



# Results Presentation **2016**

Barcelona, 2 February 2017

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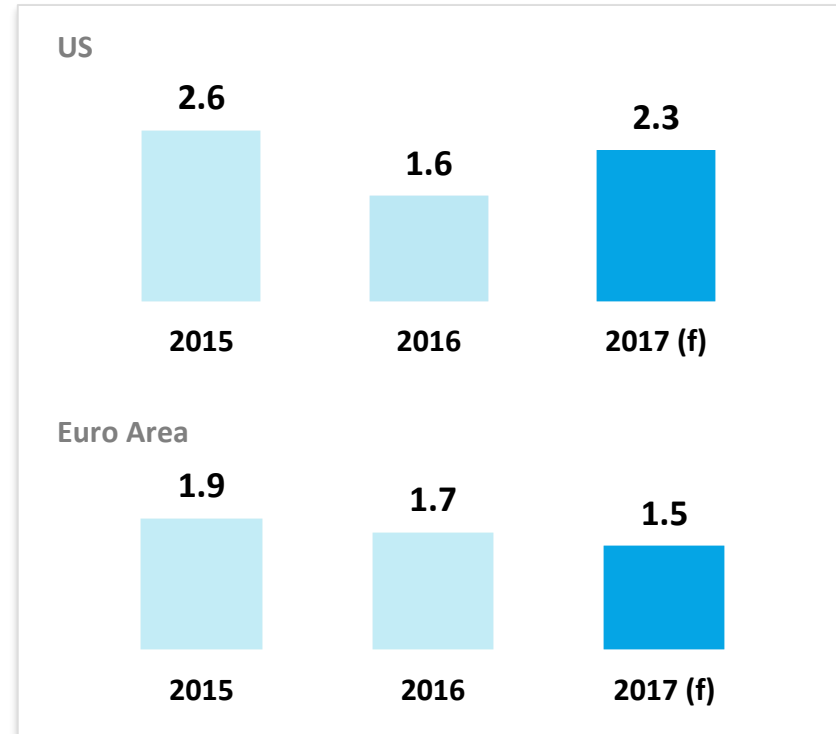
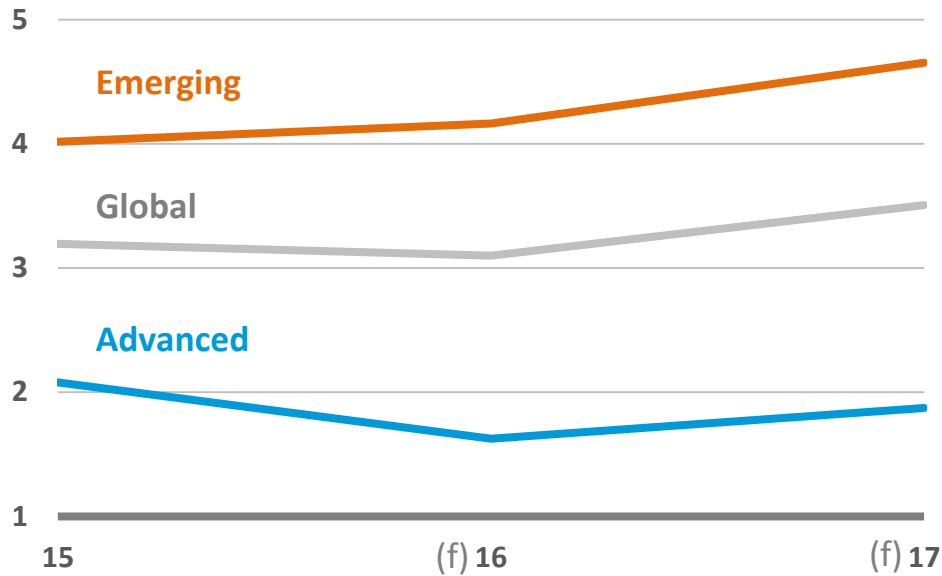
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In so far as it relates to results from investments, this financial information from the CaixaBank Group for 2016 has been prepared mainly on the basis of estimates.

Global Outlook. Maintaining Momentum in a Complex Environment

Real GDP evolution

Real GDP growth, %



Outlook 2017

- ▶ Improving global growth
- ▶ Uncertainty factors:

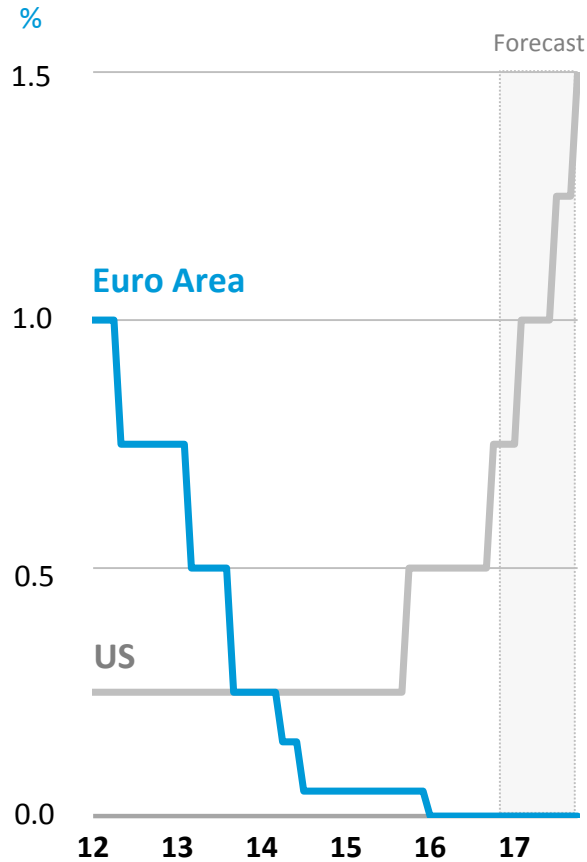
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- US policies
  - Brexit negotiations
  - European elections

Note: (f) forecast.

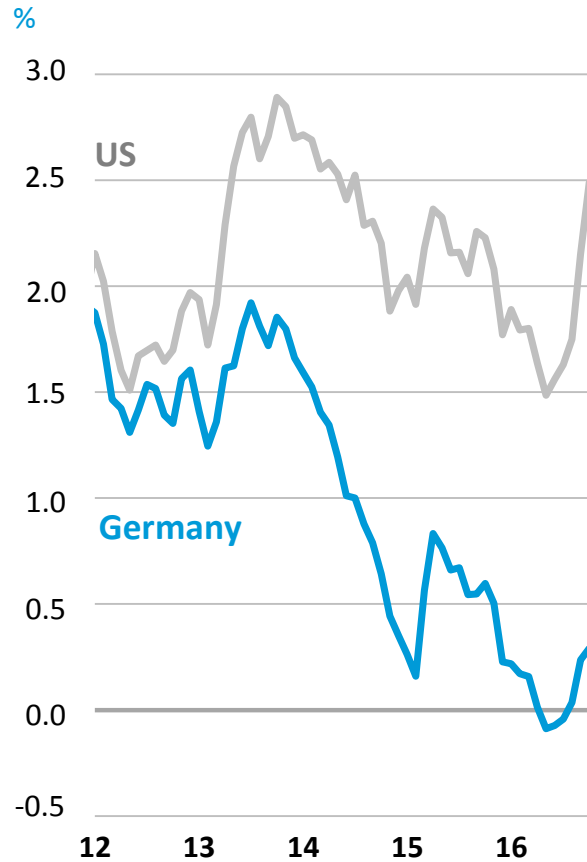
Source: IMF and CaixaBank Research.

Advanced Economies. Divergence of Monetary Policy

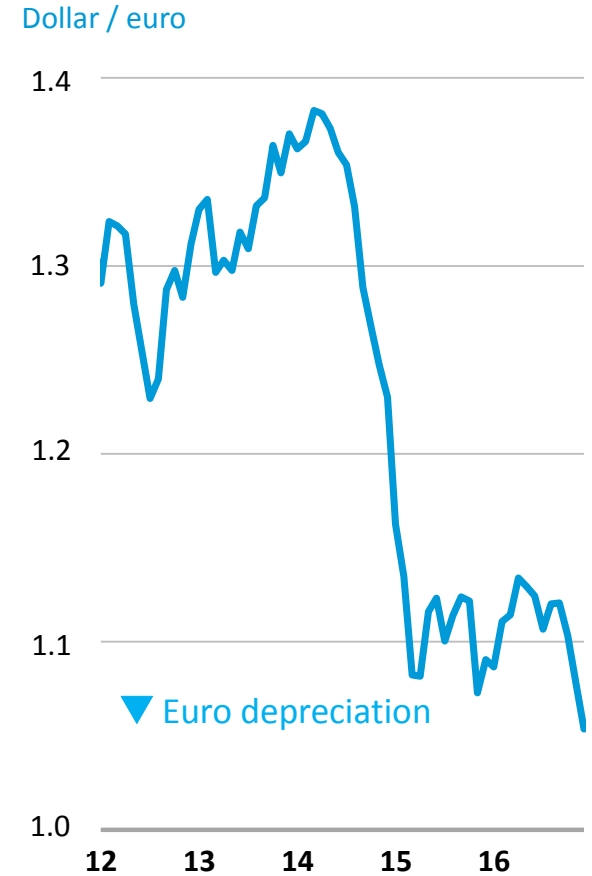
Official interest rate



10-year sovereign debt yield



Currency exchange

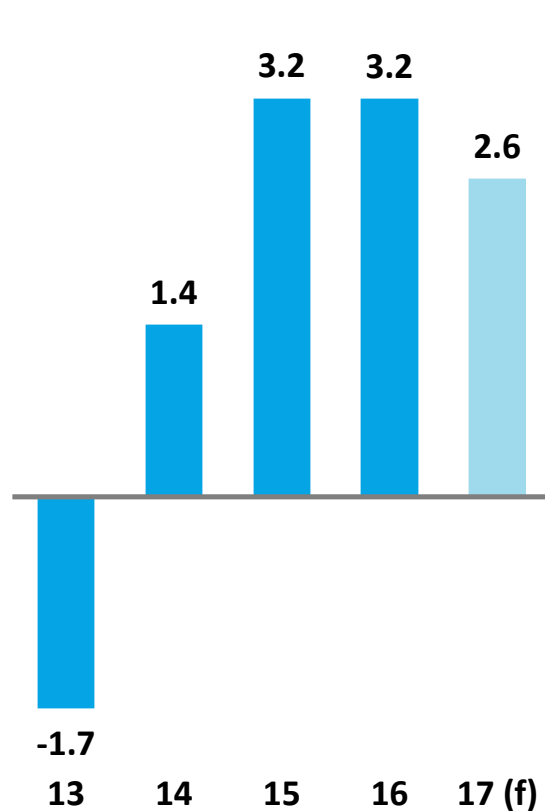


Source: Fed, ECB, Bloomberg and CaixaBank Research.

## Spain. Higher than Expected Growth in 2016

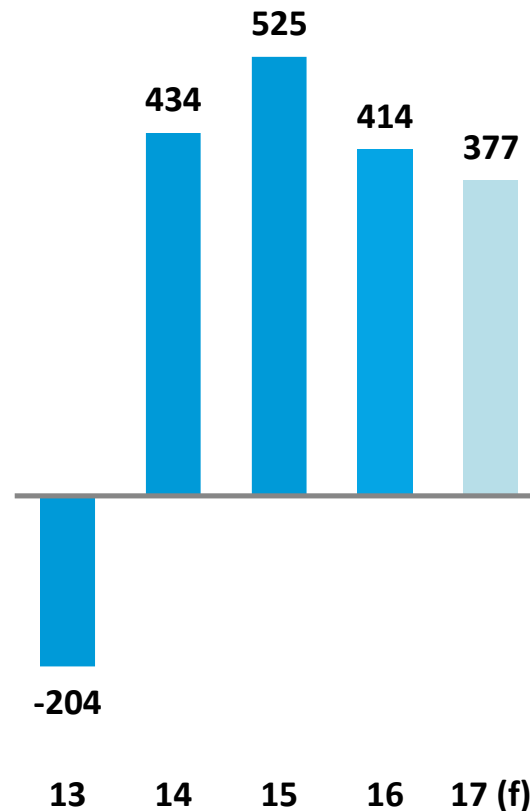
### Real GDP growth

Year-on-year change, %



### Employment evolution

Year-on-year change, in thousands



### Pending challenges

#### Unemployment rate 2016

 Spain **19.6%**

 Euro Area<sup>1</sup> **10.2%**

#### Fiscal deficit 2016

 Spain<sup>1</sup> **-4.6%**

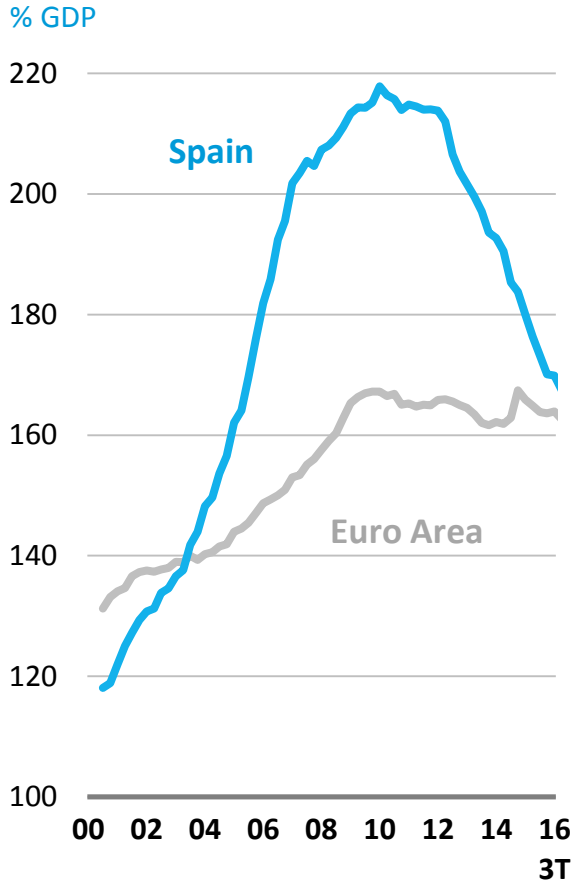
 Euro Area<sup>1</sup> **-1.8%**

Note: <sup>1</sup> European Commission estimate. (f) forecast.

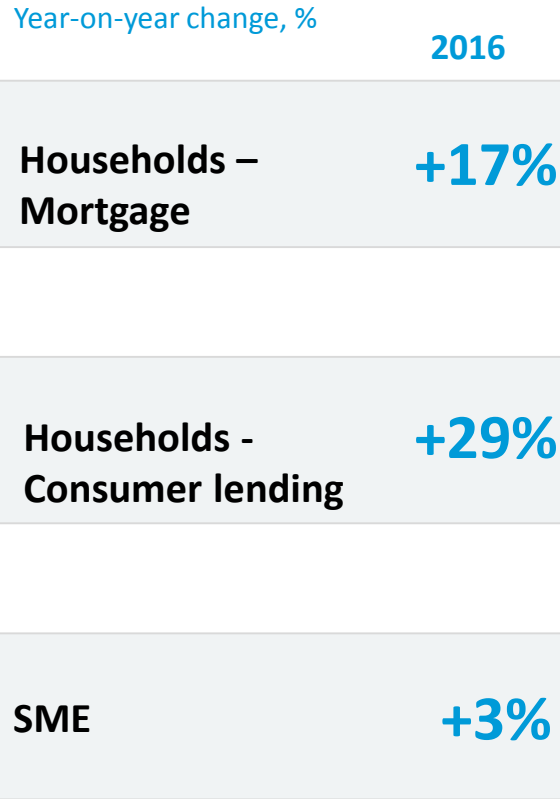
Source: Spanish Statistical Office, European Commission and CaixaBank Research.

Financial System. The Financial System Continues to Support the Recovery

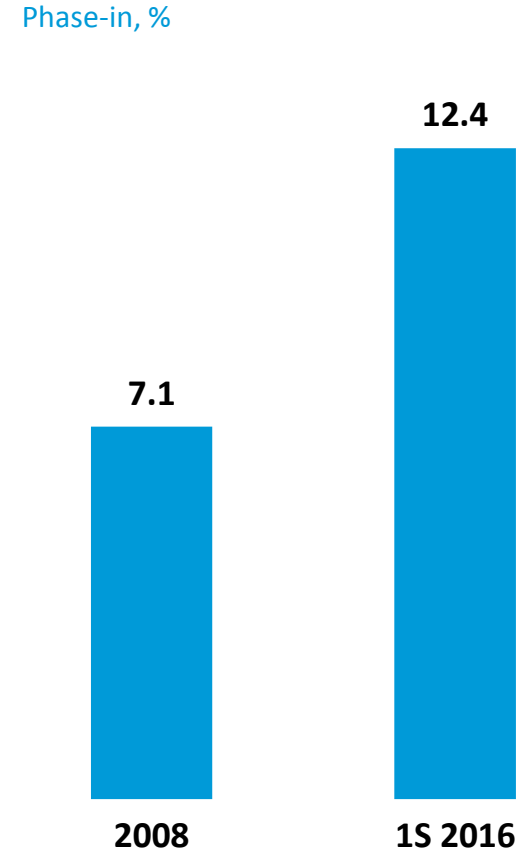
### Private sector leverage



### Sector new loans



### Sectorial CET1 ratio



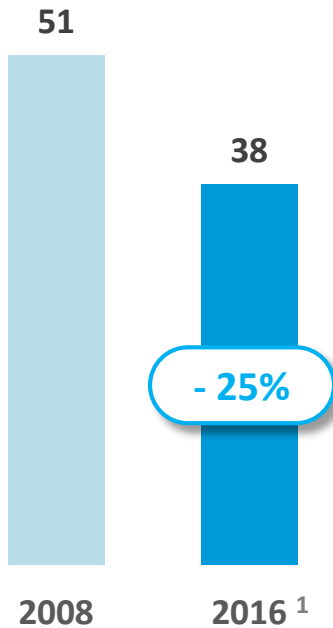
Source: Bank of Spain and ECB.

## Financial System. Pressures on Bank Profitability Remain

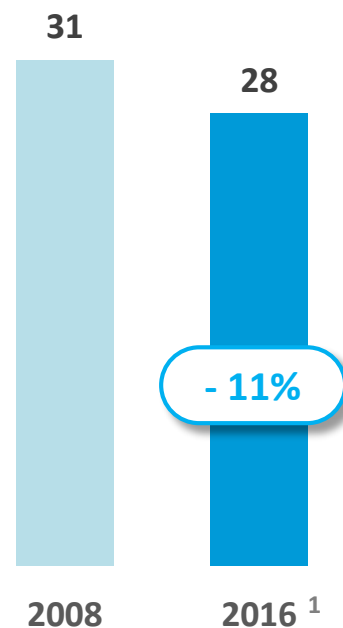
## Key indicators of the Spanish financial system

In billion euros

## Interest margin and fee income



## Operating expenses



## Complex environment

- ▶ Low interest rates
- ▶ Subdued volumes
- ▶ Banking Union and regulatory pressure
- ▶ Intense competition

 Note: <sup>1</sup> annualized 3T 2016.

Source: Bank of Spain and CaixaBank Research.

Digitalisation. An Opportunity to Offer a Better Service

Changes in customer behaviour



**Bespoke, immediate, clear and easy to use services**

**Availability: anytime, anywhere**

**Omni-channel**

**Banking is undergoing a digital transformation**

- ▶ **New technologies**
- ▶ **New competitors**
- ▶ **Regulatory changes**





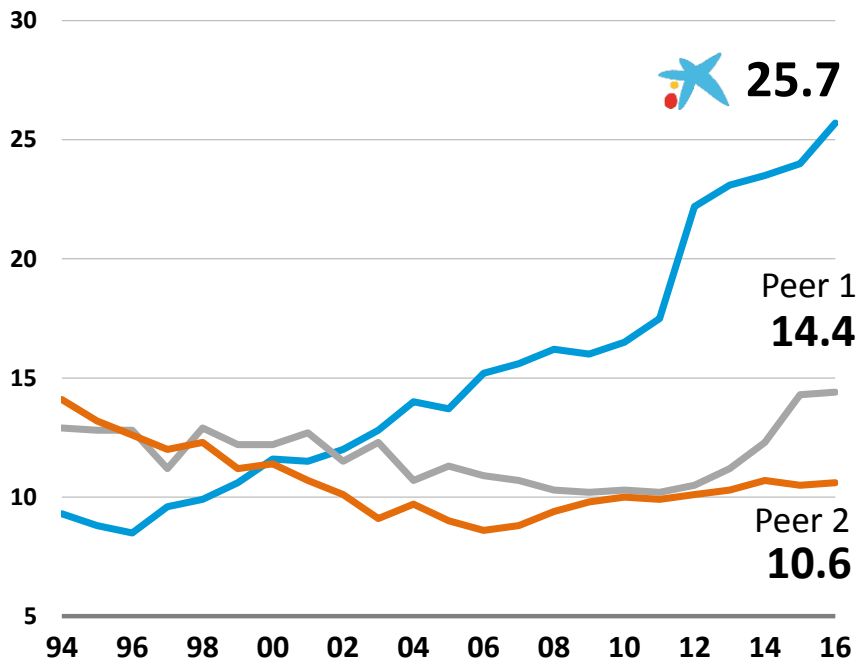
**CaixaBank**

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## CaixaBank. Consolidating our Leadership and Important Commercial Activity

## Undisputed leadership in Spanish retail banking

Market penetration for retail clients (primary bank), %


 Market shares<sup>1</sup>

|       |                       |
|-------|-----------------------|
| 26.0% | Payroll deposits      |
| 20.2% | Pension deposits      |
| 22.9% | Pension plans         |
| 23.8% | Life-saving insurance |
| 18.5% | Mutual funds          |

Customers

**13.8 M**

 Digital penetration<sup>2</sup>
**32%**
**Customer funds**
**303,895 M€**  
**+ 2.5%**
**Loans**
**204,857 M€**  
**+ 0.4%** Performing loans

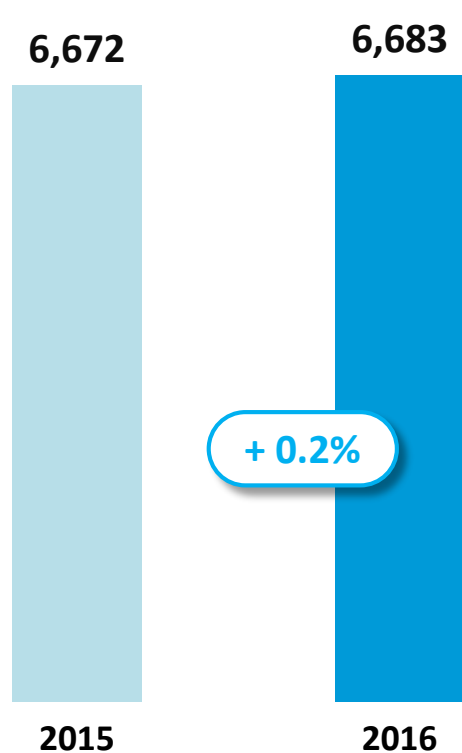
 Note: <sup>1</sup> Latest available data. <sup>2</sup> Comscore, 12-month average.

Source: FRS Inmark, Bank of Spain, Inverco, ICEA and Comscore.

## CaixaBank. Improving Results with Core Revenue Growth

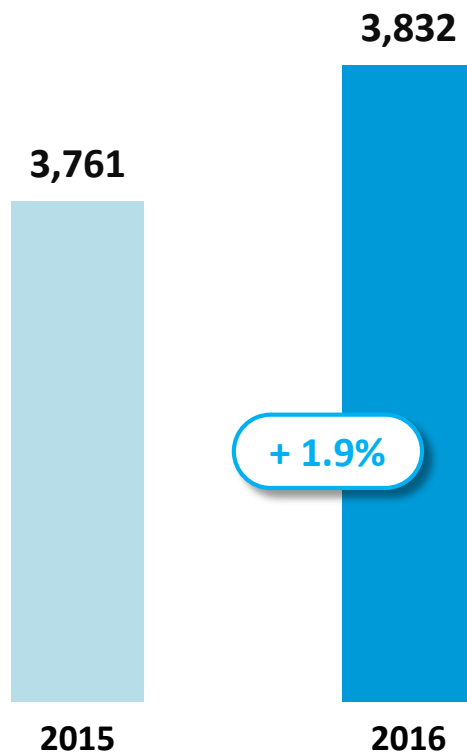
### Core revenues<sup>1</sup>

In million euros



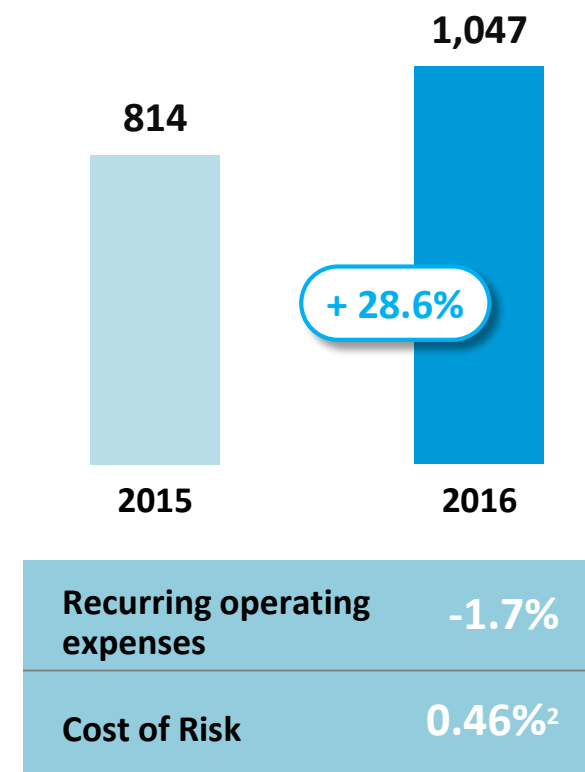
### Pre-impairment income (excluding extraordinary expenses)

In million euros



### Attributable profit

In million euros



**Note:** <sup>1</sup> Net interest income, fees, other revenues from insurance and equity accounted income from SegurCaixa Adeslas. Adjusted for 2015 floors.

**Note:** <sup>2</sup> Excluding impact of the development of internal models

## CaixaBank. Financial Strength

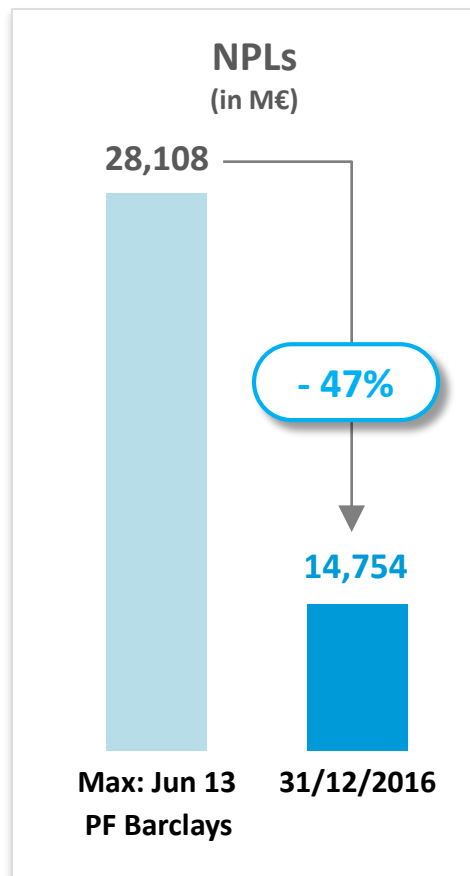
## Risk management and liquidity

NPL ratio **6.9%**

Liquidity  
(in M€) **50,408**

Loans /  
Deposits **110.9%**

LCR **160%**  
Liquidity Coverage Ratio



## Solvency

Levels significantly above minimum requirements

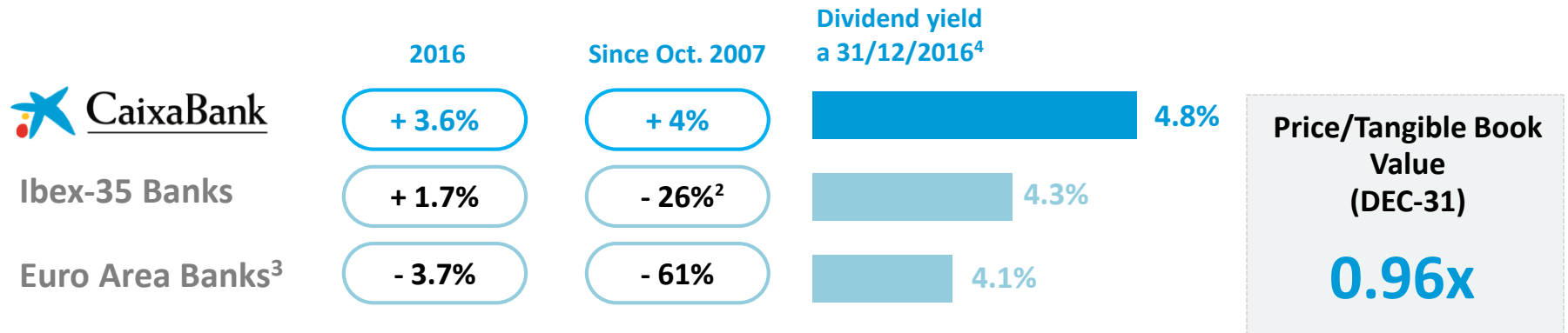
CET1 regulatory **13.2**  
Ratio (%)

CET1 fully loaded **12.4**  
Proforma BPI<sup>1</sup> 11.0%-11.6%

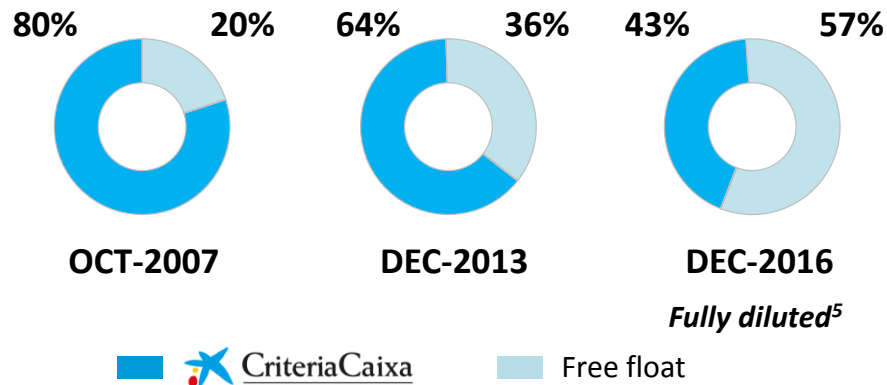
Total Capital **16.1**

Note: <sup>1</sup> Depending on the final percentage at closing of tender offer. Range indicated from 51% to 100%.

## CaixaBank. Stock Price Evolution

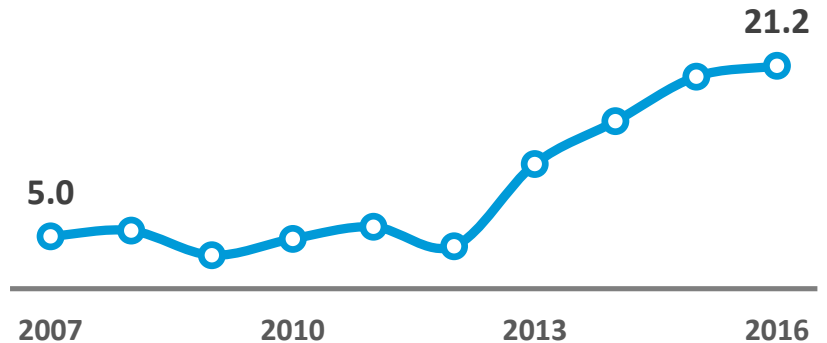
 Total return<sup>1</sup> and dividend yield


## Free float evolution



## Trading volume

Average ratio (millions of shares)



Nota: <sup>1</sup>Including dividends paid. <sup>2</sup>Own estimates. <sup>3</sup>Stoxx Europe Banks Index. <sup>4</sup>Dividends paid in the last 12 months. <sup>5</sup>Taking into account the 750 M€ of convertible bonds of Criteria Caixa in shares of CaixaBank, maturing in November 2017. Source: Bloomberg and CaixaBank.



## Strategic Plan 2015-2018

Committed to trustworthy and profitable banking

Progress across  
all our goals

**1** Best-in-class in quality of service and reputation

**2** Sustainable profitability above cost of capital

**3** Optimisation of capital allocation

**4** Enhance our leadership in banking digitalisation

**5** Retain and attract the best talent

### Priorities after the mid-term review of the Plan:

- ▶ **Higher revenue diversification**  
(consumer lending, business, advisory)
- ▶ **Cost-saving measures**
- ▶ **Reduction of non-performing assets**
- ▶ **Leadership in digitalisation to improve quality of service**
- ▶ **Create value in BPI**



**A banking model  
with a strong social  
commitment**



**Financial  
inclusion**

**90%**

Spanish people have a  
CaixaBank branch in  
their town

**~3,200M€**



Microloans since 2007

**Active policy to help  
solve first housing  
problems**

**~33,000**

Social housing

**Customer service  
for mortgagers**

**Collaboration with  
Obra Social "la Caixa"**

- ▶ **Alliances in social projects** (GAVI, Incorpora,...)
- ▶ **Volunteering**

**Our dividend  
reverts to society**



**CaixaBank**

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**Activity and Results 2016**





# Results Presentation 2016

## Highlights

- 1 **Excellent commercial activity**
- 2 **Strengthened balance sheet**
- 3 **Sustained improvement in results**



**Ongoing  
take-over  
bid for BPI**



As of December 2016

|  |                                |
|--|--------------------------------|
| <b>Branches</b>                        | <b>545</b>                     |
| <b>Clients</b>                         | <b>1.7 MM</b>                  |
| <b>Assets</b>                          | <b>€32 Bn</b>                  |
| <b>NPL ratio</b>                       | <b>3.7%</b>                    |
| <b>CET1 FL</b>                         | <b>10.6%</b>                   |
| <hr/>                                  |                                |
| <b>Revenues and expenses synergies</b> | <b>€120 M</b><br>(2019 target) |

An alliance of more than 20 years

- An attractive franchise*
- An excellent team*
- An opportunity*

**1**

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**Commercial highlights  
of our business****2**

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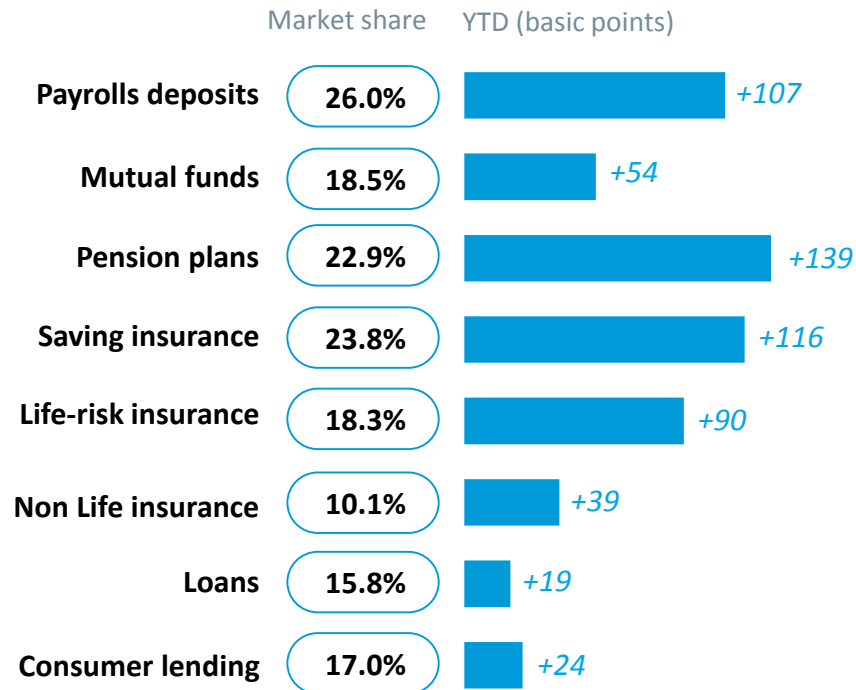
**Balance sheet  
strength****3**

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**Results**

## Reinforced leadership with market share gains across the board

## Market share for main retail products



Market penetration  
for  
clients<sup>1</sup>

29.5%

+120 bps  
in 2016

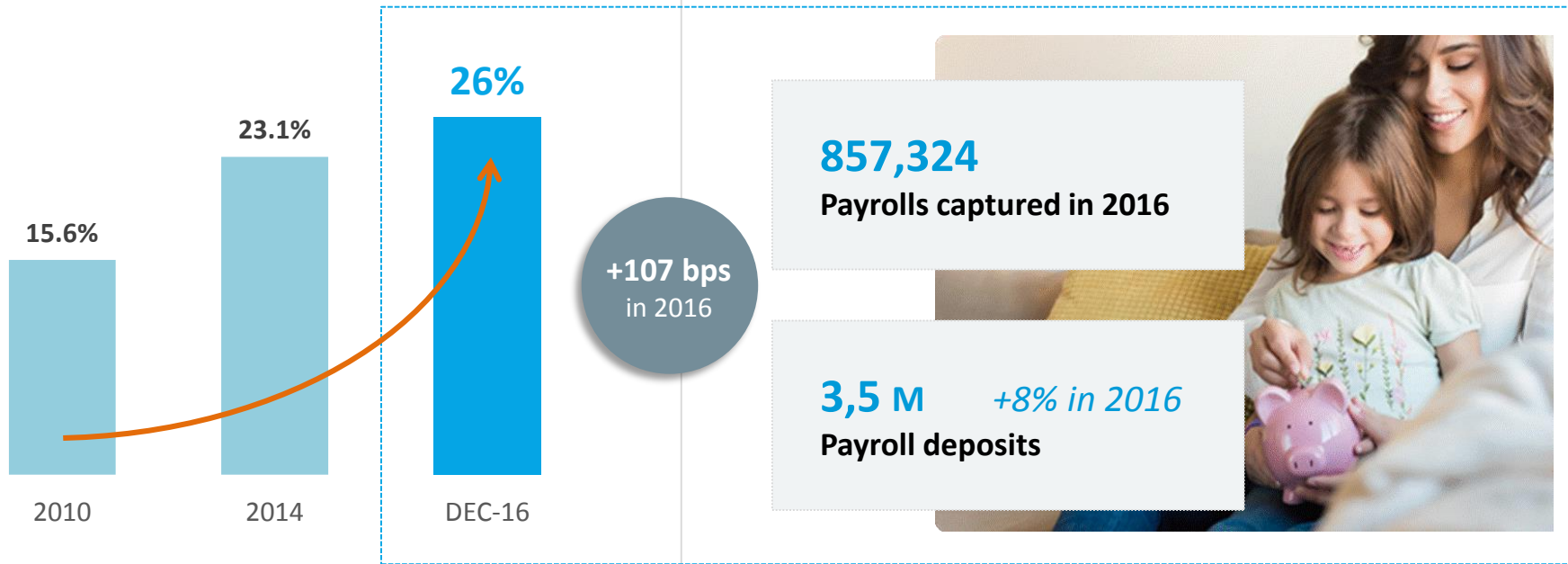


**Bank of the  
year in Spain**

<sup>1</sup> Retail clients over 18 years old

Continuously attracting new clients and increasing customer loyalty

Payroll deposits  
Market share



Note: 2014 data include Barclays  
Source: Social Security

## Specialisation to provide the best service



**CaixaNegocios**  
En persona

**1.5 M**

Clients<sup>1</sup>

**+9.3%**

in 2016

**€ 44 Bn**

**+2.4% in 2016**

Business volume

**33.1%**

**+32 bps in 2016**

Penetration in self-employed



**AgroBank**

**342,350**

Agricultural clients

**+2.7%**

in 2016

**€ 16,5 Bn**

**+9.0% in 2016**

Business volume

**24.1%**

**+48 bps in 2016**

Market share in self-employed  
in agriculture



**HolaBank**

**389,000**

Clients

**+3.1%**

in 2016

**€ 4 Bn**

**+9.4% in 2016**

Business volume

**Making your  
life easier**

<sup>1</sup> Self-employed, retail businesses and micro-enterprises

Note: retail segment

Steady progress in our digital strategy



**43.1%**  
% digital clients<sup>1</sup>

*of which: 74% keep going to the branch*

**Banking operations**



**22,000**  
Deployed smartPCs



**14.4 M**  
Digital signatures

**Relationship channels**

- “A” & “Store” branches
- *Ready to Buy*



**Higher value added**

*My Finances*  
**3.0 M** users

- Simulations
- Investment proposals

<sup>1</sup> Of our clients base, natural person of 20-74 years old

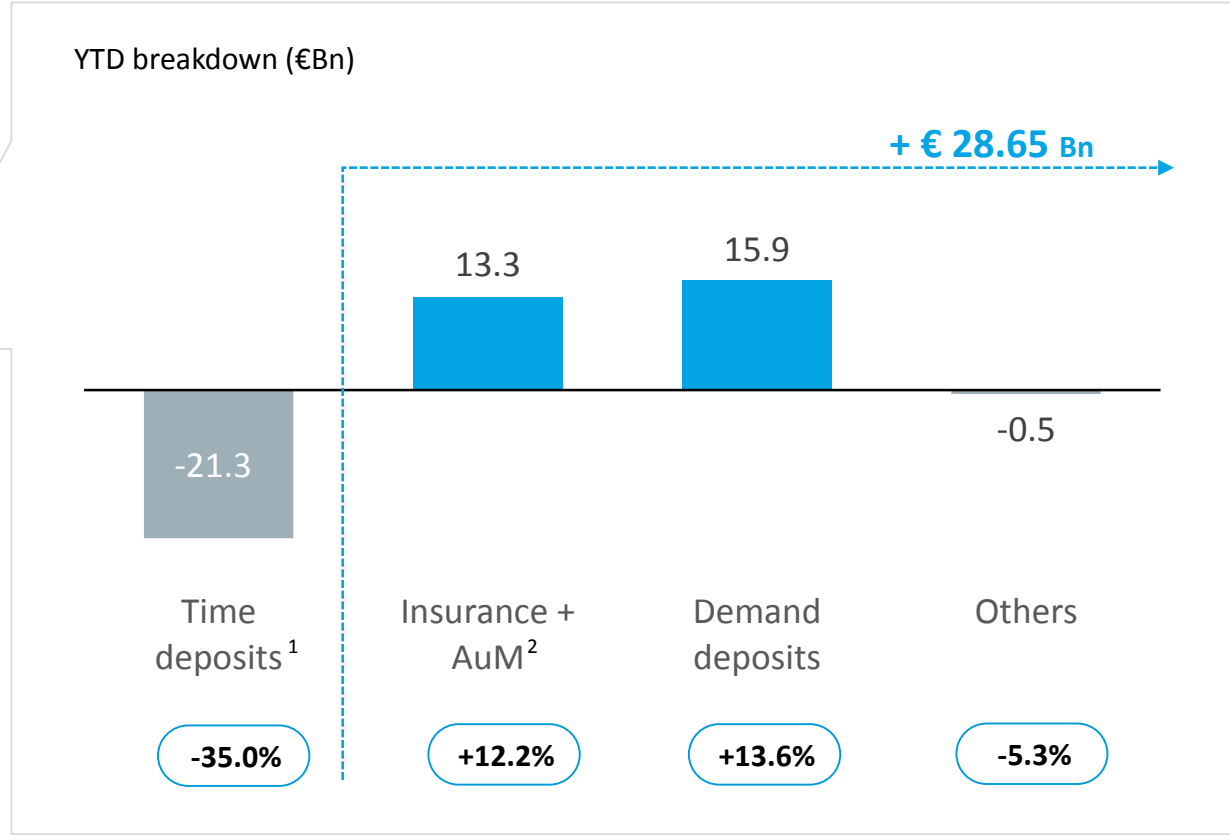
Strong growth in insurance, pension plans and asset management

Customer funds  
**€ 303.9 Bn**

YTD  
**+ € 7.3 Bn**

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**+2.5%**

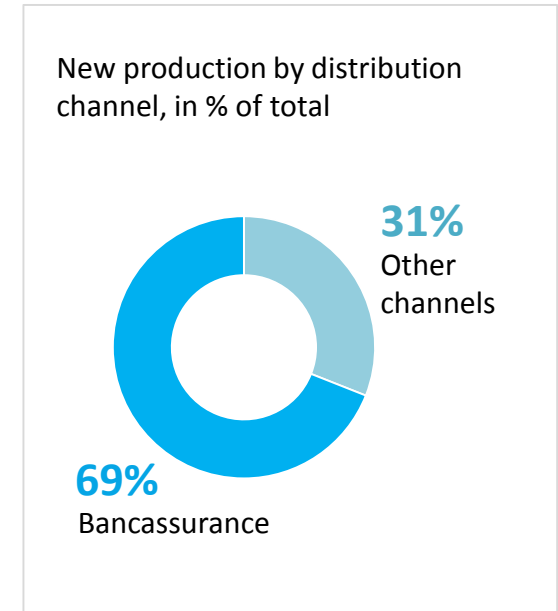
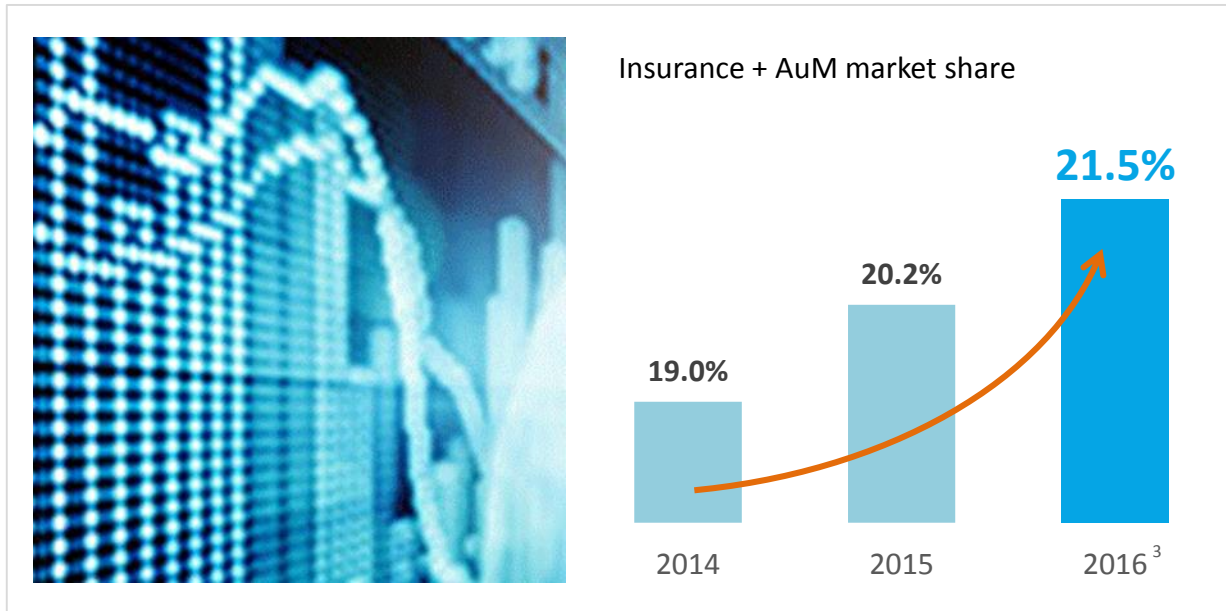
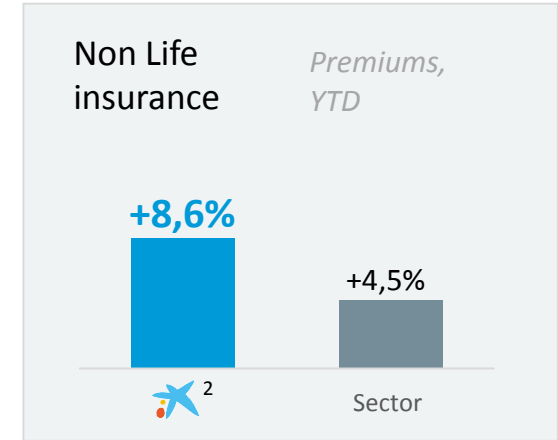
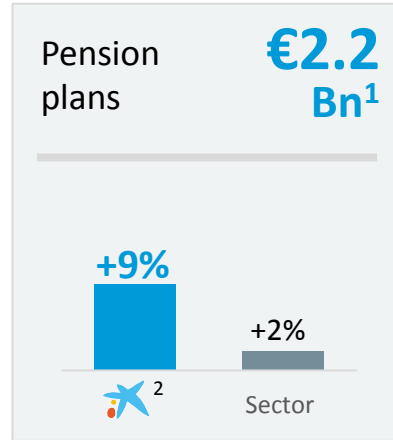
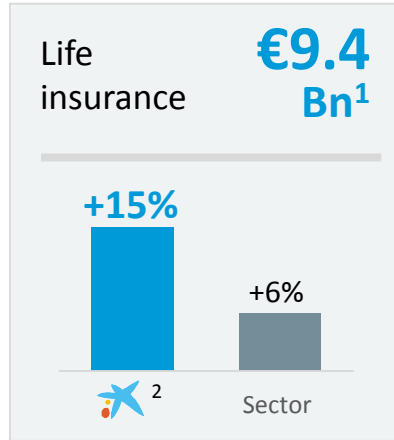
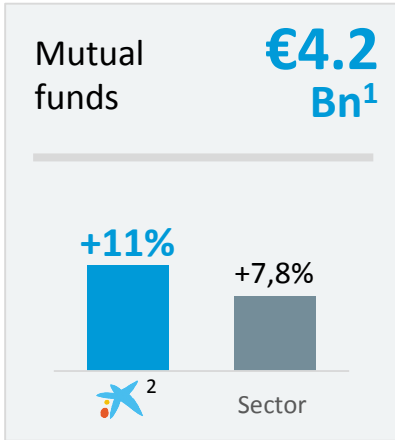


<sup>1</sup> Includes retail debt securities

<sup>2</sup> Also including SICAVs and managed portfolios



Excellent position for long term savings and protection products



<sup>1</sup> Premia and contributions 2016

<sup>2</sup> AuM increase

<sup>3</sup> Estimate for December 2016

## Performing loan-book evolution confirms changing trend in credit

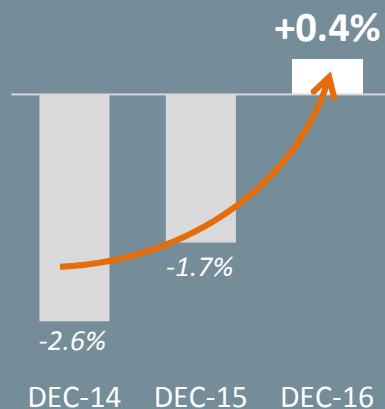
Performing loans

€ 190.5 Bn

YTD

+€ 676 M

+0.4%

 Gross performing loans,  
% ytd (organic)


Loan-book breakdown

| €Bn                           | 2016  | YTD     |
|-------------------------------|-------|---------|
| <b>Loans to individuals</b>   | 118.3 | (2.2%)  |
| <b>Loans to businesses</b>    | 64.8  | 8.3%    |
| <b>Real Estate developers</b> | 8.0   | (18.3%) |
| <b>Public sector</b>          | 12.5  | (9.5%)  |

New lending to individuals keeps growing steadily

*New loan production*



**Retail mortgages**

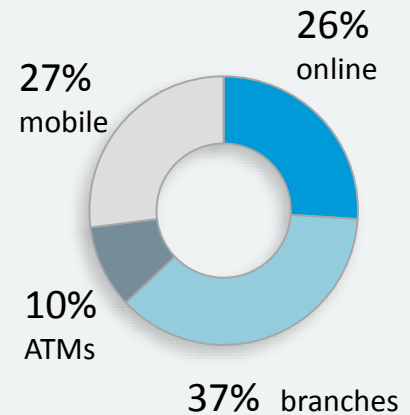
**+35%**  
2016 vs. 2015



**Consumer lending**

**+41%**  
2016 vs. 2015

Click&Go loans by channel



We keep growing in Corporates and SMEs: opportunity to reach our natural position



**New loan production**

**+11%**  
2016 vs. 2015

Market share in retail clients and loans to businesses (%)

**25.7%**



Retail clients<sup>1</sup>

**14.1%**



Credit to businesses

Enhanced value-proposition based on specialisation and quality of service



**1.363 // 107**  
**Expert managers & specialised branches**



**New proposal in 2015**

<sup>1</sup> Market penetration as primary bank for retail clients (>18 years old)

1

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Commercial highlights  
of our business

2

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**Balance sheet  
strength**

3

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Results



**NPL stock**  
**€ -2,346 M**  
*-14% in 2016*

**-47%**

**From peak**  
*(JUN-13, proforma  
Barclays)*

**€ 14,754 M**  
NPL stock  
**6.9%**  
NPL ratio



**Foreclosed assets<sup>1</sup>**  
**€ -1,003 M**  
*-14% in 2016*

**2016**  
**Inflection**  
point

**€ 1,337 M**  
Sales in 2016  
**5%** Profits at sales  
in 2016

<sup>1</sup> Net book value of RE assets available for sale

## Comfortable liquidity and solvency metrics

**€ 50.4 Bn**

Liquid assets

**14.5%***Of assets*

- ▶ The excellent liquidity position supports new lending

**13.2%**CET1  
phase in**12.4%**CET1  
*fully loaded*

- ▶ Comfortable solvency metrics, also for total capital (15,4% FL)

# 1

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Commercial highlights  
of our business

# 2

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Balance sheet  
strength

# 3

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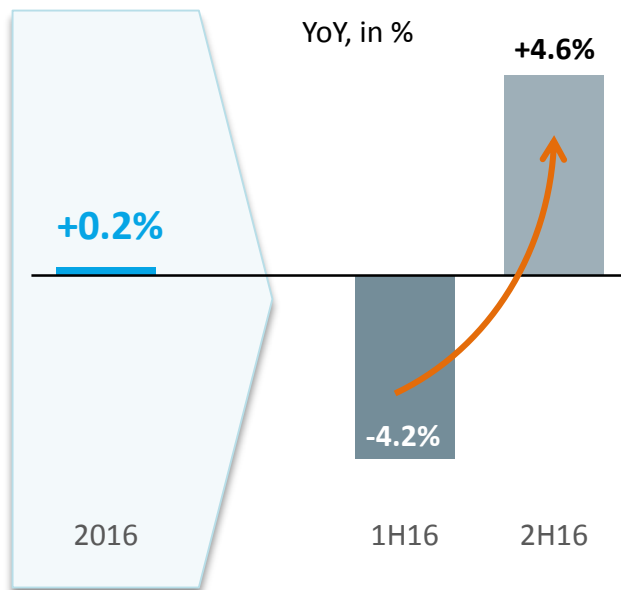
**Results**



A year with revenues going from less-to-more, cost contention and reduced impairments

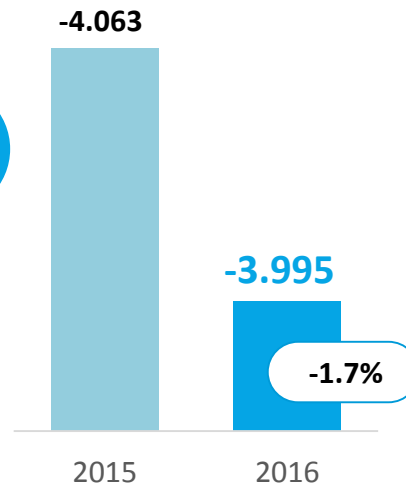
### Core revenues

NII<sup>1</sup> + net fees +  
other income from insurance<sup>2</sup>



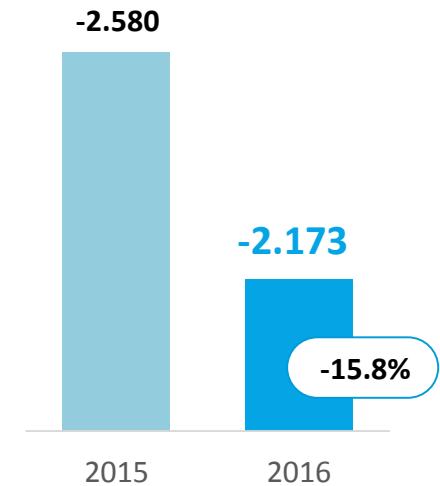
### Recurring expenses

€M



### Impairments/losses on asset disposals

€M



<sup>1</sup> 2015 excluding impact from floor clauses

<sup>2</sup> Includes equity-accounted income from SegurCaixa Adeslas

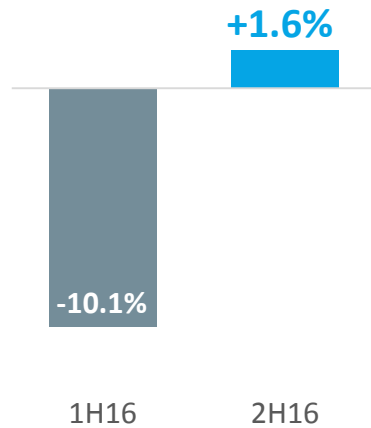
NII recovery

Net interest income

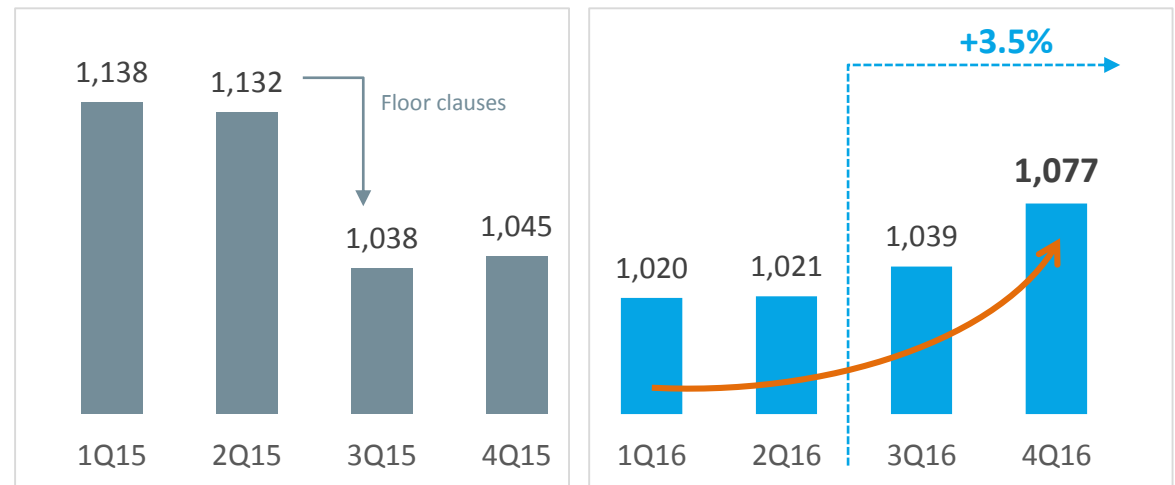
€ 4.16 Bn

-4.5% in 2016

YoY, in %



Quarterly evolution, in €M



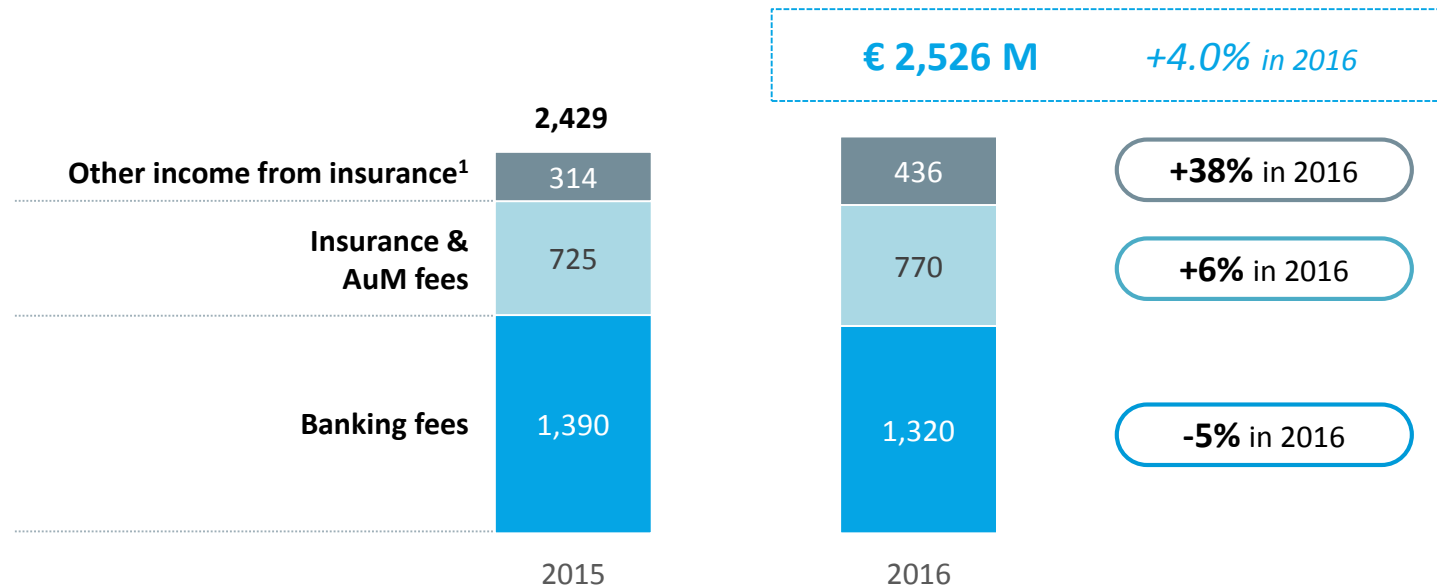
► NII shows robustness despite interest rate environment

► Lower funding costs offset loan repricing

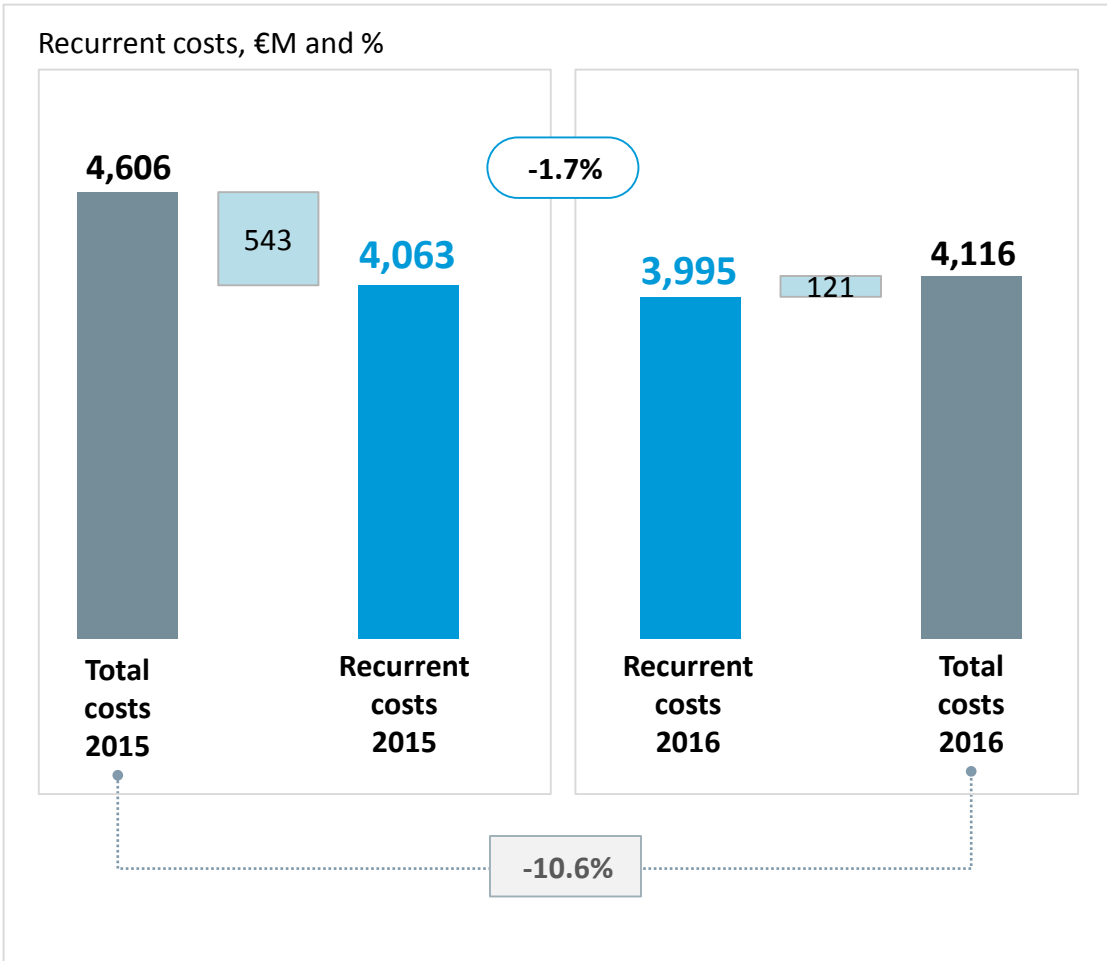
## Higher customer loyalty offsets the decline in banking fees

## Fees and other income from insurance

€M, %


<sup>1</sup> Equity-accounted income from SegurCaixa Adeslas and life-risk net premia

## Cost discipline



**-18%**

Lower recurrent costs vs. 2011<sup>1</sup>

**4,851** retail branches

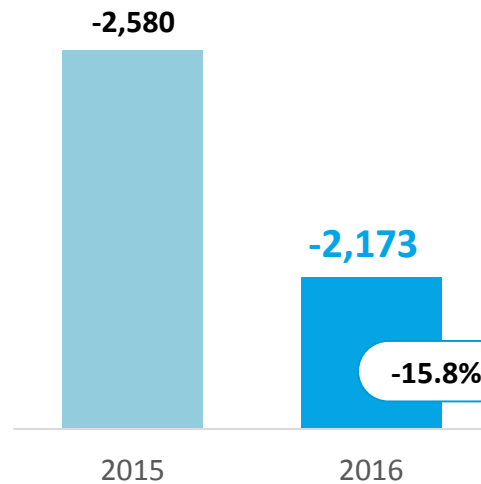
- 33% more clients than in 2011
- 31% higher business volume<sup>2</sup> than in 2011

<sup>1</sup> Change in recurrent costs since 2011 (proforma acquisitions)

<sup>2</sup> Customer funds + loans

Reduced impairments

Loan loss provisions & losses on asset disposals  
€M, %



Pre-impairment  
income

**€3,711 M**  
*+15.3% in 2016*

► Cost of Risk:  
0.46%<sup>1</sup>

► Impact from development  
of internal models

- Lower need for loan loss provisions
- Higher provisions for foreclosed assets

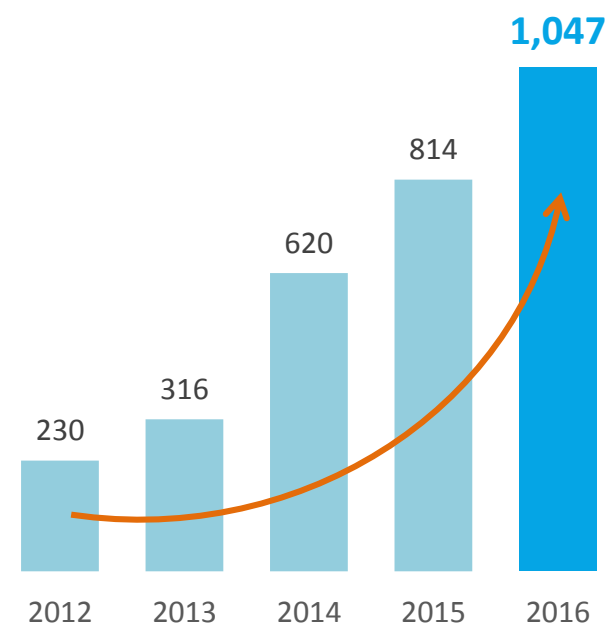
► Additional provision for  
floor clauses

<sup>1</sup> Excluding impact development of internal models

## Consolidation of improvement in results

| in €M                                     | 2016         | YoY           |
|---|--------------|---------------|
| <b>Net interest income</b>                | <b>4,157</b> | <b>(4.5%)</b> |
| Net fees and commissions                  | 2,090        | (1.2%)        |
| Income from investments & associates      | 828          | 43.1%         |
| Trading income                            | 848          | (1.7%)        |
| Income and exp. from insurance            | 311          | 44.8%         |
| Other operating income & exp.             | (407)        | 36.1%         |
| <b>Gross income</b>                       | <b>7,827</b> | <b>0.0%</b>   |
| Recurring expenses                        | (3,995)      | (1.7%)        |
| Extraordinary operating expenses          | (121)        | (77.%)        |
| <b>Pre-impairment income</b>              | <b>3,711</b> | <b>15.3%</b>  |
| Impairment losses & others                | (1,069)      | (57.5%)       |
| Gains/losses on assets disposals & others | (1,104)      | --            |
| <b>Pre-tax income</b>                     | <b>1,538</b> | <b>141.0%</b> |
| Taxes and minority interests              | (491)        | --            |
| <b>Profit attributable to the Group</b>   | <b>1,047</b> | <b>28.6%</b>  |

## Profit attributable to the Group






**2016**

**A good fiscal year**



**which allows progress across all  
priorities of the  
2015-2018 Strategic Plan**

| 2015                                       | 2016   |  |
|--|--|--|
| Progress across all 5 strategic priorities | <b>1 Client focus</b>  | <i>Market share<sup>1</sup></i><br>23.5% → <b>25.7%</b>    |
|  | <b>2 Profitability</b>   | <i>RoTE</i><br>3.4% → <b>5.6%</b>                          |
|  | <b>3 Capital allocation</b>  | <i>Capital allocated to stakes</i><br>~16% → <b>&lt;7%</b> |
|  | <b>4 Digitalisation</b>  | <i>% digital clients</i><br>36.5% → <b>43.1%</b>           |
|  |  | <i>% digitalised processes</i><br>69% → <b>90%</b>         |
| <b>5 Human resources</b>                   | <i>Training in advisory services</i><br>   <b>&gt;7,000 employees</b> |  |

<sup>1</sup> Market penetration as primary bank for retail clients (>18 years old)

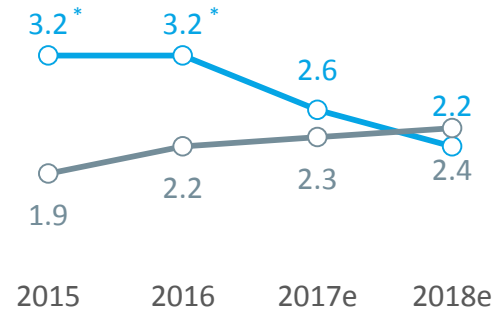


2016

Tougher-than-expected environment

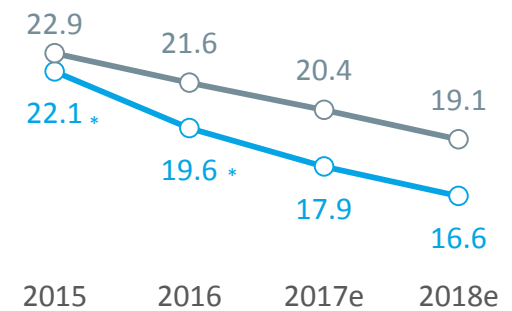
Real GDP

YoY



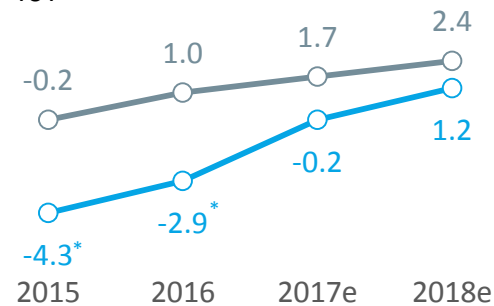
Unemployment rate

YoY



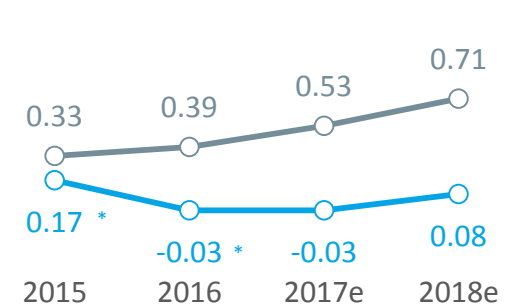
Credit to other domestic private sector

YoY



Euribor 12 months

Annual average



\* Actual data — Current projections (JAN-17) — Initial projections (2015)

**2016**
**Strategic  
Plan review**  
(halfway)

**2017 - 2018**

- **No change in strategic lines**
- **Some targets are revised**
- **Keeping the commitment with our shareholders**

|                                       |                |                            |                 |
|---------------------------------------|----------------|----------------------------|-----------------|
| <i>ROTE</i>                           | <b>9%-11%</b>  | <i>Core revenue growth</i> | <b>~4% CAGR</b> |
| <i>Recurrent cost-to-income ratio</i> | <b>~55%</b>    |                            |                 |
| <i>Cost of risk</i>                   | <b>&lt;40%</b> | <i>CET1 FL</i>             | <b>11%-12%</b>  |

|                    |             |   |
|--------------------|-------------|---|
| <i>Cash payout</i> | <b>≥50%</b> | <i>Special dividend and/or share buybacks if CET FL &gt;12%</i> |
|--------------------|-------------|---|

# 2016

## Highlights

- 1 **Excellent commercial activity**
- 2 **Strengthened balance sheet**
- 3 **Sustained improvement in results**

**2017-2018**

*Excellent position to  
keep progressing in our  
Strategic Plan*



**Thank you**