>Gross income</b>                           | <b>2,392</b> | <b>2,387</b> | <b>0.2</b>  | <b>5.7</b>    |
| Recurring operating expenses                  | (1,155)      | (1,125)      | 2.6         | 0.5           |
| Extraordinary operating expenses              | (5)          | (96)         | (94.9)      | 80.6          |
| <b>Pre-impairment income</b>                  | <b>1,232</b> | <b>1,166</b> | <b>5.7</b>  | <b>11.0</b>   |
| LLPs  | (109)        | (223)        | (51.0)      | (21.7)        |
| Other provisions                              | (233)        | (393)        | (41.0)      | -             |
| Gains/losses on disposals and other           | (68)         | 4            | -           | -             |
| <b>Pre-tax income</b>                         | <b>822</b>   | <b>554</b>   | <b>48.0</b> | <b>(10.7)</b> |
| Income tax, minority interest & others        | (228)        | (118)        | 92.0        | 5.8           |
| <b>Profit attributable to the Group</b>       | <b>594</b>   | <b>436</b>   | <b>36.1</b> | <b>(15.7)</b> |

- ▶ Core revenues grow across the board
  - NII **+2.8%** yoy; **+2.3%** qoq
  - Fees **+0.4%** yoy; **+6.7%** qoq
  - Life-risk insurance income **+17.6%** yoy; **+4.3%** qoq
- ▶ Non-core revenues reflect seasonal impacts (TEF dividend, SRF charge)<sup>(2)</sup> and one-offs in trading and income from associates<sup>(3)</sup>
- ▶ Recurrent costs (**+2.6%** yoy; **+0.5%** qoq) grow to support the business
- ▶ Steady decline in loan-loss provisions: **-51.0%** yoy / **-21.7%** qoq
- ▶ Other provisions and gains/losses on disposals impacted by SVH acquisition (-€204M)<sup>(4)</sup>
- ▶ Net income grows **36.1%** yoy in 2Q (+54.6% 1H/1H)

RoTE, (ttm)

**10.4%**

(1) Equity accounted income from SegurCaixa Adeslas and other bancassurance stakes from BPI are included in "Dividends and equity accounted".

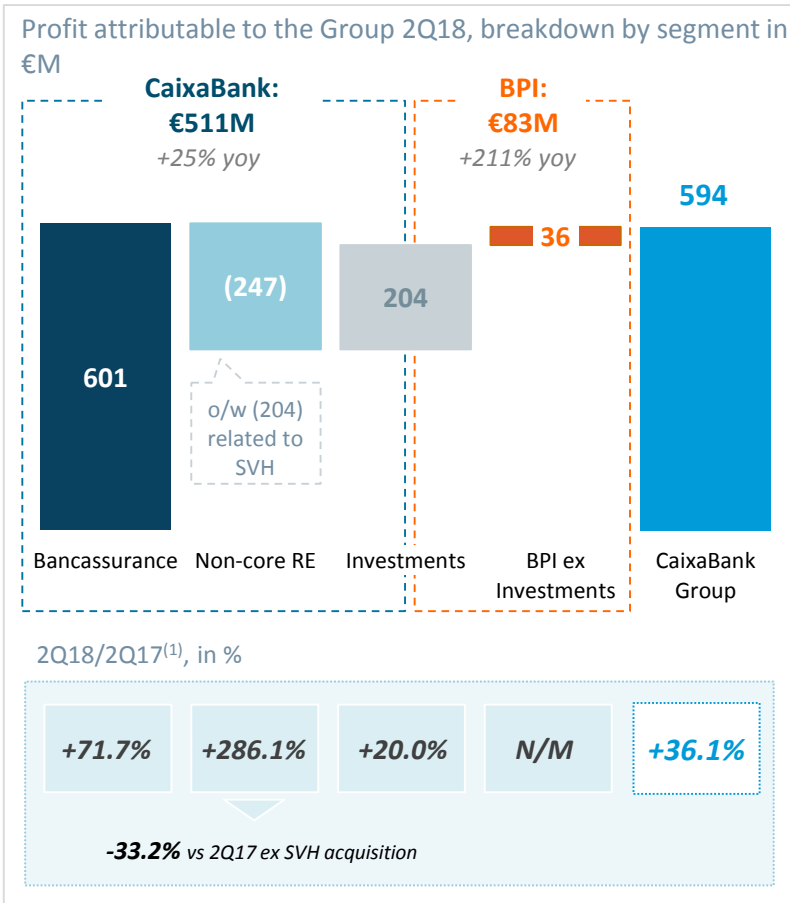
(2) TEF dividend in 2Q18 amounts to €104M while SRF charge in 2Q18 amounts to -€97M.

(3) Non-recurrent impacts in BFA and REP contribute to equity-accounted income while the positive impact from the cancellation of a swap related to the retail subordinated debt redeemed in 2Q contributes to trading gains.

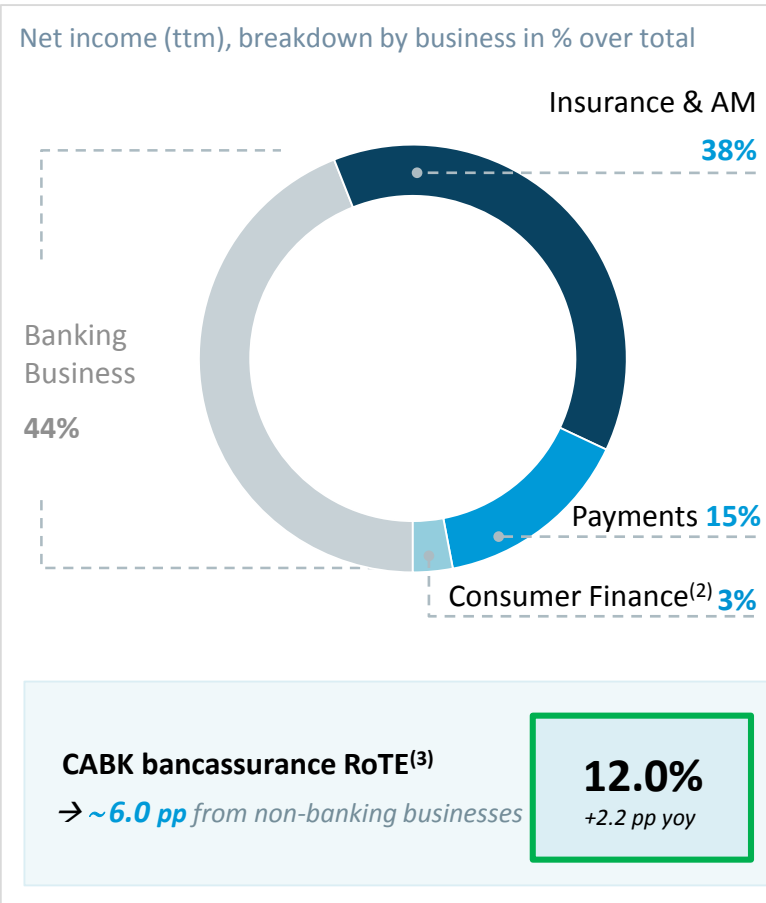
(4) Of which -€152M impact in "Other provisions" and -€52M in "Gains/losses on disposals and other".

## CaixaBank bancassurance remains the core contributor to Group RoTE

### Group P&L by segment



### Net income from CABK bancassurance segment



### Positive contributions from every segment

- ▶ Strong bancassurance growth (+71.7% yoy) on higher core revenues (+2.4% yoy) and lower impairments and losses on disposal and other (-64.9% yoy)
- ▶ Lower normalised losses from non-core RE (-33.2% yoy ex one-off from SVH) as capital gains on disposals improve
- ▶ Investments (+20.0% yoy) include positive non-recurrent impacts from BFA and REP
- ▶ Bancassurance RoTE at 12.0% with key contributions from non-banking businesses

(1) % change yoy are presented vs. 2Q17 pro-forma the change in scope introduced in 1Q18 (BPI minority stakes are included in the "Investments" segment and not in BPI, and analytical sales commissions are no longer charged from the "Bancassurance" segment to the "Non-core RE" segment).

(2) CaixaBank Consumer Finance and MicroBank. Other consumer lending business included in "banking business" and "payments".

(3) RoTE trailing 12 months excluding extraordinary items. It includes the AT1 coupon accrued in the year (-€52M post-tax, trailing 12M).

## Improvement in BPI segment contribution despite recent changes in scope

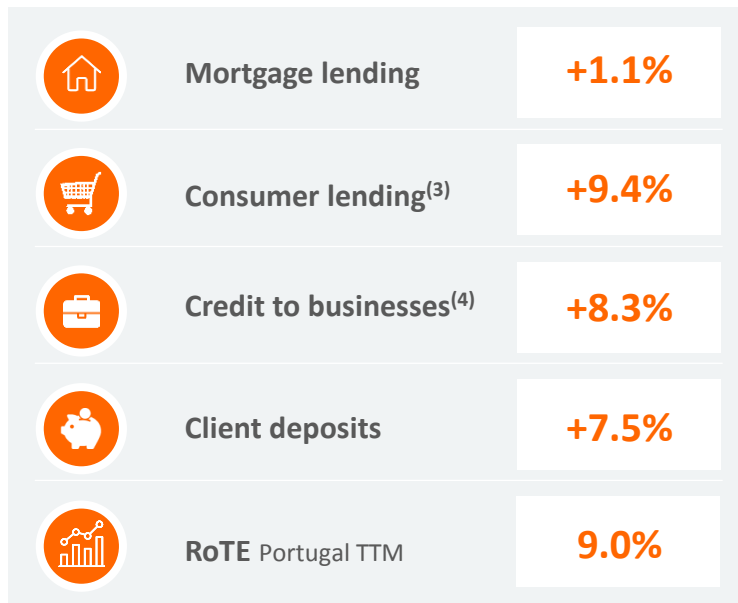
### BPI segment P&L

| BPI Segment P&L <sup>(1)</sup> , in €M | 2Q18       | 1Q18       | 2Q17        |
|--|------------|------------|-------------|
| <b>Net interest income</b>             | <b>100</b> | <b>97</b>  | <b>100</b>  |
| Net fees and commissions               | 69         | 75         | 74          |
| Other revenues                         | 1          | 16         | (1)         |
| <b>Gross income</b>                    | <b>170</b> | <b>188</b> | <b>173</b>  |
| Recurring operating expenses           | (112)      | (118)      | (121)       |
| Extraordinary operating expenses       | (5)        | (3)        | (96)        |
| <b>Pre-impairment income</b>           | <b>53</b>  | <b>67</b>  | <b>(44)</b> |
| Impairment losses & other provisions   | 3          |            | 4           |
| Gains/losses on disposals and other    |            |            |             |
| <b>Pre-tax income</b>                  | <b>56</b>  | <b>67</b>  | <b>(40)</b> |
| Income tax, minority interest & others | (20)       | (27)       | 21          |
| <b>Net attributable profit</b>         | <b>36</b>  | <b>40</b>  | <b>(19)</b> |

- ▶ YoY/QoQ impacted by changes in scope <sup>(2)</sup>
- ▶ YoY also reflects 2Q17 restructuring charges

### Positive operating trends continue in 2Q

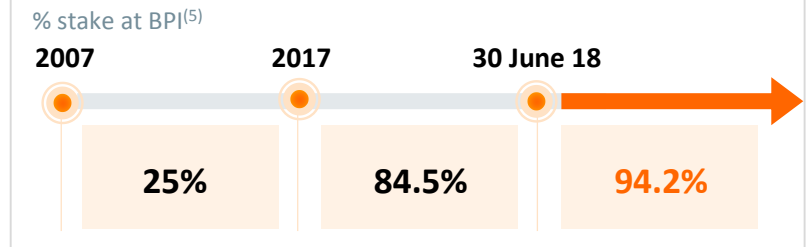
Activity in Portugal, as reported by BPI in % ytd



**Best bank in Portugal  
2018**



### Acquisition of 100% of BPI shares advances

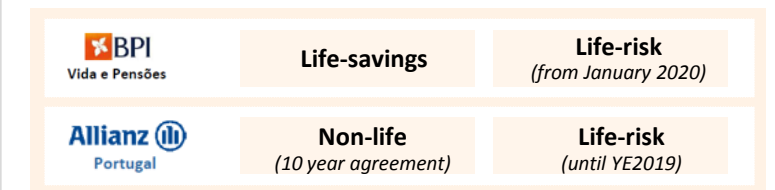


### New alliance to distribute insurance in Portugal

Ownership structure, 30 June 2018



Insurance distribution by BPI

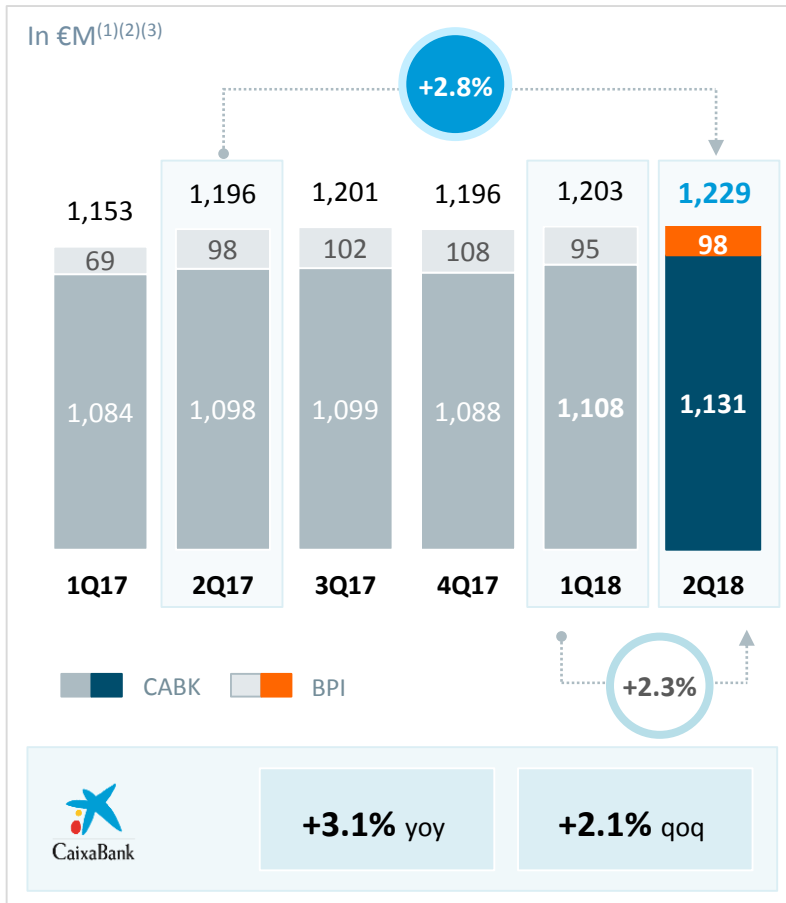


(1) BPI Segment P&L excludes contribution from BPI minority stakes, which is assigned to the "Investments" business segment. NII in BPI segment excludes cost from funding BFA and BCI which is included in "Investments" segment.  
 (2) QoQ impacted by sale of BPI Gestao de Activos and BPI Global Investment Fund to CABK AM in April 2018. Yoy evolution impacted by sale of BPI Vida e Pensoes to VidaCaixa and of BPI Gestao de Activos and BPI Global Investment Fund to CABK AM.  
 (3) Consumer lending and other credit to individuals  
 (4) Credit to businesses in Portugal.  
 (5) As of 19 July 2018, the % stake at BPI stands at 94.6%.

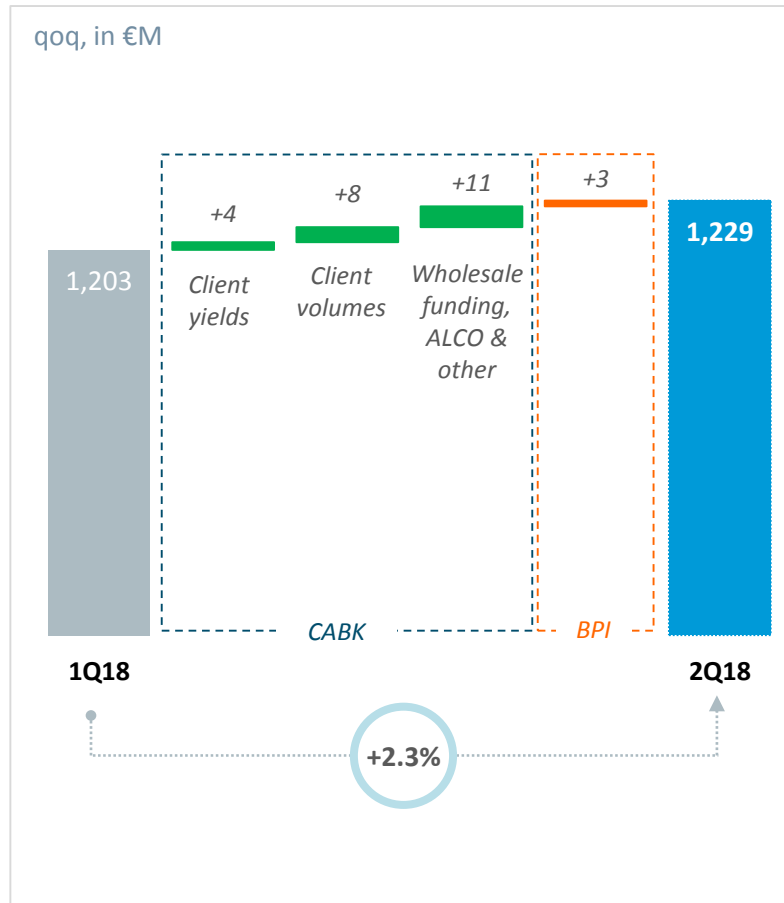


## NII improves on higher asset volumes and stable yields

### NII evolution



### NII bridge



- ▶ CABK NII improves qoq on:
  - Higher average volumes, higher-yielding loan mix and favourable calendar effects
  - Stable retail funding costs after redemption of retail sub-debt
  - Higher average ALCO volumes and lower wholesale funding cost
  - ... all more than offsetting marginally negative Euribor resets and higher cash balances
  
- ▶ BPI NII also improves qoq while yoy evolution reflects changes in scope and accounting criteria

(1) 1Q17 includes 2 months of BPI. From 2Q17, inclusive, BPI contributes a full quarter.

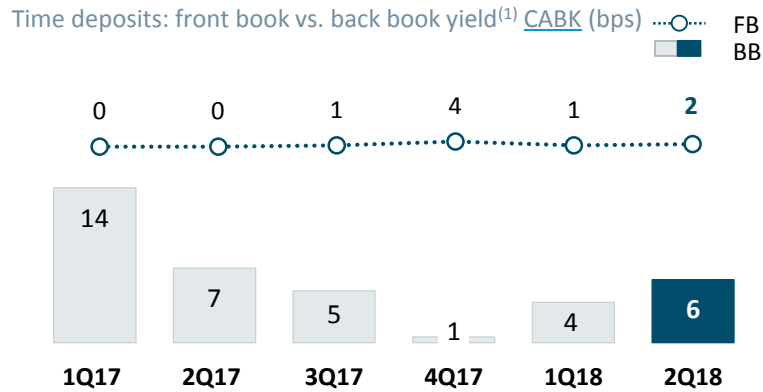
(2) Since 1Q18 (included), the breakdown CABK-BPI reflects the acquisition of BPI Vida e Pensões by VidaCaixa (no impact at Group level) and change in accounting criteria affecting NII (reclass from NII to trading gains).

(3) Application of IFRS 9 from 1 January 2018.

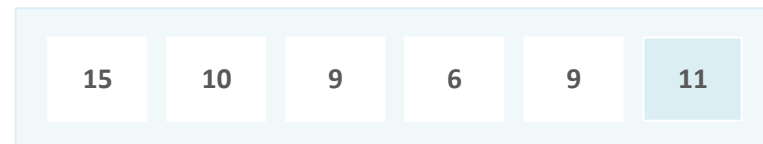


## Loan volumes show slight inflection on broadly stable yields

### Deposit repricing

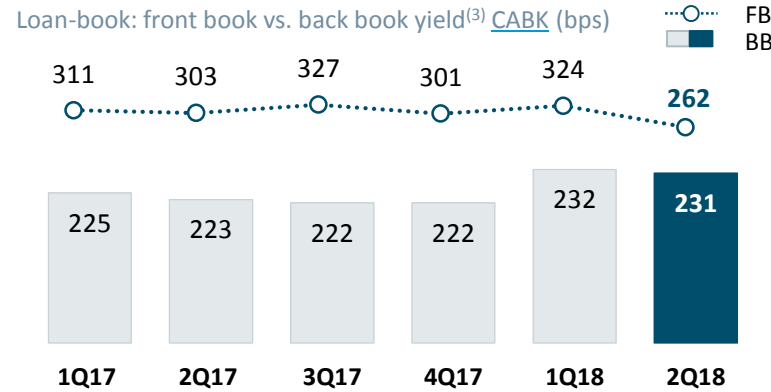


Time deposits<sup>(2)</sup>: back book yield, Group in bps

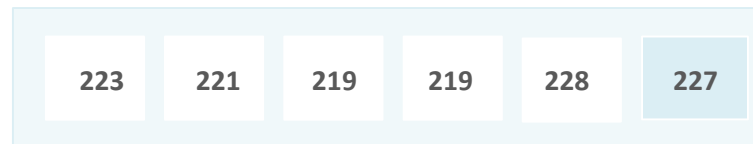


- ▶ Limited potential for further re-pricing as back book already close to front book
- ▶ BB uptick qoq mainly driven by F/X deposit production

### Loan yields

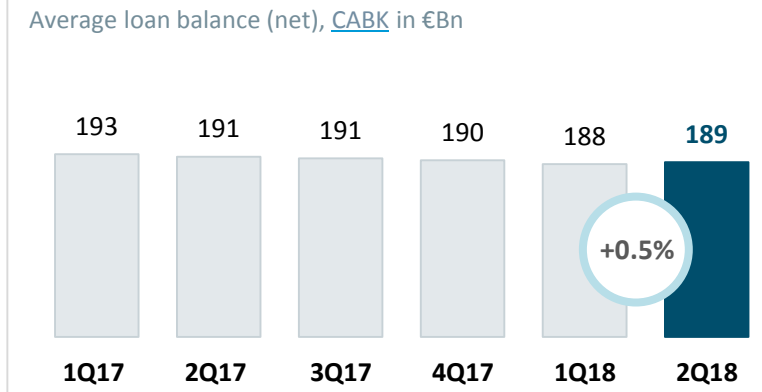


Loan-book<sup>(2)</sup>: back book yield, Group in bps

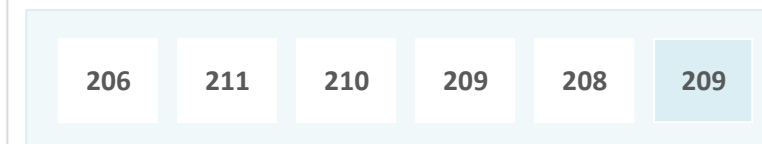


- ▶ FB yields reflect change in mix in 2Q (skew toward higher volumes of business lending)
- ▶ BB yields broadly stable as accretive FB offsets negative Euribor resets

### Loan volumes



Average loan balance<sup>(2)</sup> (net), Group in €Bn



- ▶ Loan volumes reflect growth in consumer and business lending and a reduced drag from residential mortgage deleveraging

(1) Front book includes only Euro deposits while back book includes all deposits.

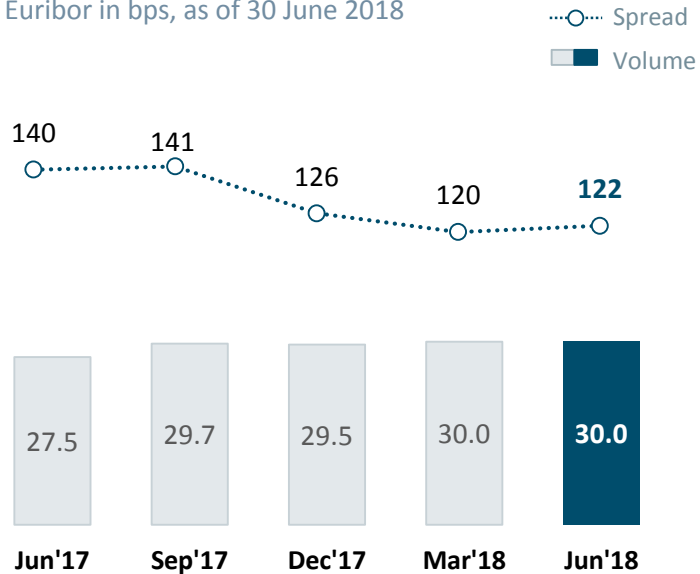
(2) 1Q17 Group time deposit and asset yields, as well as average balance BPI, calculated on 2 months of BPI contribution.

(3) Front book excludes public sector. Back book includes all segments.

## ALCO and wholesale funding books remain stable

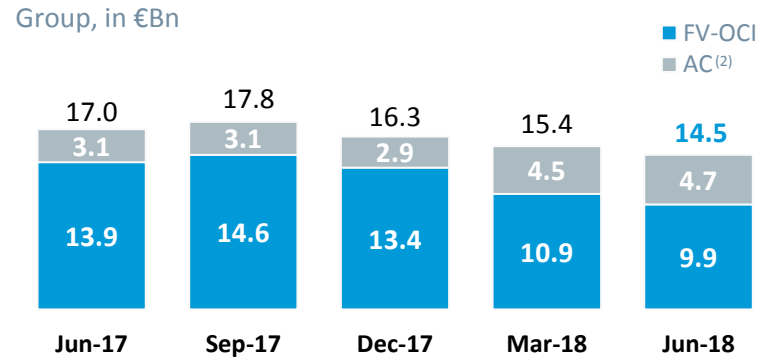
### Wholesale funding costs

CABK wholesale funding back-book<sup>(1)</sup> in €Bn and spread over 6M Euribor in bps, as of 30 June 2018



- ▶ BB **-4 bps** ytd/**-18 bps** yoy as expensive maturities more than compensate for new issuances

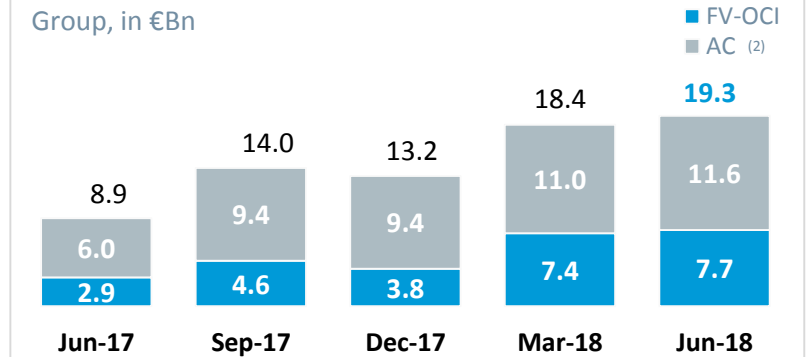
### Structural ALCO portfolio



| Period            | Jun-17 | Sep-17 | Dec-17 | Mar-18 | Jun-18 |
|-------------------|--------|--------|--------|--------|--------|
| Yield, %          | 2.3    | 2.2    | 2.0    | 2.0    | 2.1    |
| Average life, yrs | 4.6    | 4.8    | 4.9    | 4.8    | 4.0    |
| Duration, yrs     | 1.7    | 1.5    | 1.4    | 2.5    | 2.7    |

- ▶ Book falls as market opportunities are seized
- ▶ Better yields with higher duration reflecting disposals of previously swapped positions

### ALCO liquidity management portfolio



| Period            | Jun-17 | Sep-17 | Dec-17 | Mar-18 | Jun-18 |
|-------------------|--------|--------|--------|--------|--------|
| Yield, %          | 0.1    | 0.2    | 0.2    | 0.2    | 0.2    |
| Average life, yrs | 2.5    | 3.2    | 2.9    | 3.3    | 3.2    |
| Duration, yrs     | 2.4    | 3.1    | 2.8    | 3.2    | 3.0    |

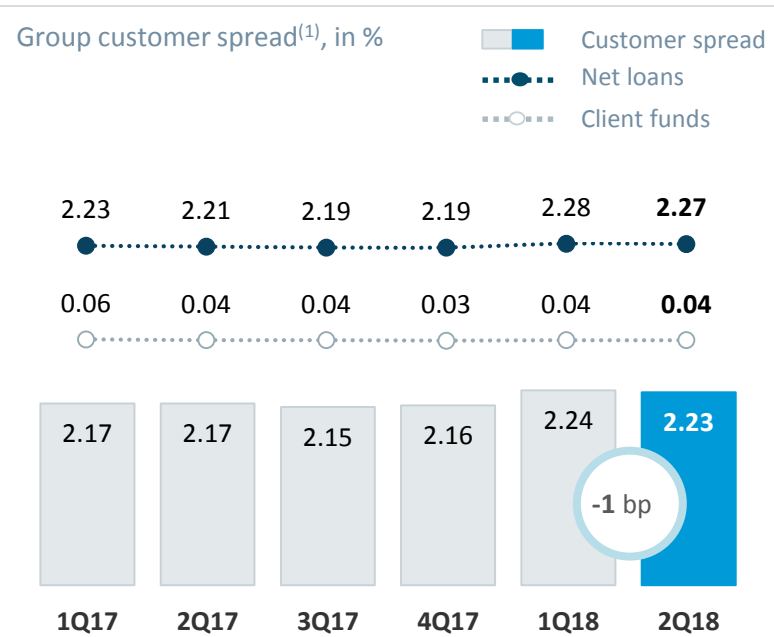
- ▶ Liquidity ALCO book increased in the quarter
- ▶ Duration and yield remain stable

(1) Includes securitisations placed with investors and self-retained multi-issuer covered bonds. It does not include the AT1 issued in June 2017 and in March 2018.

(2) Securities at amortised cost.

## Customer spread and NIM remain broadly stable

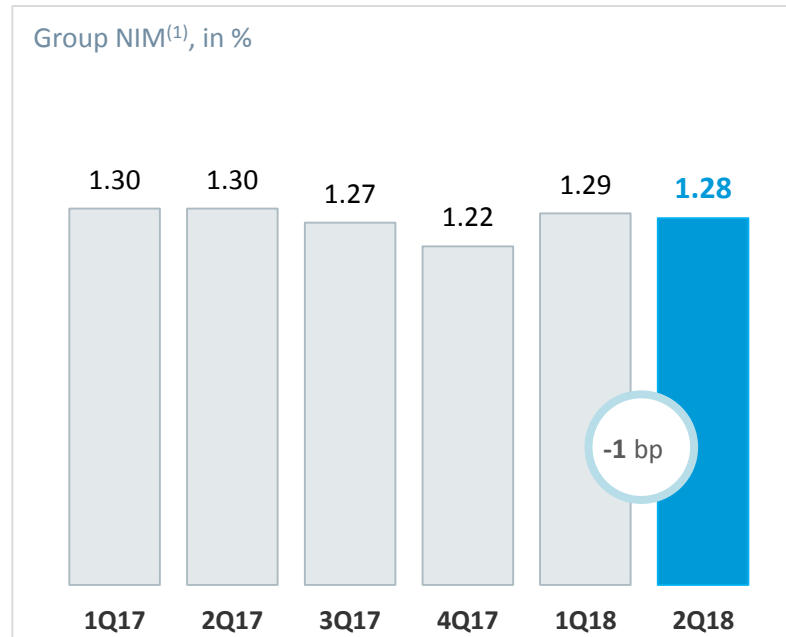
### Customer spread



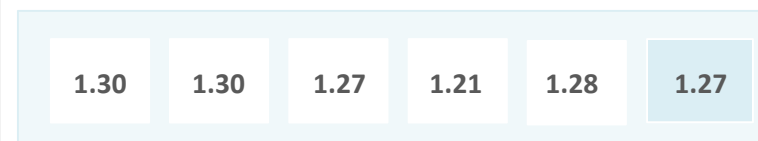
CABK customer spread, in %



### NIM



CABK NIM, in %

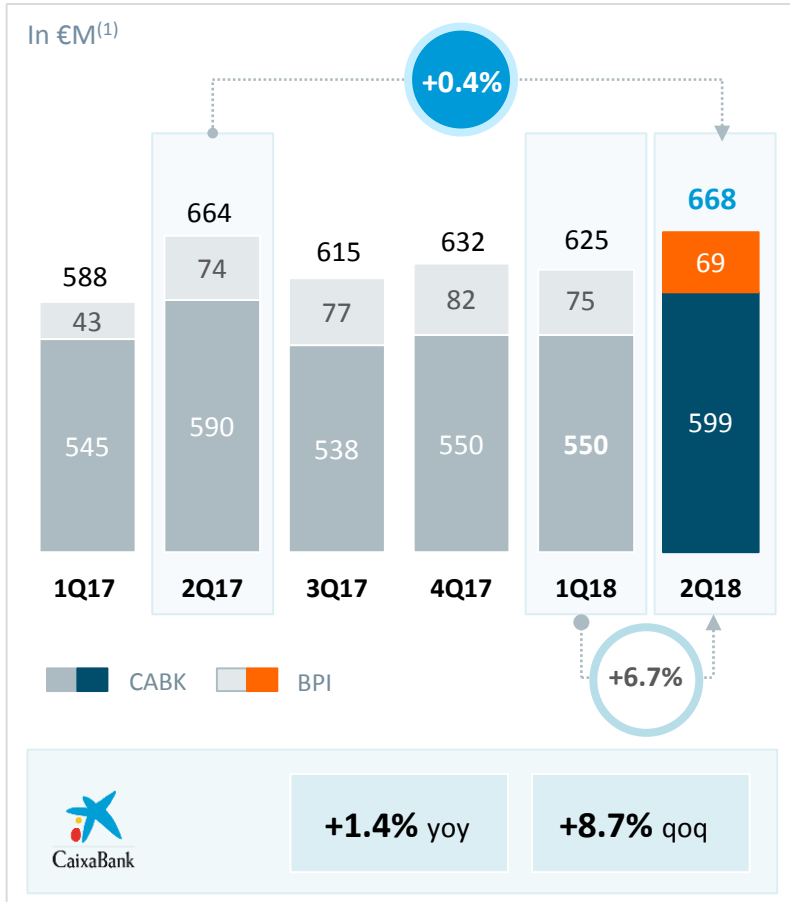


- ▶ Customer spreads remain stable qoq on:
  - Low and stable client funding costs
  - Flat lending yields: positives from mix-shift compensate for negative Euribor repricing
- ▶ Lower NIM qoq reflects denominator effect related to higher cash balances

(1) 1Q17 includes 2 months of BPI. From 2Q17 BPI contributes a full quarter.

## Fees demonstrate resilience to sustained market volatility

### Net fees



### Fee breakdown by main category

2Q18 in €M and % yoy and qoq

| Category        | 2Q18 in €M | % yoy  | % qoq  |
|-----------------|------------|--------|--------|
| Banking & other | 389        | -6.8%  | +10.0% |
| Mutual funds    | 142        | +17.0% | +7.8%  |
| Insurance       | 87         | +14.4% | +3.2%  |
| Pension plans   | 50         | -0.4%  | -11.1% |

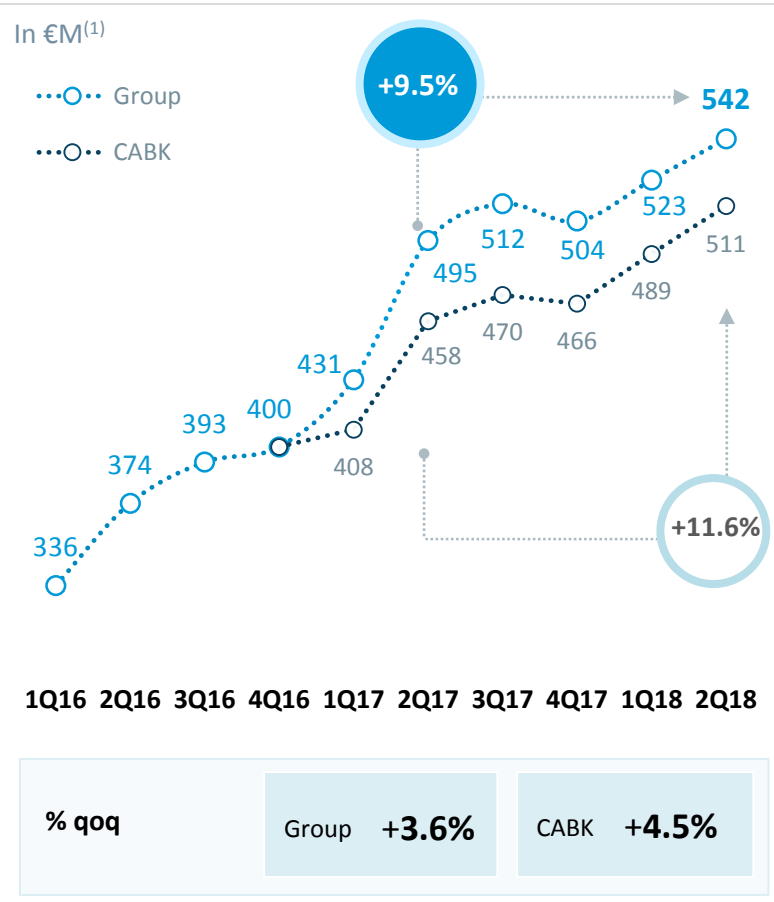
- ▶ Group fee evolution **yoy** reflects:
  - Recurrent banking fees impacted by investments in consumer lending distribution agreements –stable otherwise
  - Strong growth in mutual fund fees as higher AuM shows resilience to market volatility
  - Non-life insurance distribution remains an engine of growth
  - Pension plan fees slightly affected by introduction of regulatory cap
- ▶ BPI fee evolution qoq and yoy impacted by change in scope<sup>(2)</sup>

(1) 1Q17 includes 2 months of BPI.

(2) -€5M qoq/yoy from the transfer of BPI Gestao de Activos and BPI Global Investment Fund to CaixaBank AM in April 2018; -€1M yoy from the transfer of BPI Vida to VidaCaixa by year-end 2017.

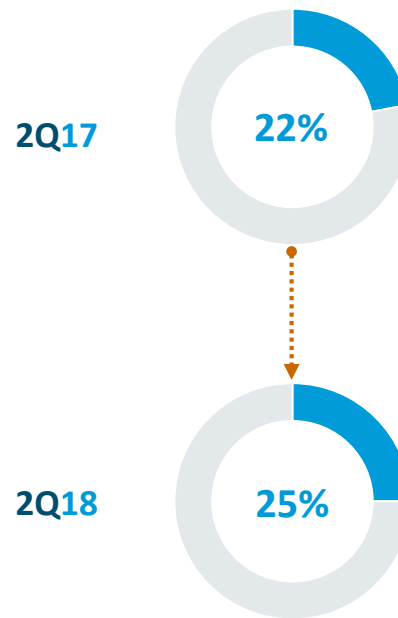
## Insurance and asset management remain key contributors to CABK bancassurance earnings

### Insurance and AM revenues



### Contribution to bancassurance revenues

Insurance + AM revenues<sup>(2)</sup>, in % of CABK bancassurance rev.



► Non-traditional banking businesses mitigate effect of negative rates

### Bancassurance P&L: contribution from insurance

2Q18, in €M

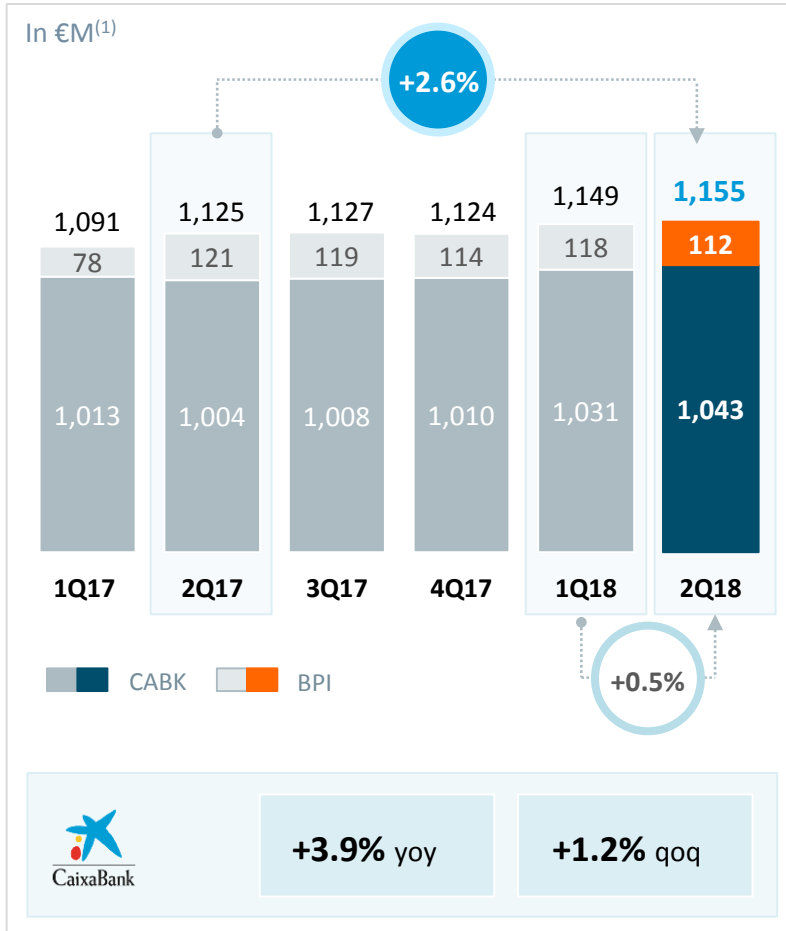
|                               | Bancassur.   | o/w Insurance <sup>(3)</sup> | Insur. % qoq |
|-------------------------------|--------------|------------------------------|--------------|
| <b>Net interest income</b>    | <b>1,175</b> | <b>77</b>                    | <b>6.9</b>   |
| Net fees and commissions      | 601          | (39)                         | (2.5)        |
| Income and exp. insurance     | 144          | 144                          | 4.3          |
| Income from associates        | 55           | 38                           | (7.3)        |
| Other revenues                | 79           |                              |              |
| <b>Gross income</b>           | <b>2,054</b> | <b>220</b>                   | <b>2.8</b>   |
| Recurring operating expenses  | (1,012)      | (28)                         | 3.7          |
| <b>Pre-impairment income</b>  | <b>1,042</b> | <b>192</b>                   | <b>2.7</b>   |
| LLPs & other provisions       | (194)        |                              |              |
| Gains/losses on disp. & other | (15)         |                              |              |
| <b>Pre-tax income</b>         | <b>833</b>   | <b>192</b>                   | <b>2.7</b>   |
| Income tax & minority int.    | (232)        | (46)                         | 7.0          |
| <b>Net attributed profit</b>  | <b>601</b>   | <b>146</b>                   | <b>1.4</b>   |

► Insurance net income growth reflects solid activity trends

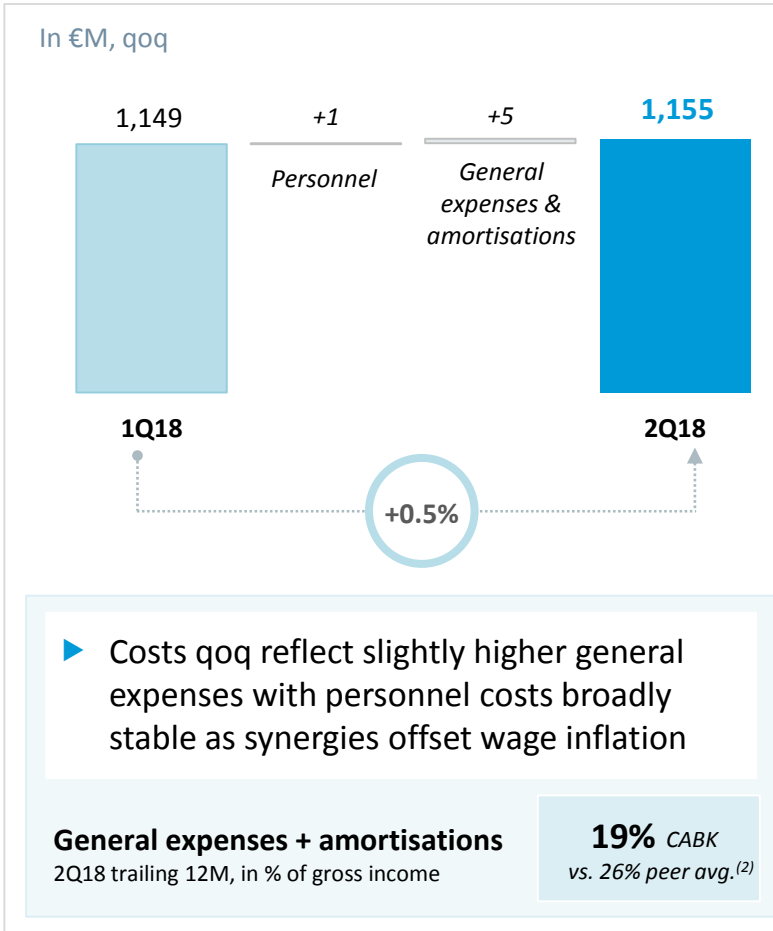
(1) AM revenues include pension plan and mutual fund fees. Insurance revenues include NII from life-saving insurance, life-risk premia, net insurance fees, equity accounted income from SegurCaixa Adeslas and other bancassurance stakes from BPI.  
 (2) AM revenues include pension plan and mutual fund fees. Insurance revenues include NII from life-saving insurance, life-risk premia, net insurance fees and equity accounted income from SegurCaixa Adeslas.  
 (3) Does not include the fees paid by SegurCaixa Adeslas to the bancassurance business for non-life insurance distribution.

## Costs grow to support the business

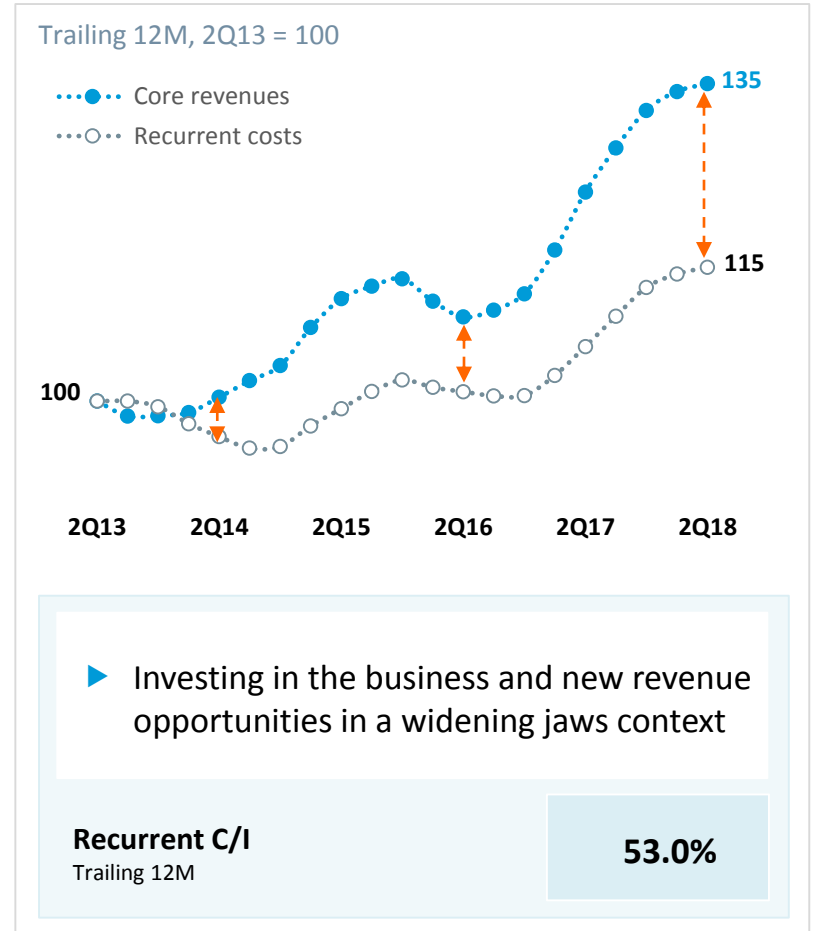
### Recurrent costs



### Recurrent cost bridge



### “Jaws” have continued to widen

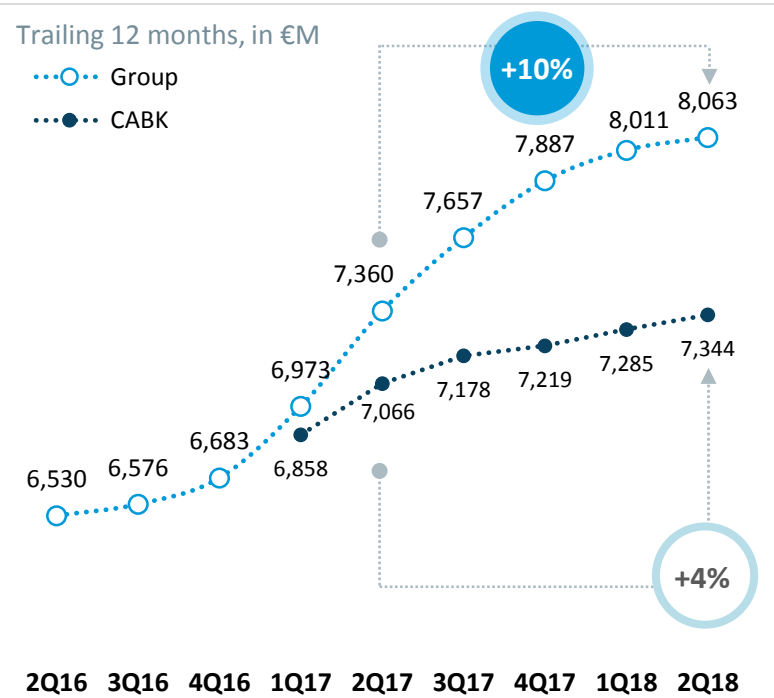


(1) 1Q17 includes 2 months of BPI.

(2) Peer group includes Bankia, Bankinter, BBVA Spain + RE business, Sabadell (ex TSB), Santander Spain + RE business. Data as of 1Q18 for Sabadell and BBVA, 2Q18 for Bankia, Bankinter, Santander.

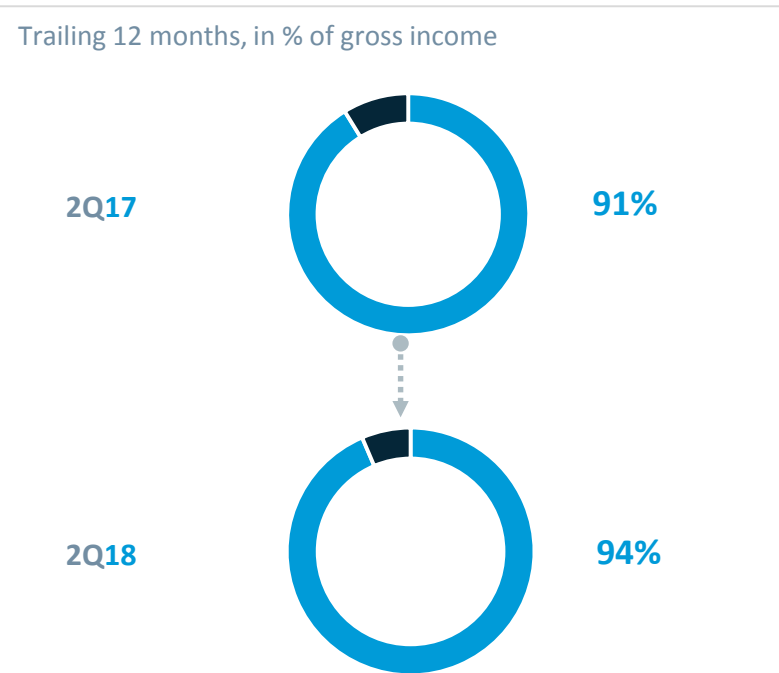
## Consistent core revenue and operating income growth reflect the strength of our model

### Core revenues<sup>(1)</sup>



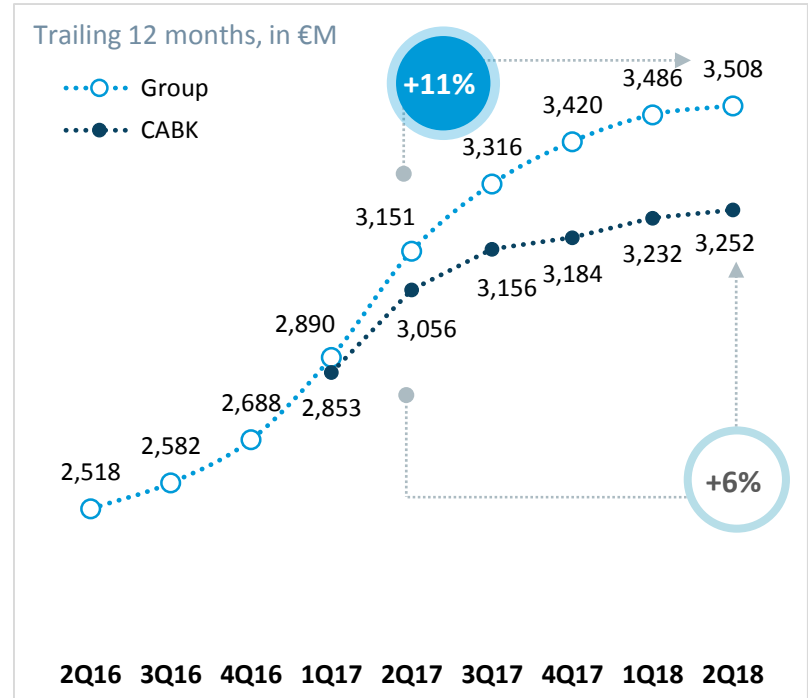
|                           |                              |                             |
|---------------------------|------------------------------|-----------------------------|
| <b>2Q18 Core revenues</b> | <b>€2,083M</b>               | <b>€1,911M</b>              |
|                           | Group +2.5% yoy<br>+3.7% qoq | CABK +3.2% yoy<br>+4.0% qoq |

### Core revenue contribution to total revenues



► Gradually improving the quality of revenues

### Core operating income<sup>(2)</sup>



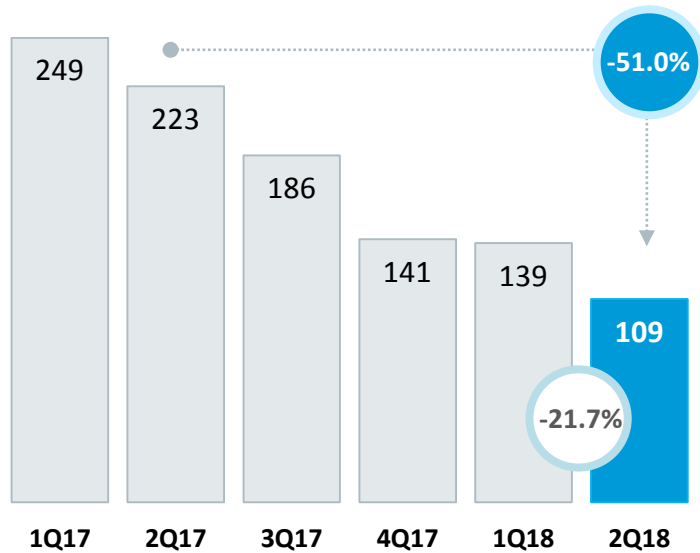
|                                   |                              |                             |
|-----------------------------------|------------------------------|-----------------------------|
| <b>2Q18 Core operating income</b> | <b>€928 M</b>                | <b>€868 M</b>               |
|                                   | Group +2.4% yoy<br>+8.0% qoq | CABK +2.3% yoy<br>+7.7% qoq |

(1) Includes NII, net fees and other revenues from insurance (life-risk premia, equity accounted income from SegurCaixa Adeslas and equity accounted income from BPI bancassurance companies).  
 (2) Core revenues minus recurrent costs.

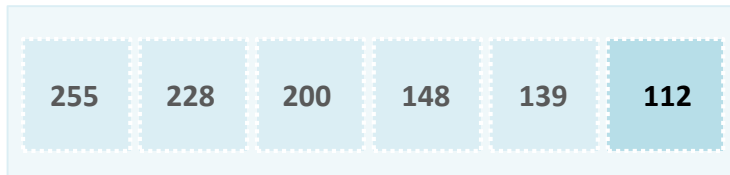
## Steady decline in LLPs with CoR<sup>(1)</sup> down to 24 bps

### LLPs

Loan-loss provisions<sup>(2)</sup>, in €M

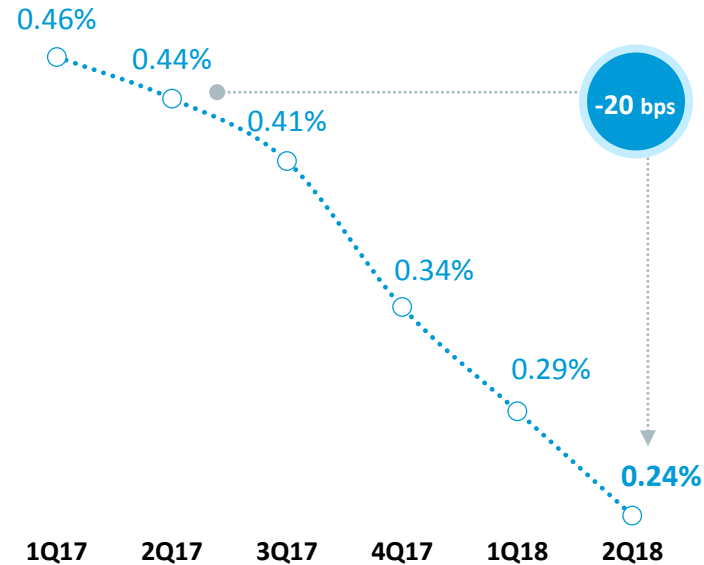


o/w CABK, in €M



### CoR trailing 12M

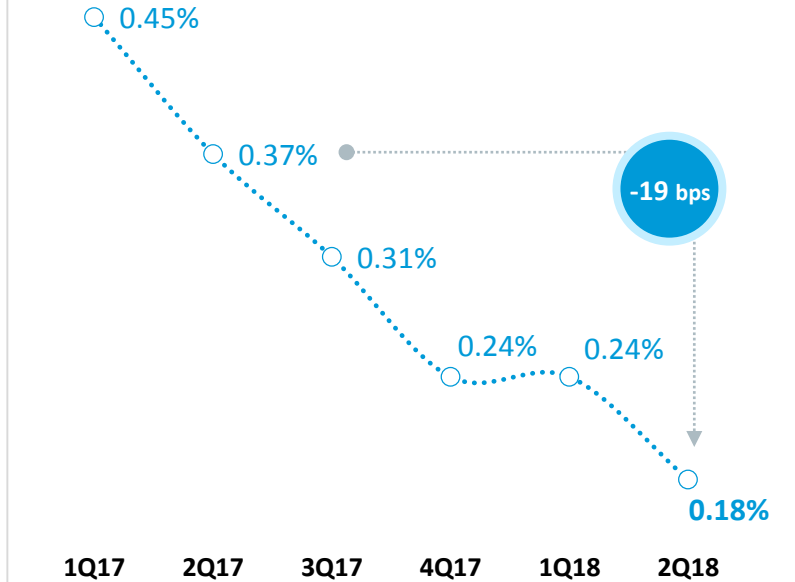
In %<sup>(2)(3)</sup>



▶ Group CoR shows another steady improvement in 2Q

### Annualised quarterly CoR

In %<sup>(2)</sup>



▶ Annualised quarterly CoR falls below 20 bps

(1) Trailing 12 months.

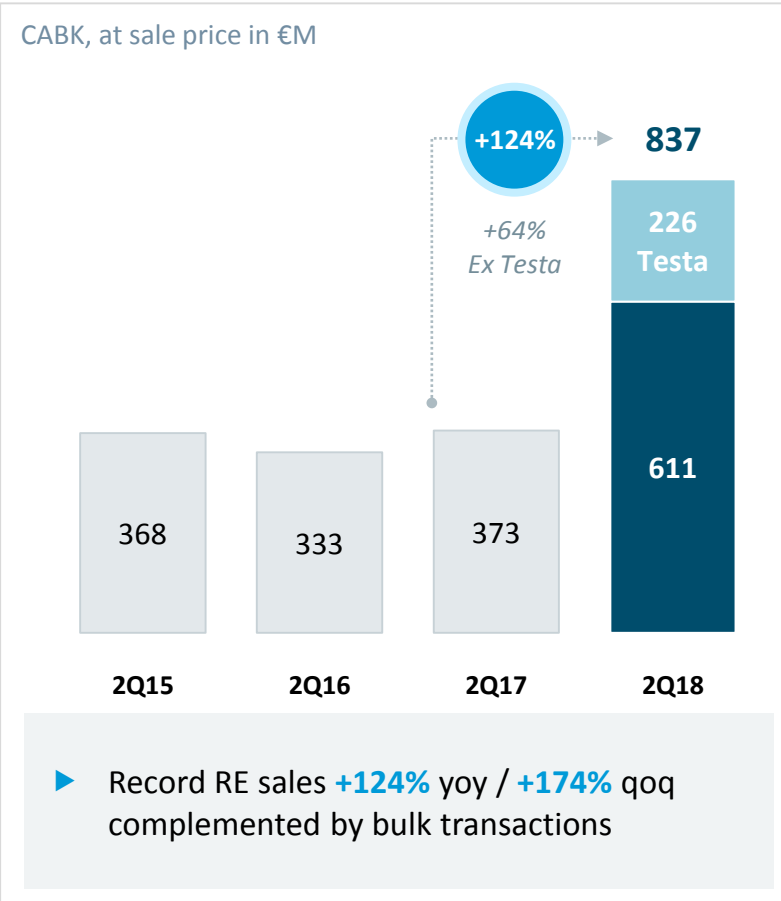
(2) 1Q17 includes only 2 months of BPI.

(3) For 3Q17 and previous quarters, it excludes extraordinary provision release in 4Q16 related to development of internal models.

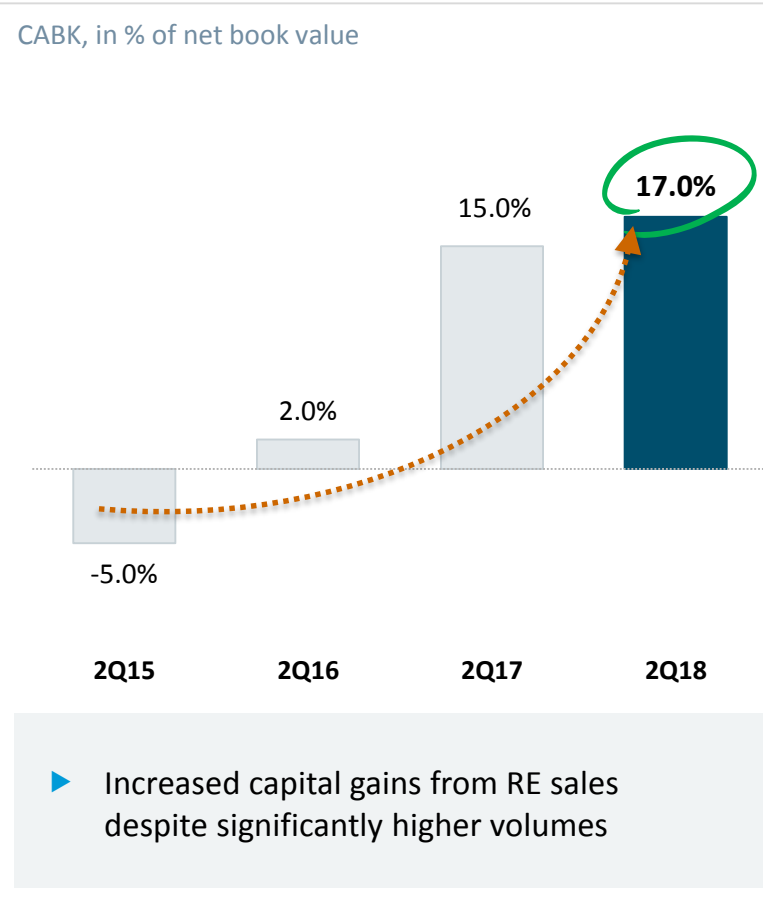


## Capital gains on higher RE disposals offset any RE provisioning

### RE sales <sup>(1)</sup>



### Capital gains from RE sales



### Net RE result

Gains/losses on asset disposals (CABK), in €M

|   | 2Q18        | 1Q18       | 2Q17      |
|---|-------------|------------|-----------|
| Results from RE sales                             | 111         | 40         | 44        |
| Other RE gains/losses                             | (164)       | (38)       | (28)      |
| <i>o/w SVH acquisition</i>                        | (52)        | -          | -         |
| <b>Net RE result</b>                              | <b>(53)</b> | <b>2</b>   | <b>16</b> |
| Other non-RE related                              | (15)        | (4)        | (12)      |
| <b>Gains/losses on asset disposals and others</b> | <b>(68)</b> | <b>(2)</b> | <b>4</b>  |

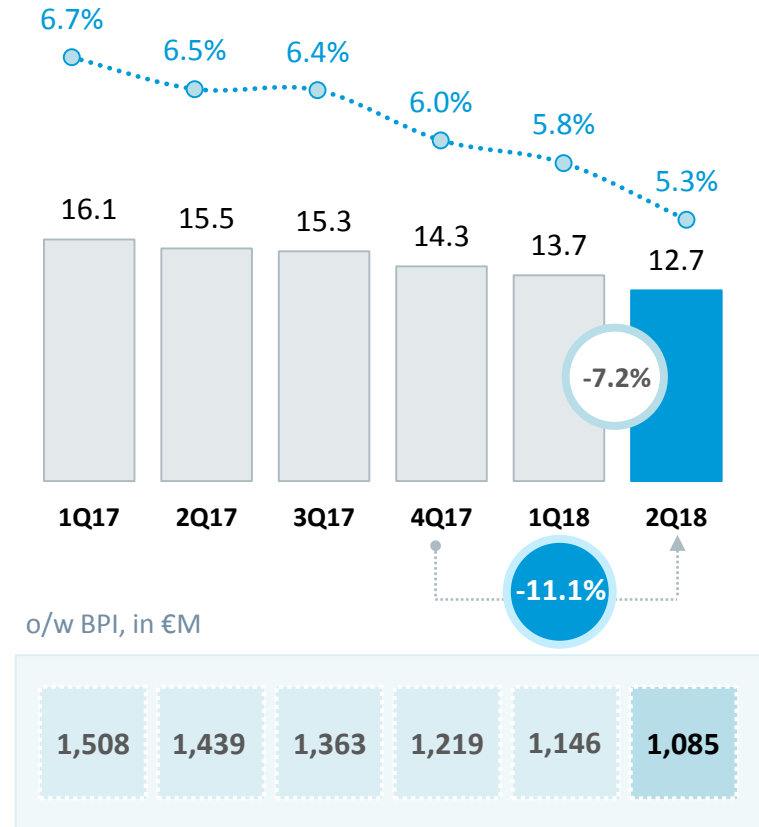
- ▶ Capital gains offset impairments
- ▶ Other RE losses mainly reflect partial impact from SVH acquisition

(1) Include sales of rental assets.

## NPL reduction continues at a faster pace

### NPL stock and ratio

NPL stock <sup>(1)</sup> in €Bn and NPL ratio in %

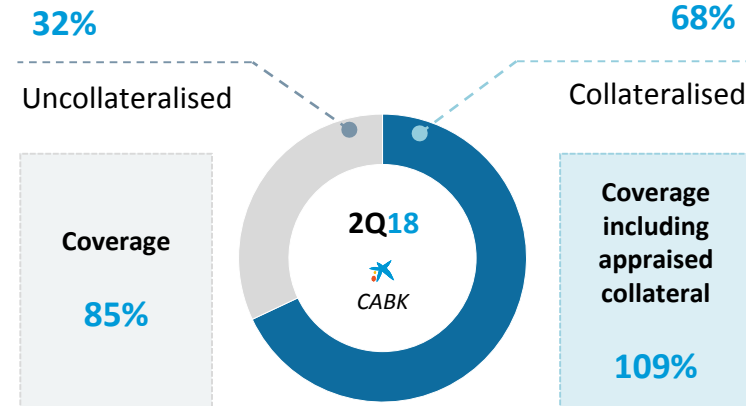


### NPL Coverage<sup>(2)</sup>

In %

|      | Group | CABK |
|------|-------|------|
| 2Q18 | 56%   | 53%  |
| 1Q18 | 55%   | 52%  |

CABK NPL/coverage breakdown by collateral, 30 June 2018



- ▶ NPL ratio at **5.3%** down 0.5 pp qoq and down **1.2 pp** in 12 months
- ▶ NPL stock **-11.1%** ytd on consistent inflow reduction and €469M portfolio sales<sup>(3)</sup>
- ▶ NPL coverage **+1 pp** in the quarter; **+6 pp** ytd after the initial application of IFRS 9 in January

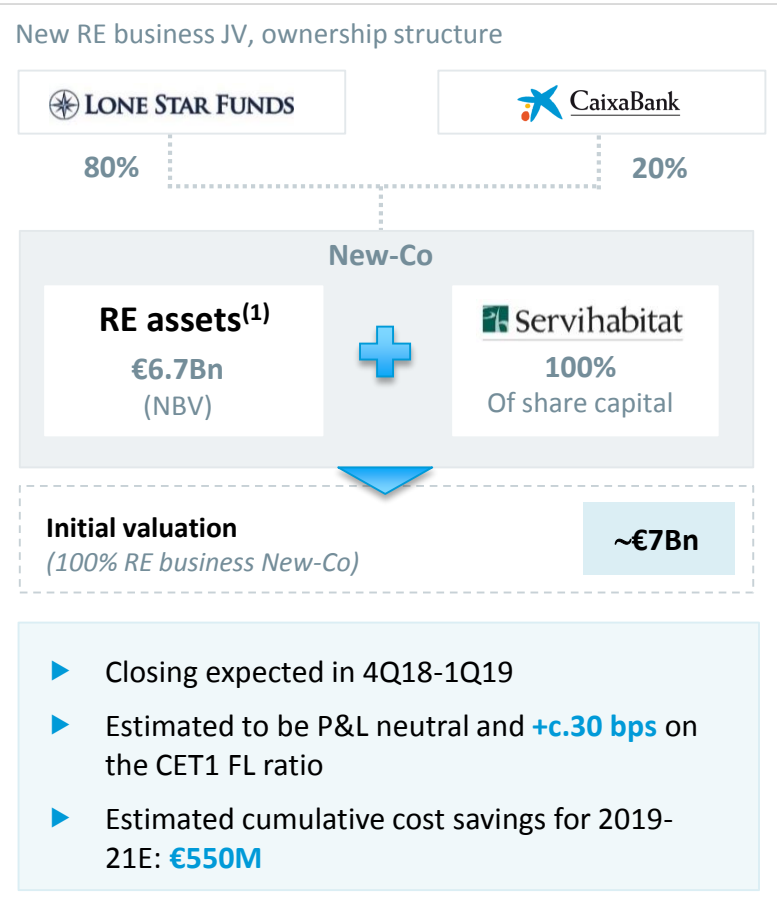
(1) Includes non-performing contingent liabilities (€490M in 2Q18, including BPI).

(2) Ratio between total impairment allowances on loans to customers and contingent liabilities over non-performing loans and advances to customers and contingent liabilities.

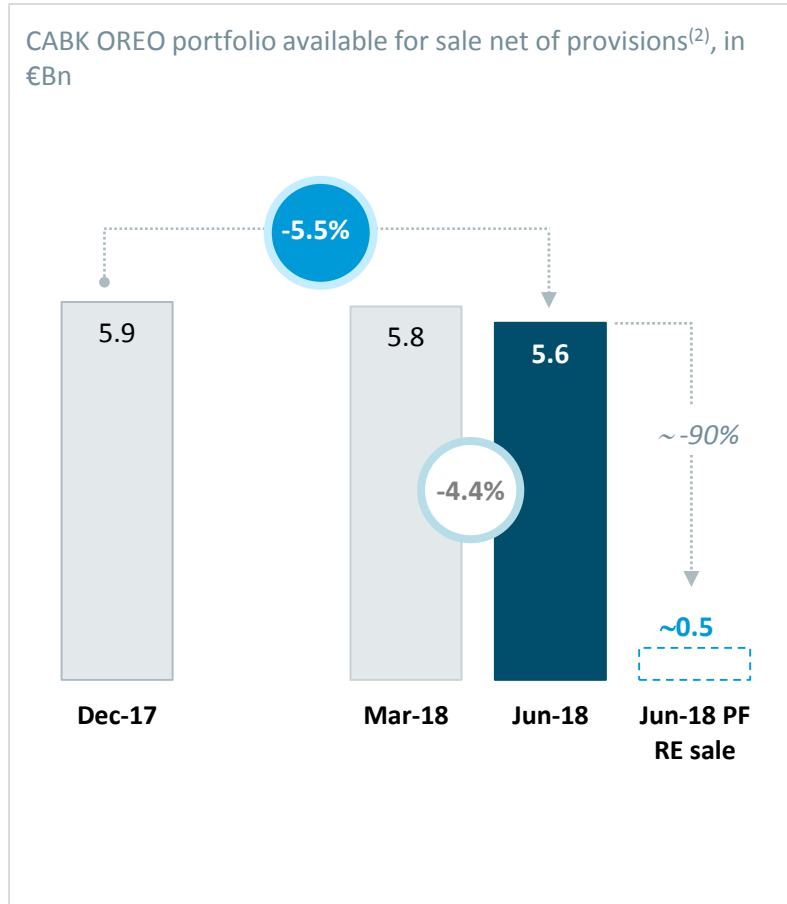
(3) Portfolio sale of €104M NPLs in 1Q18 and of €365M NPLs in 2Q18.

# Agreement to sell RE business provides additional boost to asset-quality

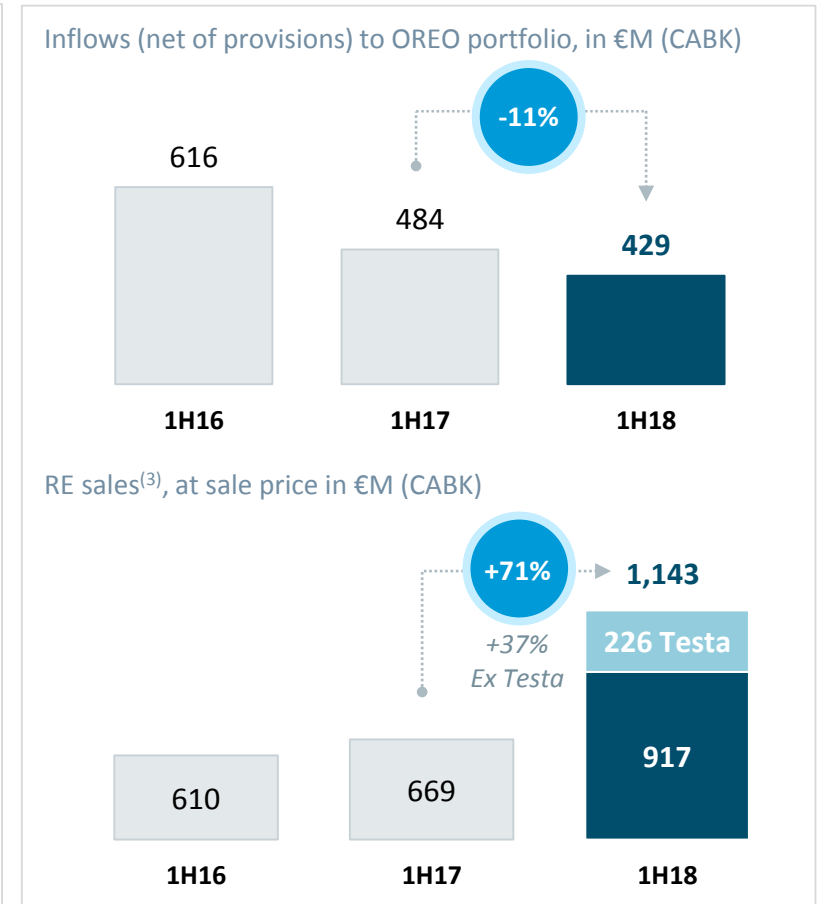
## RE business disposal agreement



## OREO exposure drastically reduced



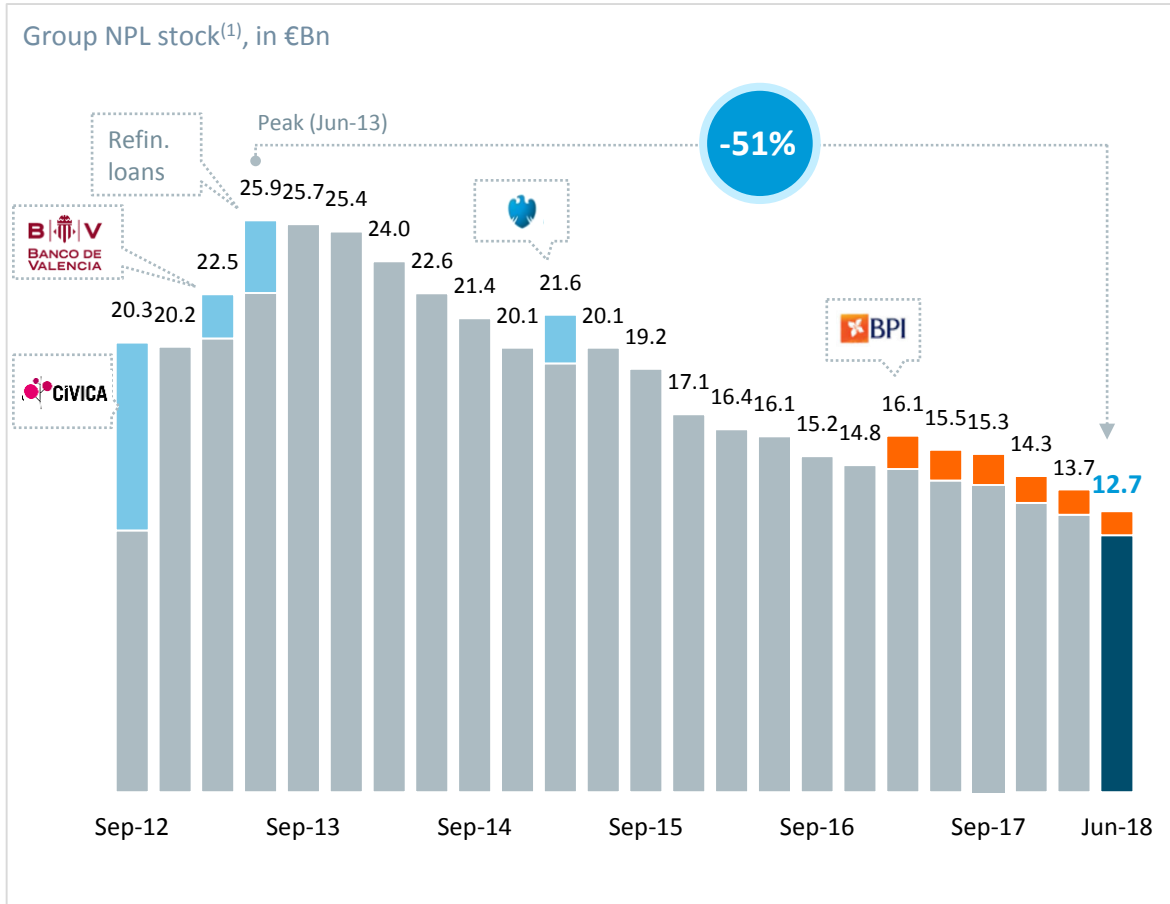
## RE inflows/outflows also improving



(1) Mainly comprising the available for sale portfolio of real estate assets as of 31 October 2017. The gross book value of the RE assets as of 31 October 2017 was approximately €12.8Bn.  
 (2) BPI OREO portfolio net of provisions amounts to €41M as of 30 June 2018 (versus €53M as of 31 December 2017).  
 (3) Including sales of rental assets.

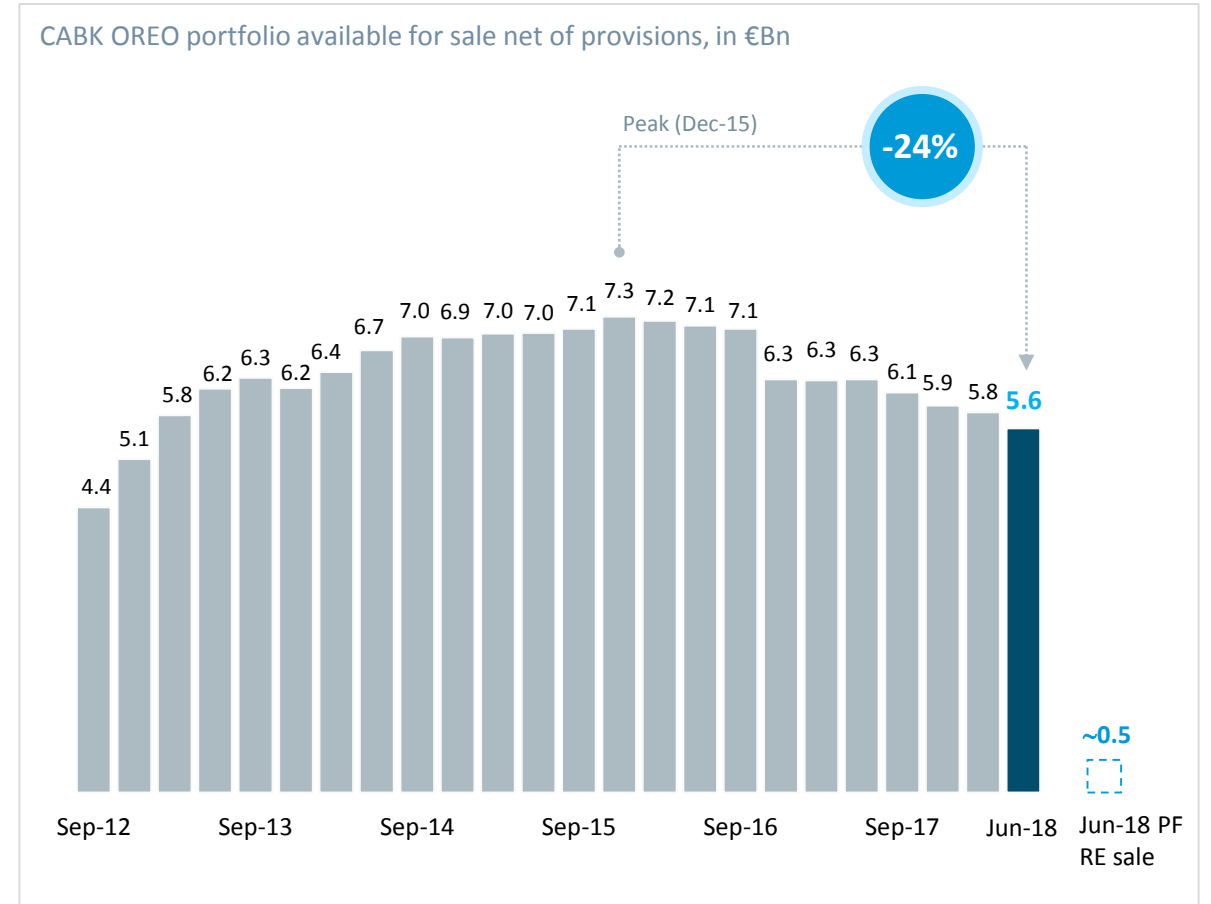
## Significant NPA reduction since peak in 2013

### NPL stock on a steady downward trend



(1) Including non-performing contingent liabilities.

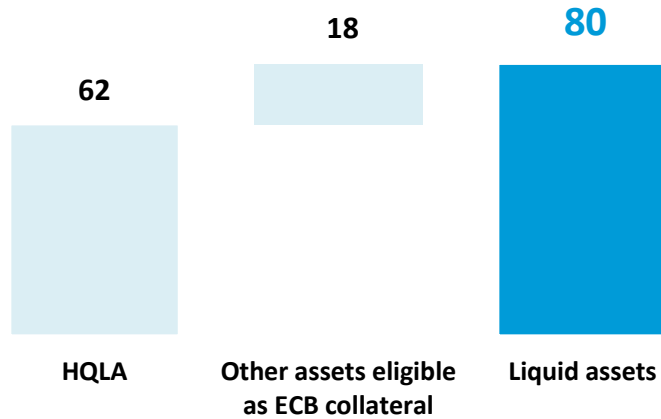
### Net OREO exposure



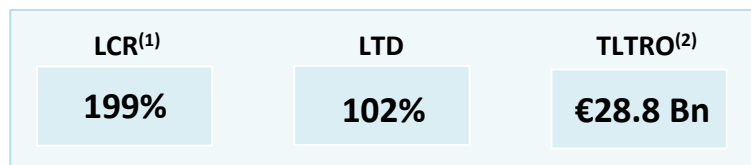
## Existing strong liquidity position reaches a new high

### Group liquidity metrics

Total liquid assets (Group), as of 30 June 2018 in €Bn

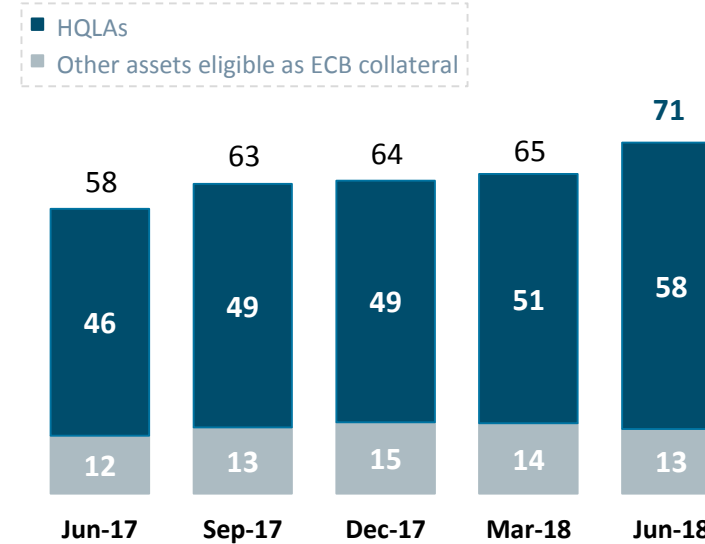


Other liquidity metrics, as of 30 June 2018



### CABK liquidity metrics

Total liquid assets (CABK), in €Bn

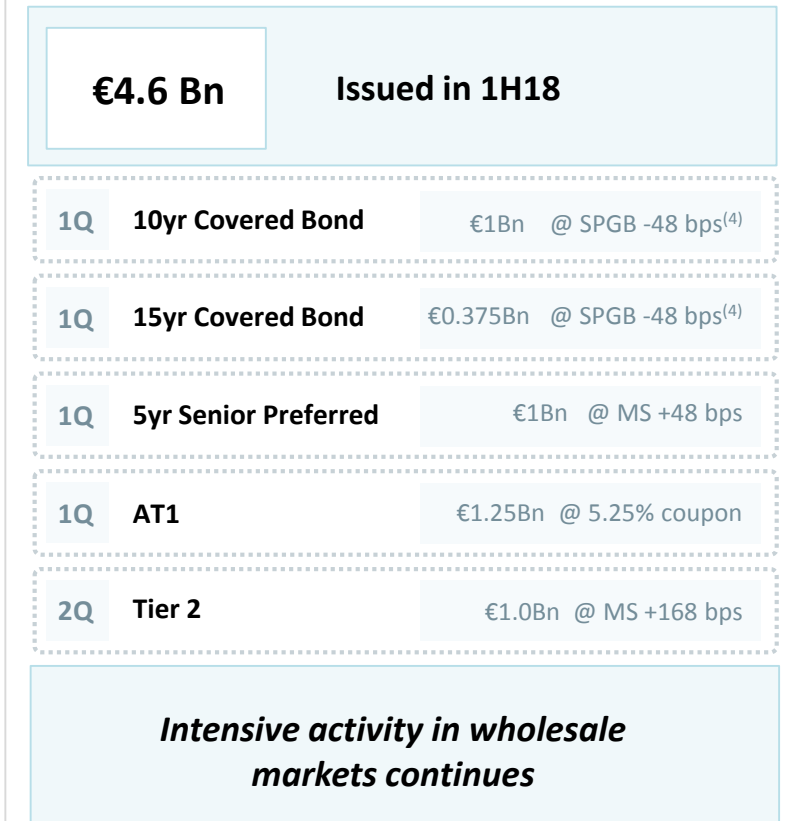


LCR (end of period)

211% → 219%

### Recent wholesale funding market issuances

Wholesale funding market issuances in 1H18<sup>(3)</sup>



(1) Average 12 months.

(2) Includes €2Bn from BPI. All TLTRO 2 except for €637 M TLTRO 1 from BPI.

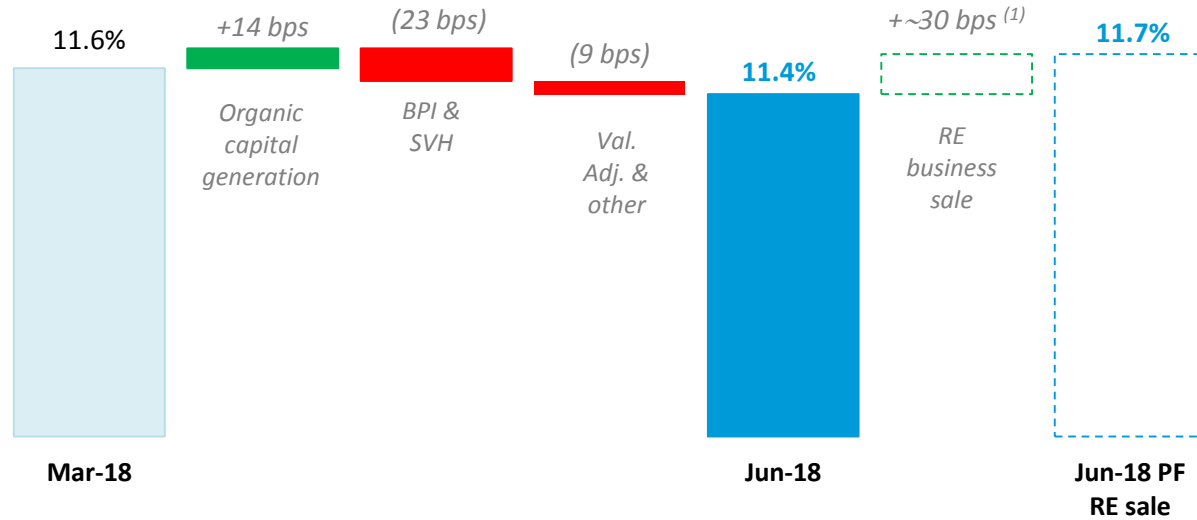
(3) Additionally, there were three private placements of mortgage covered bonds in 1Q18 for a total of €250M.

(4) Cost versus mid-swap: MS + 22 bps for the 10 yr covered bond and MS + 32 bps for the 15 yr covered bond.

## CET1 FL ratio up in the quarter pro-forma the RE transaction

### CET1 FL ratio evolution

Group, in %, qoq



In €Bn

|             |       |       |
|-------------|-------|-------|
| <b>CET1</b> | 17.2  | 16.8  |
| <b>RWAs</b> | 148.3 | 147.8 |

### Capital ratios

Group<sup>(2)</sup>, in % as of 30 June 2018

|                     | CET1  | Tier 1 | Total Capital | T. Capital + SNP <sup>(3)</sup> | Leverage ratio |
|---------------------|-------|--------|---------------|---------------------------------|----------------|
| <b>Phase-in</b>     | 11.6% | 13.1%  | 15.9%         | 16.8%                           | 5.5%           |
| <b>Fully loaded</b> | 11.4% | 12.9%  | 15.7%         | 16.6%                           | 5.4%           |

- ▶ Organic capital generation and RE transaction more than offsets impacts from SVH and BPI purchases: 11.7% CET1 FL/ 16.1% Total Capital FL
- ▶ Valuation adjustments and other impacts mainly reflective of TEF
- ▶ Total Capital reflects €1Bn subordinated note issue in April 2018 and retail sub-debt amortisation in June<sup>(4)</sup>
- ▶ 2017 final cash dividend of 0.08 € p.s. paid in April<sup>(5)</sup>

(1) As per the current estimate.

(2) CABK CET1 phase-in ratio on a solo basis as of 30 June 2018 is 12.8%. BPI CET1 ratio as of 30 June 2018 is 12.8%, fully loaded and phase-in (12.8% on a solo basis).

(3) MREL – subordinated instruments.

(4) Redemption of €2.1bn subordinated liabilities Series I/2022 on 4 June 2018, of which €1.6 Bn was eligible as Total Capital.

(5) Impacts book value but not solvency as dividends are already accrued for solvency purposes.

## Moving with confidence toward our strategic targets

|   |  |  |   |
|---|--|--|---|
| 1 | Increased profitability with RoTE now at double digit                        | <b>Net income</b> <b>+36.1%</b><br><i>2Q18 yoy</i>           | <b>RoTE</b> <b>10.4%</b><br><i>Trailing 12M</i>               |
| 2 | Steady improvement in core operating income and CoR                          | <b>Core operating income</b> <b>+2.4%</b><br><i>2Q18 yoy</i> | <b>CoR</b> <b>24 bps</b><br><i>Trailing 12M</i>               |
| 3 | Broad-based volume growth with stable customer spread                        | <b>AuM &amp; insur. funds</b> <b>+2.2%</b><br><i>ytd</i>     | <b>Performing loans</b> <b>+0.8%</b><br><i>ytd, s.a.</i>      |
| 4 | Asset-quality improvement boosted by agreement to sell RE business           | <b>NPLs</b> <b>-11.1%</b><br><i>ytd</i>                      | <b>OREO</b> <b>~€0.5Bn</b><br><i>CABK, NBV PF RE disposal</i> |
| 5 | Strong liquidity and solvency maintained after recent corporate transactions | <b>CET1</b> <b>11.7%</b><br><i>FL, PF RE business sale</i>   | <b>LCR</b> <b>199%</b><br><i>12M avg.</i>                     |

# *Investor*day

27 November 2018 London





## *Appendix*

## 2018 Guidance for CaixaBank Group

### 2018 Guidance for Group: % yoy

### Main drivers

| 2018 Guidance for <u>Group</u> : % yoy |                    | Main drivers  |
|--|--------------------|---|
| <b>NII</b>                             | <b>2-3%</b>        | <ul style="list-style-type: none"> <li>▶ Price discipline in both loans and deposits</li> <li>▶ Stable loan balances on higher-yielding mix</li> <li>▶ Accretive FB yield</li> <li>▶ Euribor resets expected to trough during the year</li> </ul> |
| <b>Fees</b>                            | <b>3-4%</b>        | <ul style="list-style-type: none"> <li>▶ Growth in insurance and managed funds</li> <li>▶ Broadly stable core banking fees</li> </ul>   |
| <b>Core revenues</b>                   | <b>~4%</b>         | <ul style="list-style-type: none"> <li>▶ Growth across all core revenue lines</li> </ul>  |
| <b>Recurrent costs</b>                 | <b>~3%</b>         | <ul style="list-style-type: none"> <li>▶ CABK wages to grow (collective bargaining agreement<sup>(1)</sup>)</li> <li>▶ 1 additional month of BPI costs</li> <li>▶ Regulation, technology and other growth opportunities</li> </ul>                |
| <b>Cost of Risk</b>                    | <b>&lt; 30 bps</b> | <ul style="list-style-type: none"> <li>▶ Better macro outlook</li> <li>▶ High level of NPL recognition and coverage</li> <li>▶ Visibility of IFRS9 impacts</li> </ul>   |

(1) Salary increase of 1.75%

## 1H18 P&L

### Consolidated Income Statement

| In €M <sup>(1)</sup>                    | 1H18         | 1H17         | % yoy       |
|---|--------------|--------------|-------------|
| <b>Net interest income</b>              | <b>2,432</b> | <b>2,349</b> | <b>3.5</b>  |
| Net fees and commissions                | 1,293        | 1,252        | 3.3         |
| Dividends and equity accounted          | 624          | 389          | 60.5        |
| Trading income                          | 293          | 177          | 64.8        |
| Income and exp. from insurance          | 282          | 233          | 21.0        |
| Other operating income & expenses       | (270)        | (120)        | 125.3       |
| <b>Gross income</b>                     | <b>4,654</b> | <b>4,280</b> | <b>8.7</b>  |
| Recurring operating expenses            | (2,304)      | (2,216)      | 4.0         |
| Extraordinary operating expenses        | (8)          | (106)        | (92.9)      |
| <b>Pre-impairment income</b>            | <b>2,342</b> | <b>1,958</b> | <b>19.6</b> |
| LLPs                                    | (248)        | (472)        | (47.5)      |
| Other provisions                        | (283)        | (763)        | (62.9)      |
| Gains/losses on disposals and other     | (70)         | 282          | (125.0)     |
| <b>Pre-tax income</b>                   | <b>1,741</b> | <b>1,005</b> | <b>73.1</b> |
| Income tax                              | (401)        | (149)        | 168.6       |
| <b>Profit for the period</b>            | <b>1,340</b> | <b>856</b>   | <b>56.5</b> |
| Minority interests & other              | 42           | 17           | 149.8       |
| <b>Profit attributable to the Group</b> | <b>1,298</b> | <b>839</b>   | <b>54.6</b> |

### Income statement by perimeter (CABK / BPI)<sup>(2)</sup>

| 1H18 CABK    | % yoy       | 1H18 BPI <sup>(1)</sup> | % yoy       |
|--------------|-------------|-------------------------|-------------|
| <b>2,239</b> | <b>2.6</b>  | <b>193</b>              | <b>15.6</b> |
| 1,149        | 1.2         | 144                     | 22.8        |
| 453          | 61.8        | 171                     | 57.2        |
| 202          | 23.1        | 91                      |             |
| 282          | 21.0        | 0                       |             |
| (249)        | 139.4       | (21)                    | 31.4        |
| <b>4,076</b> | <b>4.8</b>  | <b>578</b>              | <b>48.0</b> |
| (2,074)      | 2.8         | (230)                   | 15.7        |
| 0            |             | (8)                     | (92.9)      |
| <b>2,002</b> | <b>6.9</b>  | <b>340</b>              |             |
| (251)        | (47.9)      | 3                       | (67.2)      |
| (283)        | (62.9)      | 0                       |             |
| (70)         | (125.0)     | 0                       |             |
| <b>1,398</b> | <b>53.4</b> | <b>343</b>              |             |
| (352)        | 140.7       | (49)                    |             |
| <b>1,046</b> | <b>36.8</b> | <b>294</b>              |             |
|              |             | 42                      |             |
| <b>1,046</b> | <b>37.2</b> | <b>252</b>              |             |

(1) 1H17 includes 5 months of BPI.

(2) Earnings for the first semester of 2018 under the two perimeters and in accordance with 2017 financial reporting criteria, i.e. BFA, BCI and Viacer are included within the BPI perimeter.

## Reconciliation between BPI reported P&amp;L and BPI Segment contribution to the Group

| P&L in €M   | 1H18 reported<br>by BPI | Consolidation + business sale<br>adjustments & accounting<br>homogenisation | 1H18 BPI contribution<br>to CABK Group | BPI<br>segment | Investments<br>segment |
|---|-------------------------|---|--|----------------|------------------------|
| <b>Net interest income</b>                                  | <b>207</b>              | <b>(14)</b>   | <b>193</b>                             | <b>197</b>     | <b>(4)</b>             |
| Dividends   | 1                       |   | 1                                      | 1              |                        |
| Equity accounted income                                     | 172                     | (2)   | 170                                    | 6              | 164                    |
| Net fees and commissions                                    | 135                     | 9   | 144                                    | 144            |                        |
| Trading income  | 74                      | 17  | 91                                     | 31             | 60                     |
| Other operating income & expenses                           | (16)                    | (5)   | (21)                                   | (21)           |                        |
| <b>Gross income</b>   | <b>573</b>              | <b>5</b>  | <b>578</b>                             | <b>358</b>     | <b>220</b>             |
| Recurring operating expenses                                | (214)                   | (16)  | (230)                                  | (230)          |                        |
| Extraordinary operating expenses                            | (8)                     |   | (8)                                    | (8)            |                        |
| <b>Pre-impairment income</b>                                | <b>351</b>              | <b>(11)</b>   | <b>340</b>                             | <b>120</b>     | <b>220</b>             |
| <b>Pre-impairment income without extraordinary expenses</b> | <b>359</b>              | <b>(11)</b>   | <b>348</b>                             | <b>128</b>     | <b>220</b>             |
| Impairment losses   | 11                      | (8)   | 3                                      | 3              |                        |
| Other provisions  |                         |   |  |                |                        |
| Gains/losses on disposals & others                          |                         |   |  |                |                        |
| <b>Pre-tax income</b>                                       | <b>362</b>              | <b>(19)</b>   | <b>343</b>                             | <b>123</b>     | <b>220</b>             |
| Income tax  | (60)                    | 11  | (49)                                   | (34)           | (15)                   |
| Income from discontinued activities                         | 64                      | (64)  |  |                |                        |
| <b>Profit for the period</b>                                | <b>366</b>              | <b>(72)</b>   | <b>294</b>                             | <b>89</b>      | <b>205</b>             |
| Minority interests & other                                  |                         | 42  | 42                                     | 13             | 29                     |
| <b>Net income</b>   | <b>366</b>              | <b>(114)</b>  | <b>252</b>                             | <b>76</b>      | <b>176</b>             |

## Additional information on BFA contribution

| In €M   | 2Q18        | 1Q18         | 4Q17        | 3Q17      | 2Q17      | 1Q17        |
|---|-------------|--------------|-------------|-----------|-----------|-------------|
| <b>Share of profit/(loss) of entities accounted for using the equity method</b> | <b>56</b>   | <b>100</b>   | <b>(68)</b> | <b>64</b> | <b>58</b> | <b>(57)</b> |
| Stripping out extraordinary impacts   | 27          | 21           | 51          | 64        | 58        | 40          |
| Extraordinary impacts <sup>(1)</sup>  | 29          | 79           | (119)       |           |           | (97)        |
| <b>Other</b>  |             | <b>(6)</b>   |             |           |           |             |
| <b>Contribution by BFA before tax and minority interest</b>                     | <b>56</b>   | <b>94</b>    | <b>(68)</b> | <b>64</b> | <b>58</b> | <b>(57)</b> |
| <b>Attributable net contribution after tax and minority interest</b>            | <b>46</b>   | <b>72</b>    | <b>(52)</b> | <b>49</b> | <b>44</b> | <b>(65)</b> |
| <b>Other impacts after tax on the equity of the Group<sup>(2)</sup></b>         | <b>(34)</b> | <b>(132)</b> | <b>80</b>   |           |           | <b>83</b>   |

(1) The first quarter of 2017 includes the attributable result deriving from BPI's sale of 2% of its stake in BFA (€-97 million), largely the result of valuation adjustments due to conversion differences, previously reported in equity. The fourth quarter of 2017 includes, in accordance with IAS 29, an impact of €-76 million after applying the accumulative inflationary effects of the Angolan economy during the year to BFA's financial statements. In the first half of 2018, the extraordinary result was largely a result of the devaluation of the Angolan currency. The impact of inflation in 2018 is considered part of the non-extraordinary results reported by BFA.

(2) The amount in the first quarter of 2017 derives from valuation adjustments due to conversion differences, transferred to P&L at the time of the sale by BPI of the 2% stake in BFA. The fourth quarter of 2017 includes, among other effects, the impact of the inflationary effects of Angola's economy (€76 million, gross). In the first half of 2018, the heading includes the impact of the devaluation of the Angolan currency, among other factors.

## Segment reporting: additional information

## Income statement by segment

In €M<sup>(1)</sup>

|  | Bancassurance |             |              | Non-core RE  |               |               | Investments |               |              | BPI        |               |              |
|--|---------------|-------------|--------------|--------------|---------------|---------------|-------------|---------------|--------------|------------|---------------|--------------|
|  | 2Q18          | % qoq       | % yoy        | 2Q18         | % qoq         | % yoy         | 2Q18        | % qoq         | % yoy        | 2Q18       | % qoq         | % yoy        |
| <b>Net interest income</b>             | <b>1,175</b>  | <b>2.4</b>  | <b>1.5</b>   | <b>(6)</b>   |               | <b>(68.4)</b> | <b>(40)</b> |               | <b>(7.0)</b> | <b>100</b> | <b>3.1</b>    |              |
| Net fees and commissions               | 601           | 9.1         | 1.9          | (2)          |               |               |             |               |              | 69         | (8.0)         | (6.8)        |
| Dividends and equity accounted         | 55            | 5.8         | 10.0         | 7            |               | 40.0          | 286         | 33.6          | 22.7         | 5          |               | (37.5)       |
| Trading income                         | 186           |             | 29.2         |              |               |               | (43)        |               |              | 14         | (17.6)        | 75.0         |
| Income and exp. from insurance         | 144           | 4.3         | 17.1         |              |               |               |             |               |              |            |               |              |
| Other operating income & expenses      | (107)         |             |              | (34)         | (60.9)        | (5.6)         |             |               |              | (18)       |               | 5.9          |
| <b>Gross income</b>                    | <b>2,054</b>  | <b>6.6</b>  | <b>(1.8)</b> | <b>(35)</b>  | <b>(59.3)</b> | <b>(30.0)</b> | <b>203</b>  | <b>(13.2)</b> | <b>18.0</b>  | <b>170</b> | <b>(9.6)</b>  | <b>(1.7)</b> |
| Recurring operating expenses           | (1,012)       | 1.1         | 3.4          | (30)         | 3.4           | 25.0          | (1)         |               |              | (112)      | (5.1)         | (7.4)        |
| Extraordinary operating expenses       |               |             |              |              |               |               |             |               |              | (5)        | 66.7          | (94.8)       |
| <b>Pre-impairment income</b>           | <b>1,042</b>  | <b>12.6</b> | <b>(6.4)</b> | <b>(65)</b>  | <b>(43.5)</b> | <b>(12.2)</b> | <b>202</b>  | <b>(13.3)</b> | <b>18.1</b>  | <b>53</b>  | <b>(20.9)</b> |              |
| LLPs                                   | (142)         | (11.3)      | (32.4)       | 30           | 42.9          |               |             |               |              | 3          |               | (40.0)       |
| Other provisions                       | (52)          | 15.6        | (86.1)       | (181)        |               |               |             |               |              |            |               |              |
| Gains/losses on disposals & other      | (15)          |             | 25.0         | (53)         |               |               |             |               |              |            |               |              |
| <b>Pre-tax income</b>                  | <b>833</b>    | <b>16.3</b> | <b>60.8</b>  | <b>(269)</b> |               |               | <b>202</b>  | <b>(13.3)</b> | <b>18.1</b>  | <b>56</b>  | <b>(16.4)</b> |              |
| Income tax, minority interest & others | (232)         |             |              | 22           | (26.7)        | (26.7)        | 2           |               |              | (20)       |               |              |
| <b>Net attributed profit</b>           | <b>601</b>    | <b>15.6</b> | <b>71.7</b>  | <b>(247)</b> |               |               | <b>204</b>  | <b>(3.3)</b>  | <b>20.0</b>  | <b>36</b>  | <b>(10.0)</b> |              |

(1) BPI Segment P&L excludes contribution from BPI minority stakes, which is assigned to the "Investments" business segment.

## CaixaBank standalone: additional information (I/II)

### Income Statement: 2Q18

| In €M                                  | 2Q18         | % qoq        | % yoy        |
|--|--------------|--------------|--------------|
| <b>Net interest income</b>             | <b>1,131</b> | <b>2.1</b>   | <b>3.1</b>   |
| Net fees and commissions               | 599          | 8.7          | 1.4          |
| Dividends and equity accounted         | 290          | 79.1         | 28.6         |
| Trading income                         | 143          | 144.6        | 13.4         |
| Income and exp. from insurance         | 144          | 4.3          | 17.6         |
| Other operating income & expenses      | (141)        | 32.5         |              |
| <b>Gross income</b>                    | <b>2,166</b> | <b>13.4</b>  | <b>0.6</b>   |
| Recurring operating expenses           | (1,043)      | 1.2          | 3.9          |
| Extraordinary operating expenses       | 0            |              |              |
| <b>Pre-impairment income</b>           | <b>1,123</b> | <b>27.8</b>  | <b>(2.3)</b> |
| LLPs                                   | (112)        | (19.2)       | (50.7)       |
| Other provisions                       | (233)        |              | (40.8)       |
| Gains/losses on disposals & other      | (68)         |              |              |
| <b>Pre-tax income</b>                  | <b>710</b>   | <b>3.1</b>   | <b>32.8</b>  |
| Income tax, minority interest & others | (199)        | 29.7         | 59.1         |
| <b>Net attributed profit</b>           | <b>511</b>   | <b>(4.5)</b> | <b>24.7</b>  |

### Fee breakdown by main category

| 2Q18 in €M      | % yoy  | % qoq   |
|-----------------|--------|---------|
| Banking & other | (7.2%) | 11.5%   |
| Mutual funds    | 20.5%  | 14.2%   |
| Insurance       | 18.3%  | 3.1%    |
| Pension plans   | 4.0%   | (11.1%) |

**CaixaBank standalone: additional information (II/II)**
**Customer funds**

Breakdown, in €Bn

|                                     | 30 June 2018 | % qoq       | % ytd      |
|-------------------------------------|--------------|-------------|------------|
| <b>I. On balance-sheet funds</b>    | <b>237.2</b> | <b>5.1</b>  | <b>6.2</b> |
| Demand deposits                     | 163.3        | 8.7         | 11.0       |
| Time deposits                       | 24.1         | (2.7)       | (11.7)     |
| Subordinated liabilities            | 0.0          | (100)       | (100)      |
| Insurance                           | 47.3         | 1.8         | 3.2        |
| Other funds                         | 2.4          | 17.8        | 153.9      |
| <b>II. Assets under management</b>  | <b>89.6</b>  | <b>1.2</b>  | <b>1.8</b> |
| Mutual funds                        | 62.4         | 1.0         | 2.2        |
| Pension plans                       | 27.2         | 1.6         | 1.0        |
| <b>III. Other managed resources</b> | <b>3.4</b>   | <b>51.9</b> | <b>5.1</b> |
| <b>Total customer funds</b>         | <b>330.2</b> | <b>4.3</b>  | <b>5.0</b> |

**Loan book**

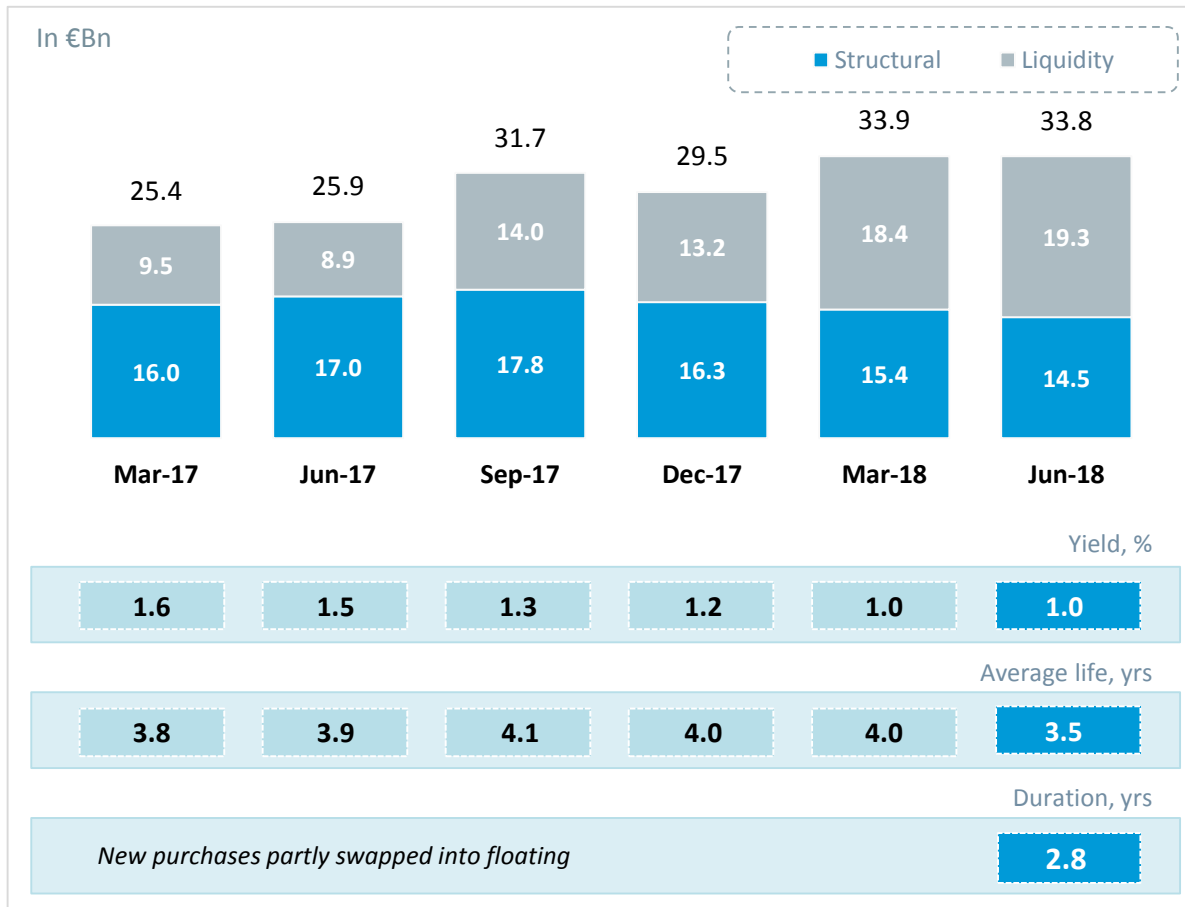
Breakdown, in €Bn

|  | 30 June 2018 | % qoq        | % ytd        |
|--|--------------|--------------|--------------|
| <b>I. Loans to individuals</b>               | <b>117.0</b> | <b>1.4</b>   | <b>0.9</b>   |
| Residential mortgages                        | 82.0         | (0.6)        | (1.3)        |
| Other loans to individuals                   | 35.1         | 6.4          | 6.6          |
| <b>II. Loans to businesses</b>               | <b>73.7</b>  | <b>1.0</b>   | <b>(1.0)</b> |
| Corporates and SMEs                          | 67.1         | 1.2          | (0.8)        |
| Real Estate developers                       | 6.6          | (1.4)        | (3.1)        |
| <b>Loans to individuals &amp; businesses</b> | <b>190.7</b> | <b>1.3</b>   | <b>0.2</b>   |
| <b>III. Public sector</b>                    | <b>11.3</b>  | <b>(2.1)</b> | <b>7.1</b>   |
| <b>Total loans</b>                           | <b>202.0</b> | <b>1.1</b>   | <b>0.5</b>   |

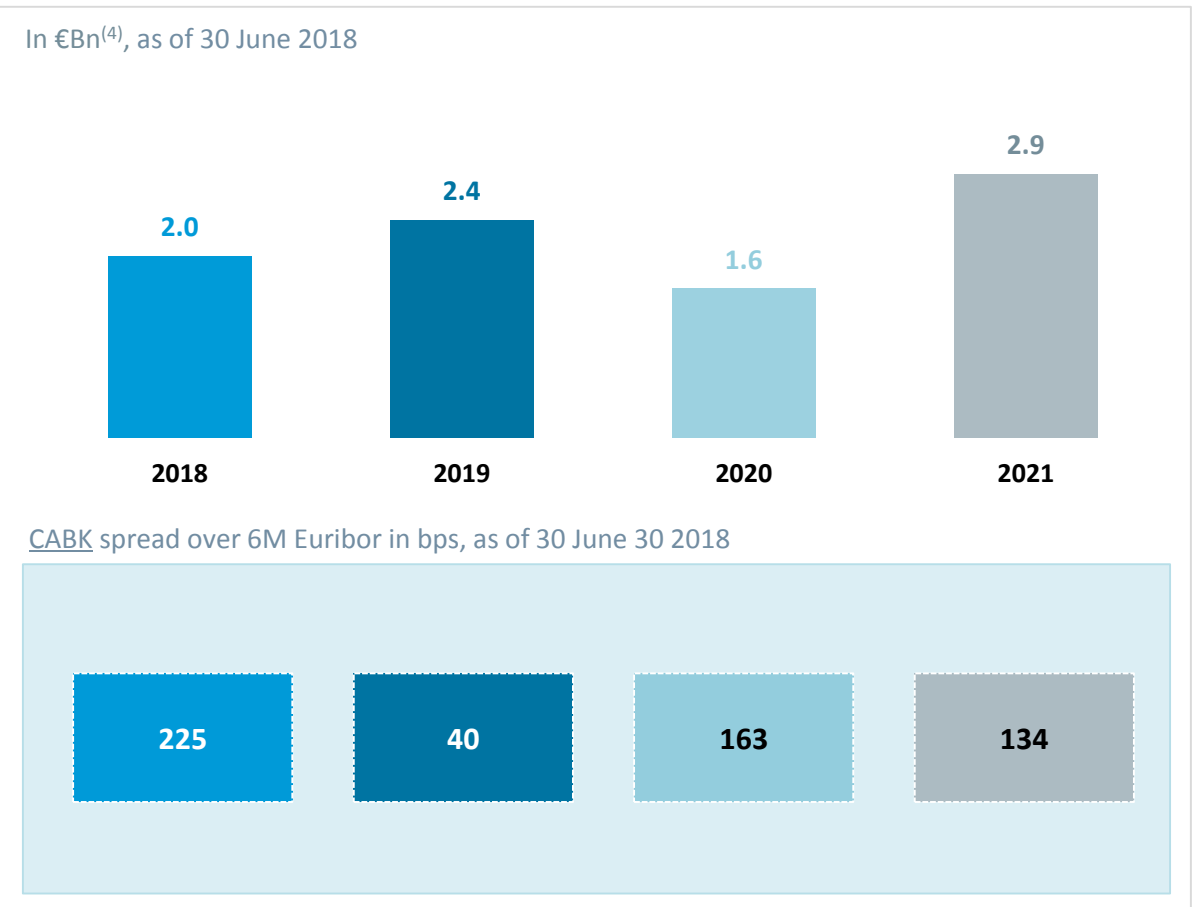


## ALCO book and wholesale funding maturities

### Total ALCO<sup>(1)</sup> (structural<sup>(2)</sup> + liquidity<sup>(3)</sup>) portfolios



### CABK wholesale funding maturities







(1) Banking book fixed-income securities portfolio and liquidity management portfolio, excluding trading book assets.

(2) Banking book fixed-income securities portfolio, excluding liquidity management portfolio.

(3) Banking book fixed-income securities portfolio bought for liquidity reasons.

(4) Excludes self-retained bonds. Wholesale funding figures in the Quarterly Financial Report reflect the Group's funding needs and as such do not include ABS securities and self-retained multi-issuer covered bonds, unlike this figure, which depicts the impact of wholesale issuances in funding costs.

## Credit Ratings

|   | Long term | Short term | Outlook  | Rating of covered bond program             |
|---|-----------|------------|----------|--|
|  <span style="float: right;">(1)</span>  | Baa1      | P-2        | stable   | Aa1 <span style="float: right;">(5)</span> |
|  <span style="float: right;">(2)</span>  | BBB+      | A-2        | stable   | AA- <span style="float: right;">(6)</span> |
|  <span style="float: right;">(3)</span>  | BBB       | F2         | positive | -  |
|  <span style="float: right;">(4)</span> | A         | R-1 (low)  | stable   | AAA <span style="float: right;">(7)</span> |

(1) As of 1 August 2018

(2) As of 6 April 2018

(3) As of 3 July 2018

(4) As of 12 April 2018

(5) As of 17 April 2018

(6) As of 27 March 2018

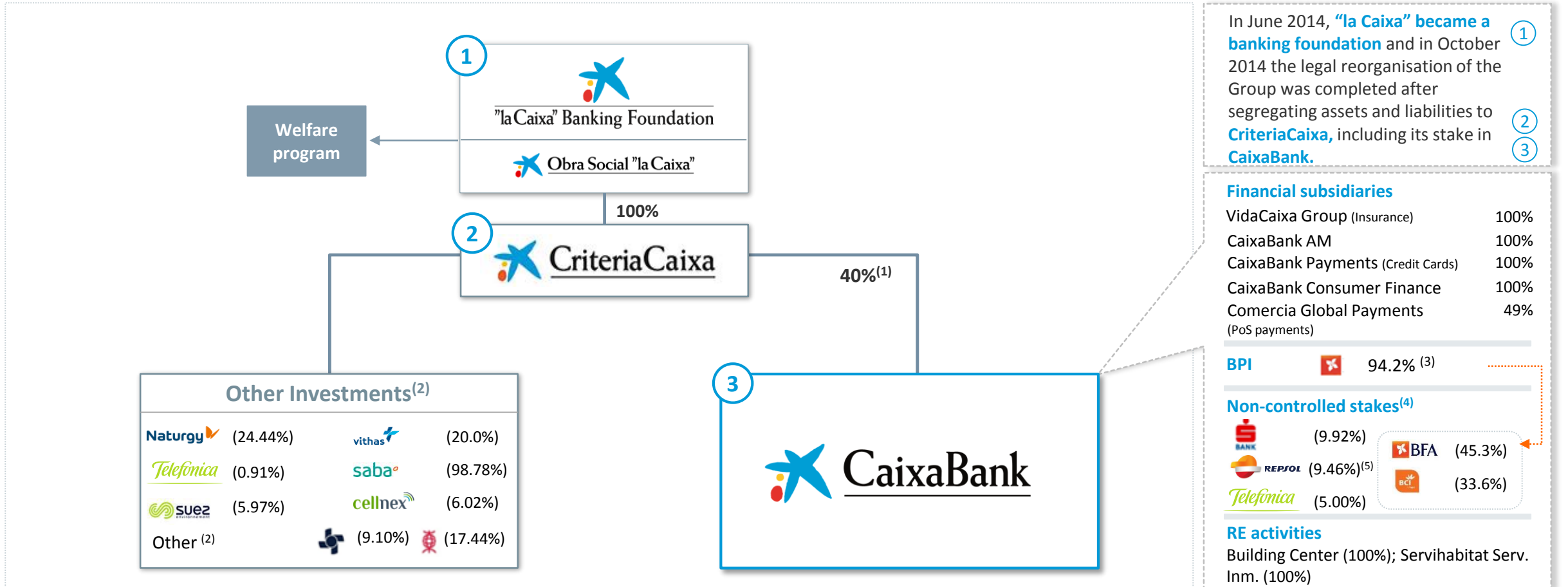
(7) As of 16 April 2018

## Refinanced loans

| As of 30 June, 2018 (€Bn)  | Group       |          |
|----------------------------|-------------|----------|
|                            | Total       | O/W NPLs |
| Individuals <sup>(1)</sup> | 5.9         | 3.9      |
| Businesses (ex-RE)         | 3.9         | 2.4      |
| RE developers              | 1.2         | 0.8      |
| Public Sector              | 0.2         | 0.0      |
| <b>Total</b>               | <b>11.1</b> | 7.0      |
| Of which: Total Non-RE     | 10.0        | 6.3      |
| Provisions                 | 2.7         | 2.5      |

(1) Including self-employed.

## A streamlined organisation of “la Caixa” Group



(1) Since 6 February 2017.

(2) Latest figures reported by CriteriaCaixa. “Other” include, among others, stakes in Aigües de Barcelona, 100% of Caixa Capital Risc and RE business.

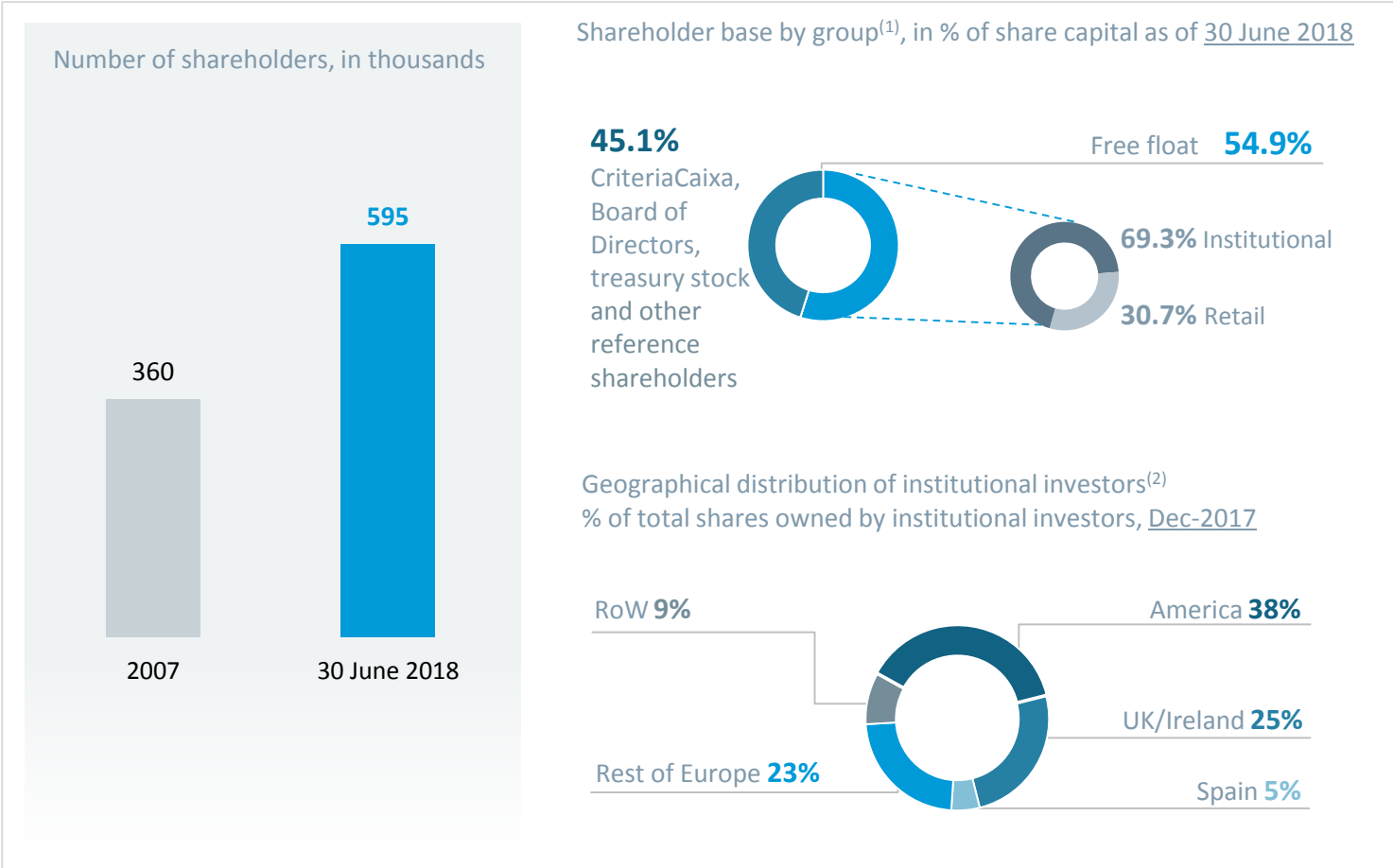
(3) On 6 May 2018, CaixaBank announced an agreement to acquire 8.425% of the share capital of Banco BPI from companies of the Allianz group. CaixaBank owns 94.2% of BPI share capital as of 26 June 2018 and held an EGM on 29 June 2018, approving to de-list the remaining shares of Banco BPI. As of 19 July 2018, the % stake at BPI stands at 94.6%.

(4) Main non-controlled stakes of CaixaBank Group, including BPI’s main non-control stakes as of 30 June 2018: 48.10% of BFA and 35.67% of BCI; the ownership attributed to CaixaBank Group was 45.31% of BFA and 33.61% of BCI.

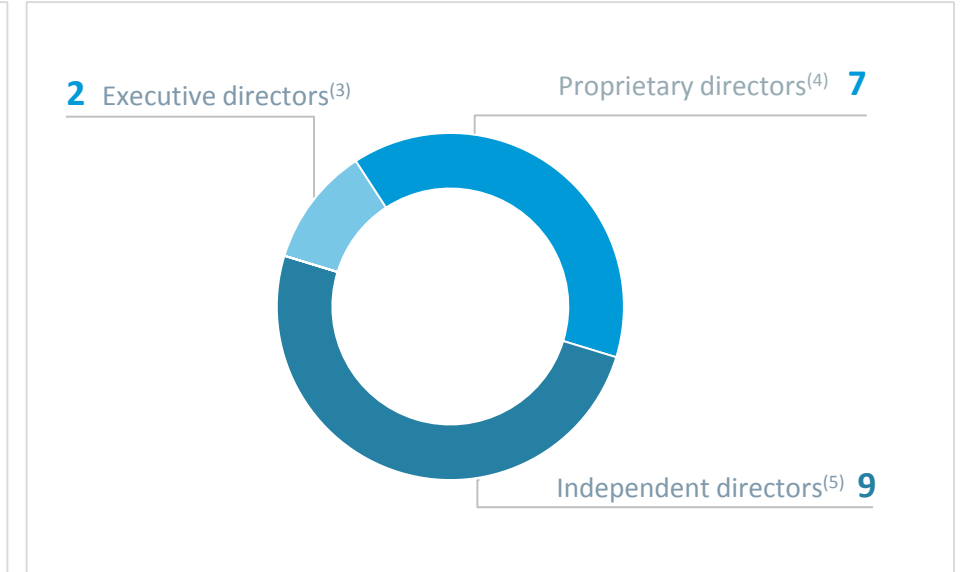
(5) There are two equity-swap contracts on 73,622,117 shares of Repsol, S.A. (equivalent to c.4.73%): one executed on 26 October 2017 for a 1.96% stake (strike: €15.39/share), and another on 22 March 2018 for a 2.77% stake (strike: €15.55/share). 9.36% stake as of 20 July 2018 (listing date for the shares issued within the scope of the latest scrip dividend).

## Transparency, independence and good governance are key priorities

### Increased free float with diversified investor base



### Board of Directors composition



- ▶ **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) Percentage calculated on the institutional free float identified at the Shareholder identification elaborated by CMi2i.

(3) One executive director is appointed by "la Caixa" Banking Foundation and, as such, is both executive and proprietary.

(4) Including 1 director from Banking Foundation of Caja Navarra, Banking Foundation of Cajasol, Banking Foundation of Caja Canarias and Banking Foundation of Caja de Burgos and 1 director from Mutua Madrileña. The total number of proprietary directors including the executive director appointed by "la Caixa" Banking Foundation is 8.

(5) On 22 June 2017, the Board of Directors appointed its Lead Independent Director.

## Balance sheet and P&L

### Balance sheet

| € million  | Jun 30, 2018   | Mar 31, 2018   | Change %     | Jan 1, 2018    | Change %     |
|--|----------------|----------------|--------------|----------------|--------------|
| - Cash and cash balances at central banks and other demand deposits                              | 22,670         | 15,031         | 50.8         | 20,155         | 12.5         |
| - Financial assets held for trading  | 10,077         | 10,044         | 0.3          | 9,641          | 4.5          |
| - Financial assets not designated for trading compulsorily measured at FV through profit or loss | 744            | 891            | (16.5)       | 822            | (9.5)        |
| <i>Equity instruments</i>  | 235            | 356            | (34.0)       | 284            | (17.3)       |
| <i>Debt securities</i>   | 145            | 143            | 1.4          | 148            | (2.0)        |
| <i>Loans and advances</i>  | 364            | 392            | (7.1)        | 390            | (6.7)        |
| - Financial assets designated at fair value through other global profit or loss                  | 20,027         | 20,963         | (4.5)        | 19,857         | 0.9          |
| - Financial assets measured at amortised cost  | 243,492        | 237,285        | 2.6          | 234,978        | 3.6          |
| <i>Credit institutions</i>   | 8,945          | 6,682          | 33.9         | 7,091          | 26.1         |
| <i>Customers</i>   | 217,623        | 214,454        | 1.5          | 215,090        | 1.2          |
| <i>Debt securities</i>   | 16,924         | 16,149         | 4.8          | 12,797         | 32.2         |
| - Derivatives - Hedge accounting   | 2,053          | 2,287          | (10.2)       | 2,597          | (20.9)       |
| - Investments in joint ventures and associates   | 6,215          | 6,204          | 0.2          | 6,224          | (0.1)        |
| - Assets under the insurance business <sup>1</sup>   | 60,905         | 61,852         | (1.5)        | 58,194         | 4.7          |
| - Tangible assets  | 6,338          | 6,537          | (3.0)        | 6,480          | (2.2)        |
| - Intangible assets  | 3,819          | 3,795          | 0.6          | 3,805          | 0.4          |
| - Non-current assets and disposal groups classified as held for sale                             | 5,646          | 5,910          | (4.5)        | 6,069          | (7.0)        |
| - Other assets   | 14,131         | 13,620         | 3.8          | 13,816         | 2.3          |
| <b>Total assets</b>  | <b>396,117</b> | <b>384,419</b> | <b>3.0</b>   | <b>382,638</b> | <b>3.5</b>   |
| <b>Liabilities</b>   | <b>372,018</b> | <b>359,770</b> | <b>3.4</b>   | <b>358,511</b> | <b>3.8</b>   |
| - Financial liabilities held for trading   | 9,328          | 8,431          | 10.6         | 8,605          | 8.4          |
| - Financial liabilities designated at amortised cost   | 291,402        | 279,222        | 4.4          | 280,897        | 3.7          |
| <i>Deposits from central banks and credit institutions</i>                                       | 42,145         | 40,869         | 3.1          | 43,196         | (2.4)        |
| <i>Customer deposits</i>   | 215,632        | 203,882        | 5.8          | 203,608        | 5.9          |
| <i>Debt securities issued</i>  | 29,294         | 31,094         | (5.8)        | 29,919         | (2.1)        |
| <i>Other financial liabilities</i>   | 4,331          | 3,377          | 28.2         | 4,174          | 3.8          |
| - Liabilities under the insurance business <sup>1</sup>  | 60,438         | 61,419         | (1.6)        | 57,991         | 4.2          |
| - Provisions   | 4,889          | 4,882          | 0.1          | 5,009          | (2.4)        |
| - Other liabilities  | 5,961          | 5,816          | 2.5          | 6,009          | (0.8)        |
| <b>Equity</b>  | <b>24,099</b>  | <b>24,649</b>  | <b>(2.2)</b> | <b>24,127</b>  | <b>(0.1)</b> |
| - Own funds  | 24,658         | 24,374         | 1.2          | 23,665         | 4.2          |
| - Minority interest  | 200            | 459            | (56.4)       | 439            | (54.4)       |
| - Accumulated other comprehensive income   | (759)          | (184)          |              | 23             |              |
| <b>Total liabilities and equity</b>  | <b>396,117</b> | <b>384,419</b> | <b>3.0</b>   | <b>382,638</b> | <b>3.5</b>   |

### P&L

| € million  | 1H18         | 1H17         | Change     | %           |
|--|--------------|--------------|------------|-------------|
| <b>Net interest income</b>   | <b>2,432</b> | <b>2,349</b> | <b>83</b>  | <b>3.5</b>  |
| Dividend income  | 121          | 121          |            |             |
| Share of profit/(loss) of entities accounted for using the equity method | 503          | 268          | 235        | 87.7        |
| Net fee and commission income  | 1,293        | 1,252        | 41         | 3.3         |
| Gains/(losses) on financial assets and liabilities and others            | 293          | 177          | 116        | 64.8        |
| Income and expense under insurance or reinsurance contracts              | 282          | 233          | 49         | 21.0        |
| Other operating income and expense                                       | (270)        | (120)        | (150)      |             |
| <b>Gross income</b>  | <b>4,654</b> | <b>4,280</b> | <b>374</b> | <b>8.7</b>  |
| Recurring administrative expenses, depreciation and amortisation         | (2,304)      | (2,216)      | (88)       | 4.0         |
| Extraordinary expenses   | (8)          | (106)        | 98         | (92.9)      |
| <b>Pre-impairment income</b>   | <b>2,342</b> | <b>1,958</b> | <b>384</b> | <b>19.6</b> |
| <b>Pre-impairment income stripping out extraordinary expenses</b>        | <b>2,350</b> | <b>2,064</b> | <b>286</b> | <b>13.8</b> |
| Allowances for insolvency risk   | (248)        | (472)        | 224        | (47.5)      |
| Other charges to provisions  | (283)        | (763)        | 480        | (62.9)      |
| Gains/(losses) on disposal of assets and others                          | (70)         | 282          | (352)      |             |
| <b>Profit/(loss) before tax</b>  | <b>1,741</b> | <b>1,005</b> | <b>736</b> | <b>73.1</b> |
| Income tax expense   | (401)        | (149)        | (252)      |             |
| <b>Profit/(loss) after tax</b>   | <b>1,340</b> | <b>856</b>   | <b>484</b> | <b>56.5</b> |
| Profit/(loss) attributable to minority interest and others               | 42           | 17           | 25         |             |
| <b>Profit/(loss) attributable to the Group</b>                           | <b>1,298</b> | <b>839</b>   | <b>459</b> | <b>54.6</b> |

NOTE: the balance sheet presented for comparative purposes at 1 January and 31 March 2018 following the adoption of IFRS 9 has been drawn up on the basis of the accounting policies in force at the date of this financial report. Total assets and equity on the balance sheet at 31 December 2017 (i.e. prior to the adoption of IFRS 9) were €383,186 and €24,683 million, respectively.

(1) In accordance with the Amendments to IFRS 4, the Group has decided to apply temporary exemption from IFRS 9 in respect of the financial investments of the Group's insurance firms for all periods that come before 1 January 2021 as it awaits the entry into force of the new IFRS 17: Insurance Contracts, which will govern the presentation and measurement of insurance contracts (including technical provisions). Accordingly, these investments are grouped under 'Assets associated with the insurance business' on the balance sheet. To make the information more readily comparable, the Group has also reclassified the technical provisions relating to Unit Link and Flexible Investment Annuity (part under management), which are now reported under 'Liabilities associated with the insurance business'.

## Glossary (I/V)

In addition to the financial information prepared in accordance with International Financial Reporting Standards (IFRS), this document includes certain Alternative Performance Measures (APMs) as defined in the guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057) (the “ESMA Guidelines”). CaixaBank uses certain APMs, which have not been audited, for a better understanding of the company's financial performance. These measures are considered additional disclosures and in no case replace the financial information prepared under IFRSs. Moreover, the way the Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. Accordingly, they may not be comparable. ESMA guidelines define an APM as a financial measure of historical or future performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. In accordance with these guidelines, following is a list of the APMs used, along with a reconciliation between certain management indicators and the indicators presented in the consolidated financial statements prepared under IFRS.

| Term                      | Definition   |
|---------------------------|--|
| AC                        | Securities at amortised cost   |
| ALCO                      | Asset – Liability Committee  |
| ALCO liquidity portfolio  | Banking book fixed-income securities portfolio bought for liquidity reasons  |
| ALCO structural portfolio | Banking book fixed-income securities portfolio, excluding trading book assets and liquidity management portfolio   |
| AT1                       | Additional Tier 1  |
| AuM / AM                  | Assets under Management including mutual funds and pension plans   |
| Bos                       | Bank of Spain  |
| B/S                       | Balance sheet  |
| C/I ratio                 | Cost-to-income ratio: administrative expenses, depreciation and amortisation divided by gross income (last 12 months)  |
| C/I ratio (recurrent)     | Cost-to-income ratio stripping out extraordinary expenses: administrative expenses, depreciation and amortisation stripping out extraordinary expenses divided by gross income (last 12 months)                    |
| CET1                      | Common Equity Tier 1   |
| CIB                       | Corporate and Institutional Banking division   |
| Consumer loans            | Unsecured loans to individuals, excluding those for home purchases. Includes personal loans from CaixaBank, MicroBank and CaixaBank Consumer Finance as well as credit cards (CaixaBank Payments) except for float |
| CoR                       | Cost of risk: total allowances for insolvency risk divided by average of gross loans plus contingent liabilities, using management criteria  |
| Core operating income     | Core revenues minus recurrent costs  |
| Core revenues             | Sum of NII, Fees and other revenues from insurance (life-risk premia, equity accounted income from SegurCaixa Adeslas and equity accounted income from bancassurance stakes of BPI)                                |

## Glossary (II/V)

| Term  | Definition   |
|---|--|
| Customer spread                             | Difference between the average yield rate on loans and the average cost rate of retail deposits for the period (quarter) <ul style="list-style-type: none"> <li>• Average yield rate on loans (%): annualized quarterly income from loans and advances to customers divided by the net average balance of loans and advances to customers for the period (quarter)</li> <li>• Average cost rate of retail deposits (%): annualized quarterly cost of on-balance sheet retail customer funds divided by the average balance of on-balance sheet retail customer funds for the period (quarter), excluding subordinated liabilities</li> </ul>   |
| Digital clients                             | Customers aged 20-74 years old with at least one transaction in the last 12 months   |
| FB / BB                                     | Front book / back book referring to the yield on loans and the cost of retail deposits (%)   |
| FL  | Fully loaded   |
| Gains/losses on disposals & others          | Gains/losses on derecognition of assets and others. Includes the following line items: <ul style="list-style-type: none"> <li>• Impairment/(reversal) of impairment on investments in joint ventures or associates;</li> <li>• Impairment/(reversal) of impairment on non-financial assets;</li> <li>• Gains/(losses) on derecognition of non-financial assets and investments, net;</li> <li>• Negative goodwill recognised in profit or loss;</li> <li>• Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations</li> </ul>  |
| HQLA  | High quality liquid assets within the meaning of Commission Delegated Regulation of 10 October 2014  |
| IAS   | International Accounting Standard  |
| IFRS  | International Financial Reporting Standards  |
| Income and expenses from insurance          | Margin obtained from the difference between premia and claims on life-risk products  |
| Insurance and AM revenues                   | AM revenues include pension plan and mutual fund fees. Insurance revenues include NII from life-saving insurance, life-risk premia, insurance net fees, equity accounted income from SegurCaixa Adeslas, and equity accounted income from bancassurance stakes of BPI  |
| JV  | Joint venture  |
| LCR   | Liquidity coverage ratio: High quality liquid asset amount (HQLA) / Total net cash outflow amount  |
| LLP / LLC                                   | Loan-loss provisions / charges   |
| Loan impairment losses and other provisions | Impairment losses on financial assets and other provisions. Includes the following line items: <ul style="list-style-type: none"> <li>• Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss;</li> <li>• Provisions/(reversal) of provisions - <i>Of which Allowances for insolvency risk</i>;</li> <li>• Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss corresponding to Loans and receivables (to customers, using management criteria);</li> <li>• Provisions/(reversal) of provisions corresponding to Provisions for contingent liabilities, using management criteria - <i>Of which Other charges to provisions</i>;</li> <li>• Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss, excluding balances corresponding to Loans and receivables (to customers, using management criteria);</li> <li>• Provisions/(reversal) of provisions, excluding provisions corresponding to contingent liabilities using management criteria</li> </ul> |



## Glossary (III/V)

| Term                       | Definition  |
|----------------------------|---|
| LtD                        | Loan to deposits: quotient between: <ul style="list-style-type: none"> <li>• Net loans and advances to customers using management criteria excluding brokered loans (funded by public institutions)</li> <li>• Customer funds on the balance sheet</li> </ul>   |
| Minority interests & other | Profit/(loss) attributable to minority interests and others. Includes the following line items: <ul style="list-style-type: none"> <li>• Profit/(loss) after tax from discontinued operations;</li> <li>• Profit/(loss) for the period attributable to minority interests (non-controlling interests)</li> </ul>  |
| MREL                       | Minimum Requirement for own funds and Eligible Liabilities  |
| Mutual funds               | Includes own and third-party funds, SICAVs and managed portfolios   |
| N/M                        | Non meaningful.   |
| NBV                        | Net Book Value  |
| Net fees and commissions   | Net fee and commission income. Includes the following line items: <ul style="list-style-type: none"> <li>• Fee and commission income;</li> <li>• Fee and commission expenses</li> </ul>   |
| New-Co                     | New company   |
| NII                        | Net interest income   |
| NIM                        | Net interest margin, also Balance sheet spread: difference between the average return rate on assets and the average cost of fund rate for the period (quarter) <ul style="list-style-type: none"> <li>• Average return rate on assets (%): annualized quarterly interest income divided by average total assets for the period (quarter)</li> <li>• Average cost of fund rate (%): annualized quarterly interest expenses divided by average total liabilities for the period (quarter)</li> </ul> |
| Non-performing RE exposure | OREO portfolio net of provisions and non-performing RE developer loans net of provisions  |
| NPA                        | Non-performing assets: including non-performing loans and repossessed real estate assets available for sale (gross book value)  |
| NPL coverage ratio         | Quotient between: <ul style="list-style-type: none"> <li>• Impairment allowances on loans to customers and contingent liabilities, using management criteria</li> <li>• Non-performing loans and advances to customers and contingent liabilities, using management criteria</li> </ul>   |
| NPL ratio                  | Non-performing loan ratio: quotient between: <ul style="list-style-type: none"> <li>• Non-performing loans and advances to customers and contingent liabilities, using management criteria</li> <li>• Total gross loans to customers and contingent liabilities, using management criteria</li> </ul>   |
| NPL stock / NPLs           | Non-performing loans including non-performing contingent liabilities  |

## Glossary (IV/V)

| Term   | Definition   |
|--|--|
| OCI  | Other comprehensive income is those revenues, expenses, gains, and losses under both Generally Accepted Accounting Principles and International Financial Reporting Standards that are excluded from net income on the income statement. Instead it is registered under the equity section of the balance sheet  |
| Operating expenses                             | Include the following line items: <ul style="list-style-type: none"> <li>• Administrative expenses;</li> <li>• Depreciation and amortization</li> </ul>  |
| OREO   | Other Real Estate Owned: repossessed real estate assets available for sale   |
| OREO coverage ratio                            | Quotient between: <ul style="list-style-type: none"> <li>• Gross cancelled debt at foreclosure minus current net book value of real estate assets</li> <li>• Gross cancelled debt at foreclosure</li> </ul>  |
| OREO coverage ratio with accounting provisions | Quotient between: <ul style="list-style-type: none"> <li>• Accounting provision: charges to provisions of foreclosed assets</li> <li>• Book value of the foreclosed asset: sum of net carrying amount and the accounting provision</li> </ul>  |
| P&L  | Profit and Loss Account  |
| Pre-impairment income                          | (+) Gross income;<br>(-) Operating expenses  |
| RE   | Real Estate  |
| ROTE   | Return on tangible equity: profit attributable to the Group divided by average equity less, where applicable, intangible assets using management criteria (last 12 months)<br>The value of intangible assets under management criteria is the value of Intangible assets in the public balance sheet, plus the intangible assets and goodwill associated with investees, net of impairment allowances, recognised in Investments in joint ventures and associates in the public balance sheet<br>Profit attributable to the Group adjusted to reflect the amount of the Additional Tier1 coupon, after tax, registered in equity |
| RWAs   | Risk Weighted Assets   |
| SMEs   | Small and medium enterprises   |
| SNP  | Senior non preferred debt  |
| SPGB   | Spanish Government Bonds   |
| TLTRO  | Targeted long-term refinancing operation conducted by the European Central Bank  |
| Total liquid assets                            | Sum of HQLAs (High Quality Liquid Assets within the meaning of Commission Delegated Regulation of 10 October 2014) and the available balance under the facility with the Central Bank (non-HQLA)   |

## Glossary (V/V)

| Term           | Definition   |
|----------------|--|
| Trading income | <p>Gains/(losses) on financial assets and liabilities and others. Includes the following line items:</p> <ul style="list-style-type: none"><li>• Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net;</li><li>• Gains/(losses) on financial assets and liabilities held for trading, net;</li><li>• Gains/(losses) from hedge accounting, net;</li><li>• Exchange rate differences, gains/(losses), net</li></ul> |

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