



Results Presentation 2017

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Growth in the world economy is accelerating

Real GDP evolution

Year-on year growth (%)

	2016	2017(e)	2018(f)
World economy	3.2	3.7	3.9
Advanced economies	1.7	2.3	2.3
USA	1.5	2.3	2.5
Euro Area	1.8	2.5	2.2
Emerging economies	4.4	4.7	4.9

Note: (e) estimate; (f) forecast.
Source: CaixaBank Research.

Outlook 2018

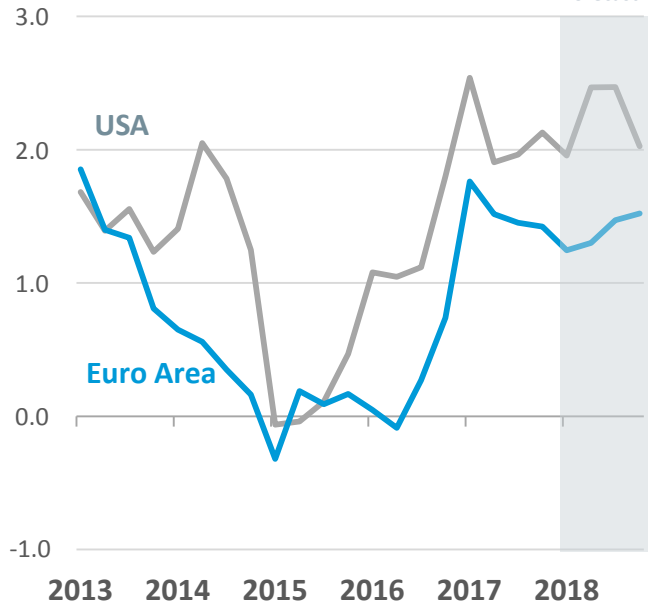
- ▶ **More dynamic and synchronized growth.**
- ▶ **Balanced risks:**
 - ↑ Fiscal reform in the USA
 - ↑ Reforms in the Euro Area
 - ↓ Financial
 - ↓ Geopolitical

A context that justifies a gradual normalization of monetary policy

Inflation

Year-on-year change (%)

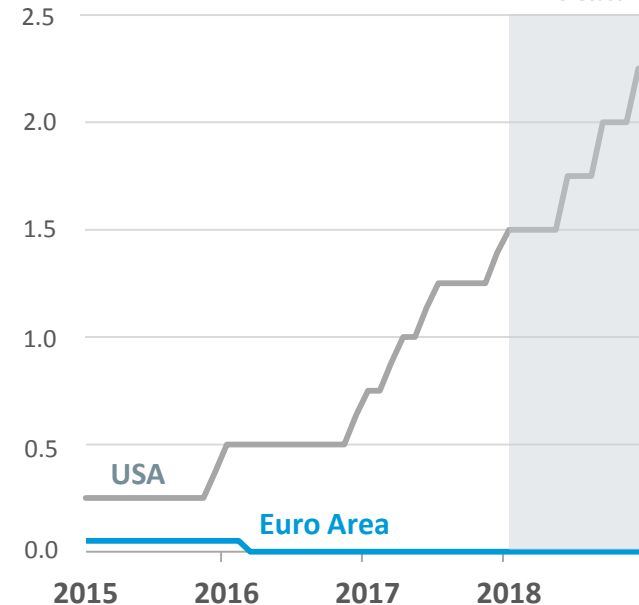
Forecast



Official interest rates

%

Forecast



The Fed will continue raising rates ...



... and the ECB will probably do it in 2019

Spain and Portugal: Another good year ahead

Real GDP evolution

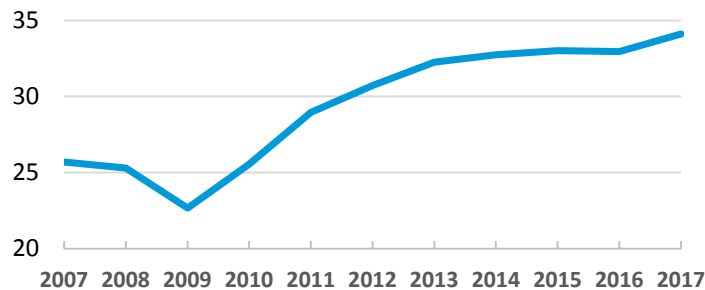
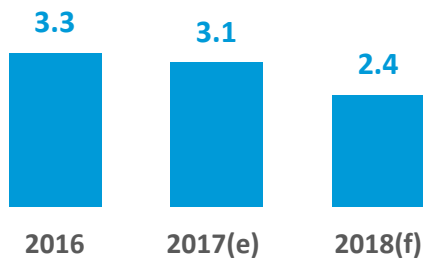
Year-on-year change (%)

Exports

In % of GDP

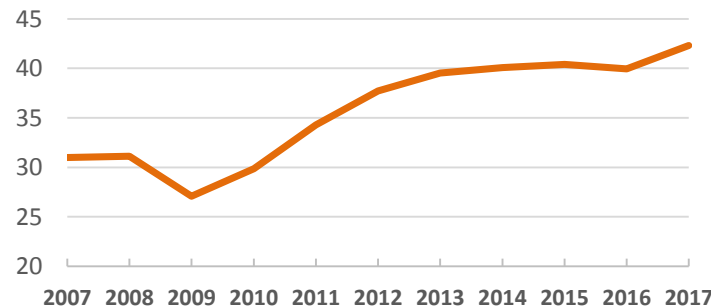
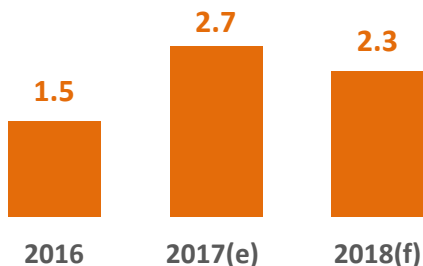
Challenges

Spain



- ▶ Continue creating employment
- ▶ Reduce public and external debt
- ▶ Reforms

Portugal



- ▶ Reduce public and private debt
- ▶ Youth employment
- ▶ Productivity

Positive trends in new lending and assets under management

Credit stock¹

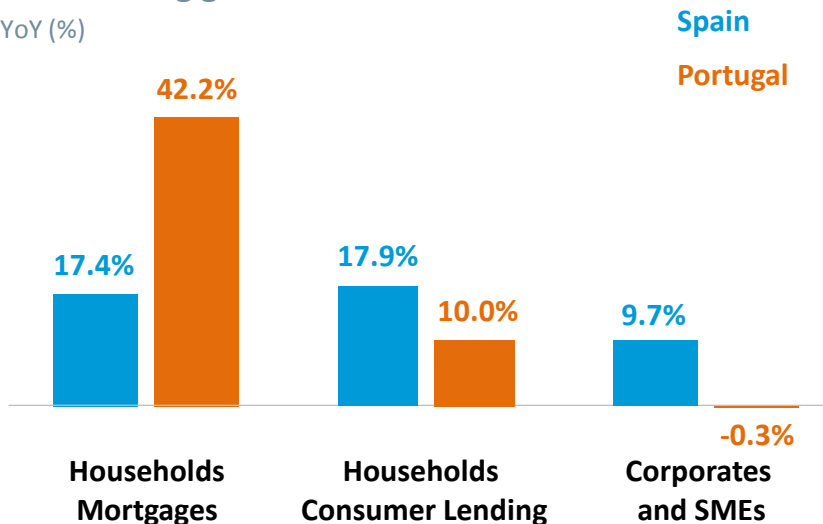
YoY (dec-17)

Spain
-2.0%

Portugal
-2.8%

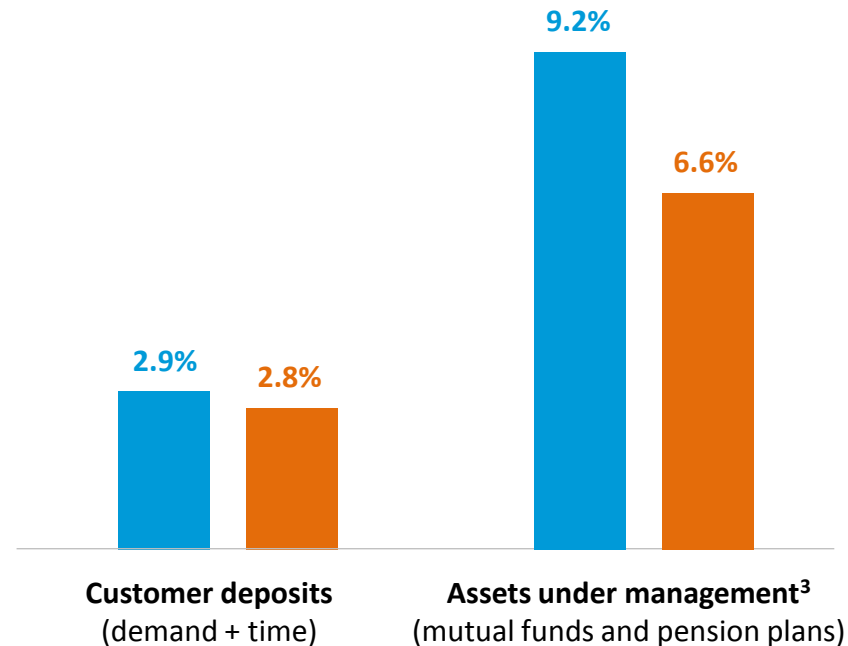
New lending growth²

YoY (%)



Customer funds growth

YoY (%)



Nota: ¹ Bank credit to the private sector. ² Does not include refinanced operations. Data for Jan-Dec for Spain and Jan-Nov for Portugal. ³ Pension plans in Portugal as at 3T2017.
Source: Bank of Spain, Bank of Portugal and ECB.

Outlook for the Spanish banking sector

A new scenario...

- ▶ **Stability of balance sheets**
- ▶ **Recovery of net interest income**
- ▶ **Declining NPLs**
- ▶ **Gradual improvement of profitability**
- ▶ **Reduction of regulatory uncertainties**

...but challenges still remain

- ▶ **Interest rates at minimum levels**
- ▶ **Cost control**
- ▶ **Reduction of problematic assets**
- ▶ **Digital transformation**
- ▶ **Banking Union**

Leadership in the Iberian peninsula

Improvements in results, strengthening balance sheet

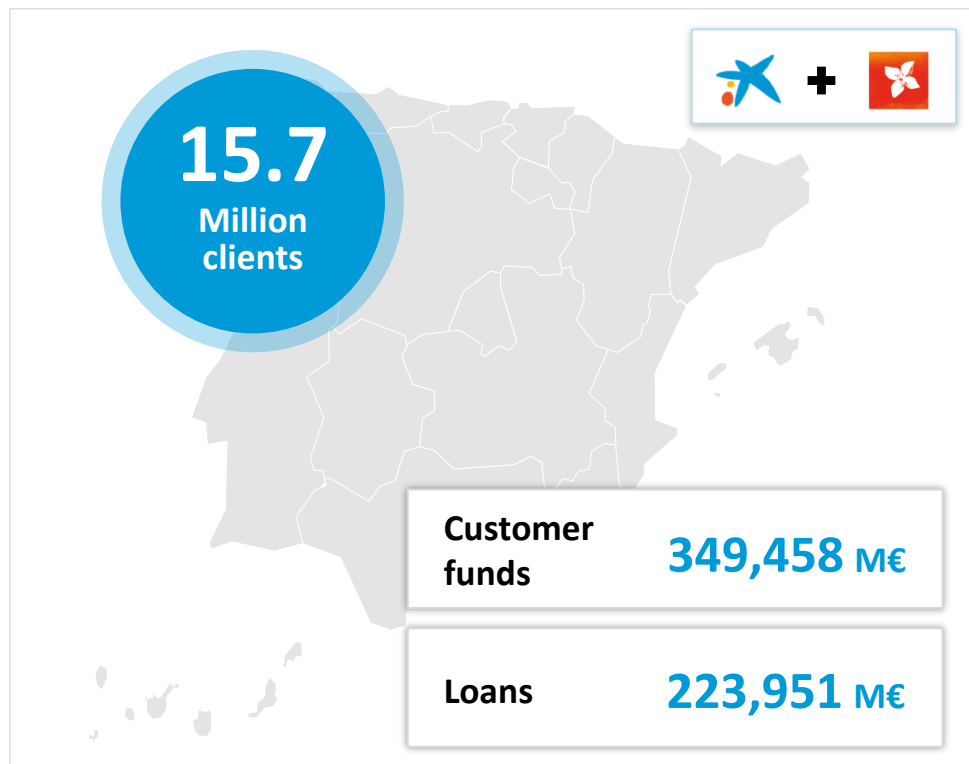
Excellent total return for shareholders

Completed the restructuring of “la Caixa” Group

Banking model with social responsibility



**2017:
A very positive
balance**

Retail banking leadership in the Iberian peninsula

Market shares in Spain

**Retail clients penet.
(primary bank)¹** **26.7%**

**Digital
Penetration²** **33.0%**

**Payroll
deposits** **26.3%**

**Long-term
savings³** **21.3%**

Nota: ¹ Retail clients aged 18 or above. Source: FRS Inmark 2017 "Comportamiento Financiero de los particulares en España".

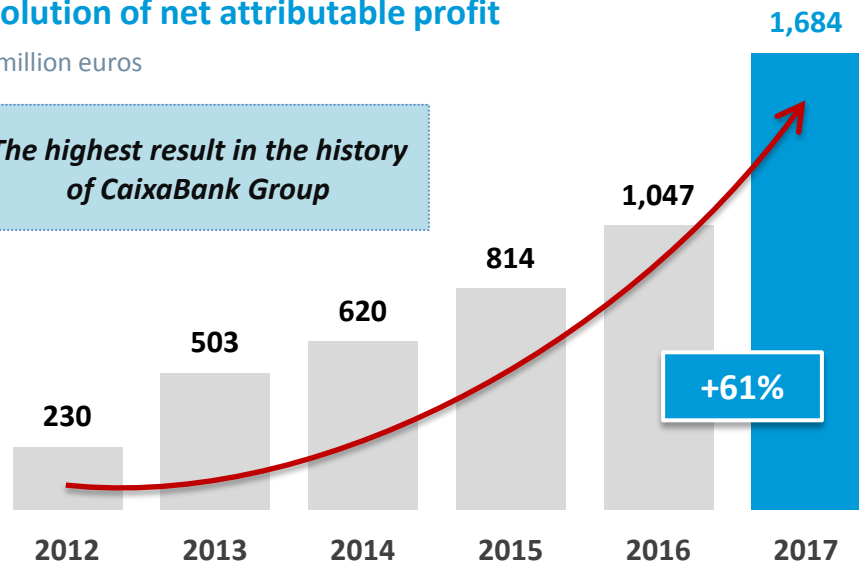
² Source: ComsCore (12-month average) ³ Includes pension plans, mutual funds and savings insurance. Source: INVERCO and ICEA.

Improvement in results and a stronger balance sheet

Evolution of net attributable profit

In million euros

The highest result in the history of CaixaBank Group



Revenue quality

Core revenues¹ +8% (ex BPI)

Positive trends for BPI

€ 176 M contribution²

NPLs

Sustained reduction

NPLs

-53% (vs. max.)³

Liquidity

Maximum levels

72,775 M€⁴

+ 22,367 M€ in year

Solvency

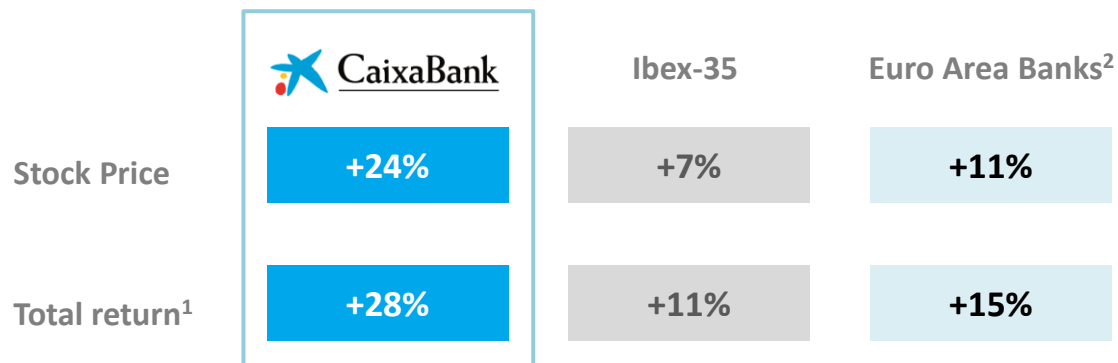
Significantly above requirements

CET1 FL
11.7%

Positive stock price evolution

Stock Price outperformed main reference indexes in 2017

Evolution 2017

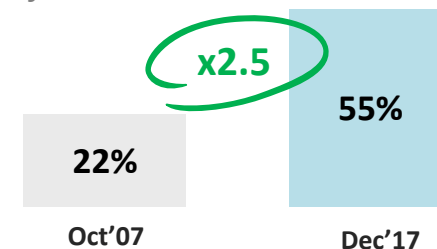


Attractive remuneration for shareholders

- ▶ **Cash pay-out > 50%**
- ▶ **2 cash dividends**
- ▶ **3.6%³ dividend yield**

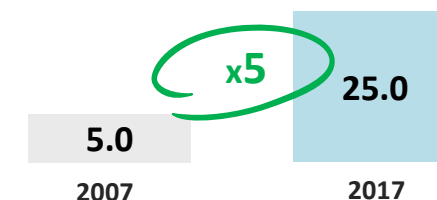
Free-float and trading volume continue to grow

Free float⁴



Trading volume

Average ratio (millions of shares)

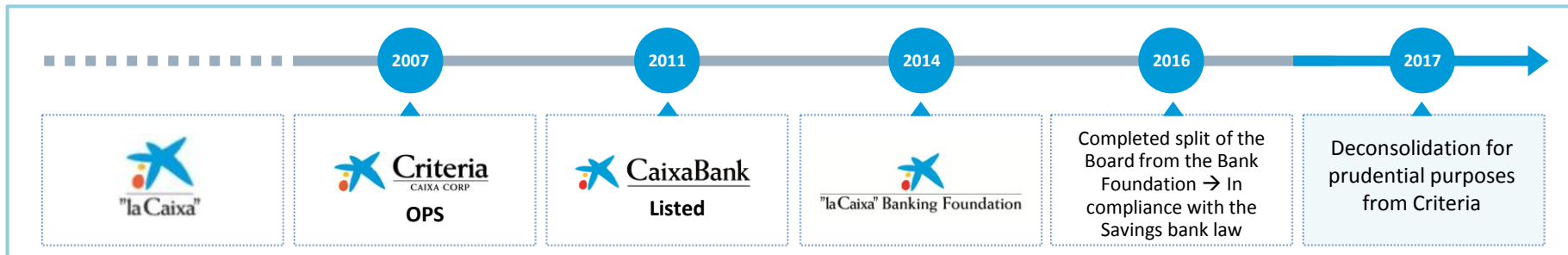


Note: ¹Including reinvested dividends. ² Eurostoxx Banks Index. ³Accumulated dividends paid in the last 12 months divided by price at 31 dec-17. ⁴Share of issued stocks excluding positions of own shares held, and those held by Board and executive members, by any other company targeting control or influence, and by shareholders with agreements with any of the aforementioned groups.

Source: Bloomberg and CaixaBank.

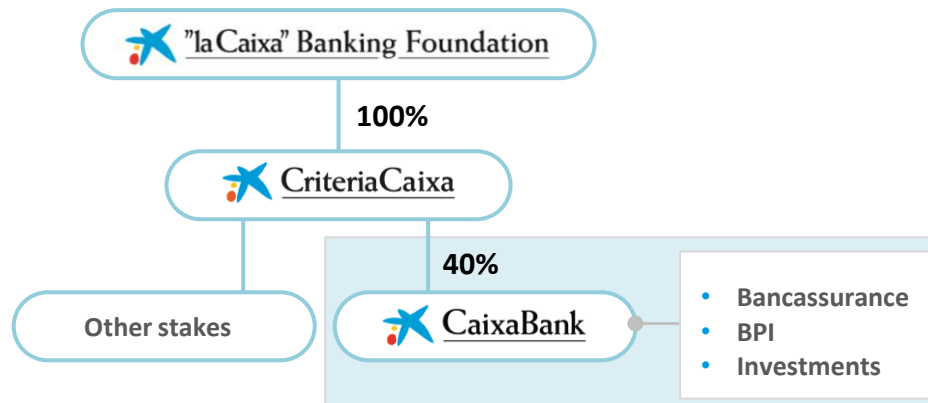
The restructuring of "la Caixa" Group was completed

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



Ended deconsolidation process of Criteria

- **Share of Criteria in CaixaBank: 40%**
(vs. 81.5% in Jun-11)
- **Criteria's financing: € 0.2 bn**
(-95% vs. Jun-11)
- **Majority of Independent Board members**
- **Appointment of Coordinator Board member**



A banking model with a strong social commitment



Integrity, transparency and good governance

Committed with the Objectives for Sustainable Development (OSD)

Top rating in corporate governance (ISS 2017)

Financial inclusion

MicroBank #1 in microfinance in Europe
Promote financial education

>4,000M€

Microloans since 2007

>90%

Coverage Spanish people



>32,000
Social housing

>5,500
Corporate volunteers

Social projects and volunteering

Housing support plan
Alliance with "la Caixa" Banking Foundation










Environment

Environmental criteria in doing business



Good progress of the Strategic Plan 2015-2018

		2014	2017	
	Quality and reputation	Client satisfaction ¹	#2	#1
	Profitability	ROTE	3.4%	8.4%
	Capital	Total Capital FL	14.6%	15.7%
	Digitalisation	Digital clients	45%	55%
	Human resources	Advisory training ²	 Universitat Pompeu Fabra Barcelona 	~10,500

Priorities 2018

- ▶ Digitalisation with a focus on customer experience
- ▶ Reduction of problematic assets
- ▶ Revenue diversification (consumer lending, business, advisory)
- ▶ Cost control
- ▶ Create value in BPI

ROTE 2018: 9-11%

¹ Ranking BMK Stiga, global client satisfaction. Ranking among big entities; ² Postgraduate degree in financial advisory.



Team + Values

Quality, Trust and Social Commitment

Strong profitability improvement

- **€1,684 M Profit attributable to the Group (+60.9%)**
 - *CaixaBank ex-BPI grows by 44.1%*
 - *BPI contribution: €176 M¹*

High profit quality

- **96% of revenues come from core banking activity ²**
 - *Trading income decreases by 66.7%*

Excellent activity evolution

- **Still improving our market shares**
- **Customer funds in Spain grow by €10,600 M**
- **Very positive evolution in Portugal**

Improvement in balance sheet's strength

- **NPL ratio reduction to 6.0%, much lower than sector ratio.**
- **High liquidity (€73 Bn in liquid assets)**
- **CET1 fully loaded: 11.7% and Total capital phase-in > 16%**

¹ BPI february – december

² Core revenues (NII + fees +AuM and insurance revenues)/ gross income

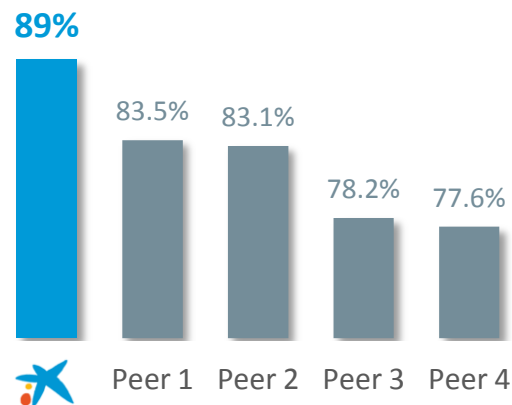
2017: CaixaBank consolidates its benchmark position in Spanish retail market

30.0%
Market penetration among individual customers¹

+50 bps vs. 2016

26.7%
Main bank among individual customers¹

+100 bps vs. 2016

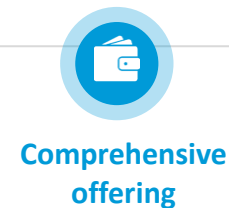
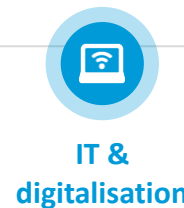
 Consolidated customers index²


Very good year in commercial terms

- Consolidated customers increase
- 26.3% of payroll deposits are in CaixaBank
- Very active in launching new commercial initiatives



Best bank in Spain 2017

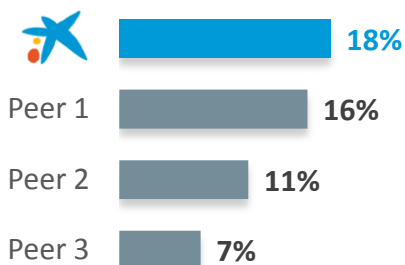
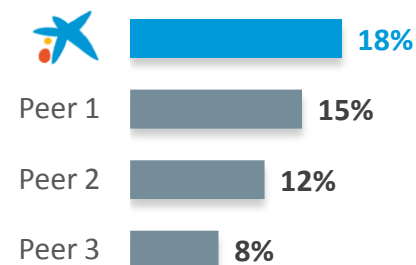
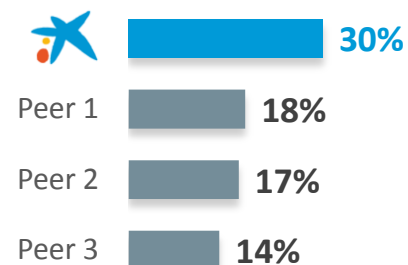
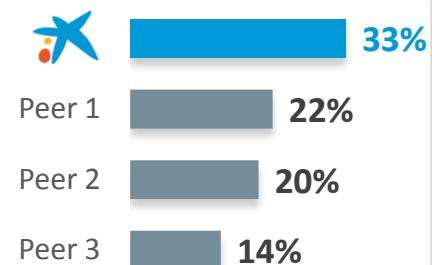


¹ Retail clients over 18 years

² Penetration as main bank among individual customers / total market penetration among individuals customers (over 18 years). Peers: Bankia, BBVA, Sabadell & Santander (with Popular)

Source: FRS Inmark 2017 "Financial behaviour of individual customers in Spain" (peers: BBVA, Santander + Popular & Bankia)

Physical capillarity leadership and a higher one in digital

 Branches market share in Spain ¹

 ATM market share in Spain ²

 Penetration among indiv. customers ³

 Penetration among digital customers ⁴

 4,681 *retail* branches in Spain & 193 specialized branches

Business model specialized and tailored to suit needs

SMEs bank, CIB bank, entrepreneurship bank, Private Bank
Premier Bank, AgroBank, HolaBank...


 15,7 M
customers*

¹ Branches and ATMs in Spain, as of September 2017 ² Peers data: estimates based on public information ³ Retail clients over 18 years (FRS Inmark-2017)

⁴ Data available (12 months average) as of September 2017. * 13.8 M in CABK

Still boosting our omnichannel model to ensure maximum customer proximity

55%

 Of our customers are digitals¹

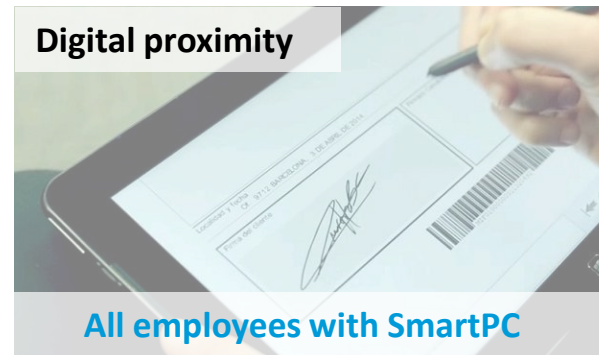
 Ongoing growth in mobile banking customers **+15%**

 “Muro” since 2012
 (for SMEs, Private and Premier bank)

Ready to Buy

New CaixaBank App

Digital proximity



All employees with SmartPC

99%

Digitalized process


98%

Digital signatures



Continuous innovation



- Financial App **best rated**
 - >2M** operations performed
- 

 Mis **Finanzas**

- >3,0 M** users
- Launching of **Mis Finanzas** multi-entity

CaixaBank Pay

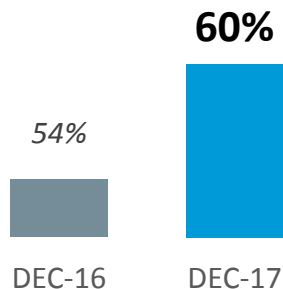

¹ Customers of 20-74 years old that have been operating in last 12 months

Oriented client team → Advisory model consolidation in 2017

530
managers

1.950
managers


AuM + insurance / total funds segment



~70%
Families of the segment under advisory contract

€168 Bn

 Managed funds in long term savings ¹
~85%

Mutual funds owned by clients under advisory contract

+100% vs. 2016

Discretionary managed portfolios

10,500

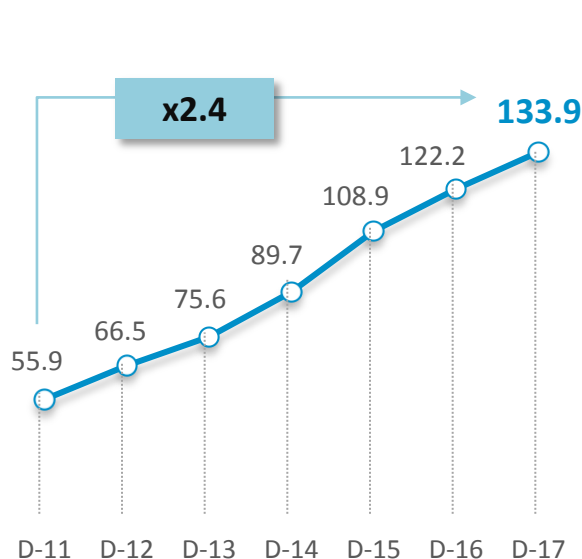
Certified advisors (Spain)


Best Private bank entity in Spain
Digitalisation: key tool in our model
¹ Including own funds, funds from third parties and managed portfolios

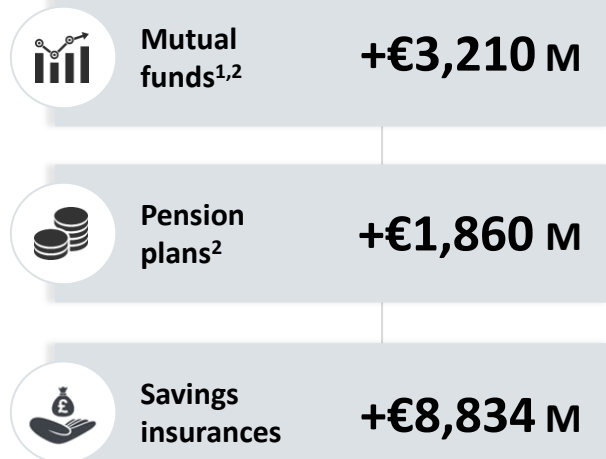
Leaders in management of medium and long term savings

Medium and Long term savings, in €Bn

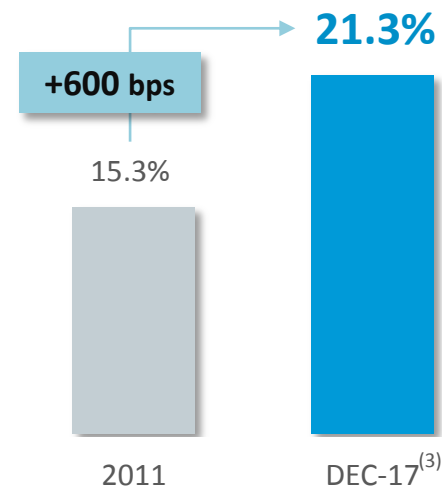
CaixaBank, without BPI: Savings insurance, pension plans and mutual funds¹



Subscriptions, prima and contributions 2017



Market share of savings insurances, plans and own mutual funds by managed funds (%)



Source: INVERCO and ICEA

¹ Including own funds, funds from third parties and managed portfolios

² Net subscriptions

³ Market share of own funds, plans and savings insurance

Sharp increase in customer funds

CaixaBank, without BPI

Customer funds
€ 314.5 Bn YTD
+ € 10.6 Bn

FEB, 1st 2017

BPI Balance
 sheet
 integration

CaixaBank Group



Customer funds
€ 349.5 Bn YTD
+ € 45.6 Bn

CaixaBank, without BPI

In %

Deposits (demand + time¹)

Insurance

Mutual funds²

Pension plans

YTD
 without BPI

+1.2%

+13.7%

+7.8%

+6.8%

CaixaBank Group

In %

Deposits (demand + time¹)

Insurance

Mutual funds²

Pension plans

YTD CaixaBank
 Group

+12.9%

+23.9%

+18.0%

+17.7%

¹ Includes retail debt securities

² Includes managed portfolios

Ongoing positive dynamics in loan production

New lending growth (2017 vs. 2016)



Consumer lending
+15% vs. 2016



SMEs¹
+16% vs. 2016

FamilyIlusiones

Close to clients to offer agile solutions

- Preauthorised loans “with 1 – click only”
- Full coverage of all consumer lending universe

Strategic alliances and commercial agreements at the point-of-sale



Compra Estrella

258,000

TV, cell phones...
in 2017 at 0%



8,350

Autos commercialized
at the branch

Telefonica

450,000

Cell phones financed
in 2017

MediaMarkt



¹ It does not include loans to big corporations. It takes into account new lending and credit accounts

Ongoing positive dynamics in loan production

New lending growth (2017 vs. 2016)



Consumer lending
+15% vs. 2016



SMEs¹
+16% vs. 2016



Specialisation and service quality

- 10 years of SME Bank launching
 - 116 specialized branches
 - 1,240 managers
- Continuous innovation to be closer to our clients → new initiatives

BusinessBank

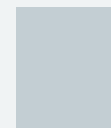


Market share of SMEs credit (non financial companies), stock

+81 bps

15,0%

14.1%



DEC-16



NOV-17

¹ It does not include loans to big corporations. It takes into account new lending and credit accounts

Continuous boosting of housing and SME loans



Loan book YTD

In %

Performing loans, *ex Criteria and public sector*

Gross loans detail:

	CaixaBank, without BPI
Loans to individuals	-2.0%
<i>o/w: consumer loans in Spain</i>	+22.4%
Corporates and SMEs	+4.0%
RE developers	-14.6%
Criteria Caixa and F.B. "la Caixa"	-85.2%
Public sector	-15.6%

¹ Gross credit – NPL

² Of Performing loans, excluding public sector and Criteria funding

Very good evolution also in Portuguese

Market share and YTD

Penetration among individual customers

13.7%

Payrolls deposits

10.8% +10 bps

Life insurance

12.7% +30 bps

Consumer lending

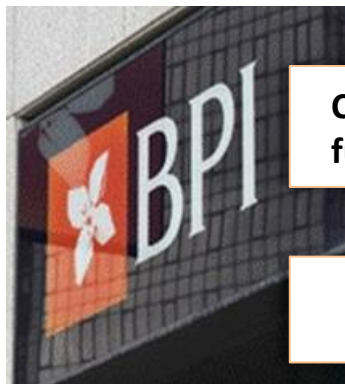
11.2% +60 bps

Mortgages

11.2% +20 bps

SMEs lending

8.3% +60 bps



Commercial activity, YTD

Customer funds

+5,6%

Mutual funds

+12.7%

Businesses loans¹

+6.4%

Results, YTD

Revenues²

+3.1%

Recurrent expenses

-5.3%

Contribution to CABK

+€ 176 M
(february-dec.)



BPI “bank with higher quality service”

¹ Corporate and SMEs Portugal

² NII + fees

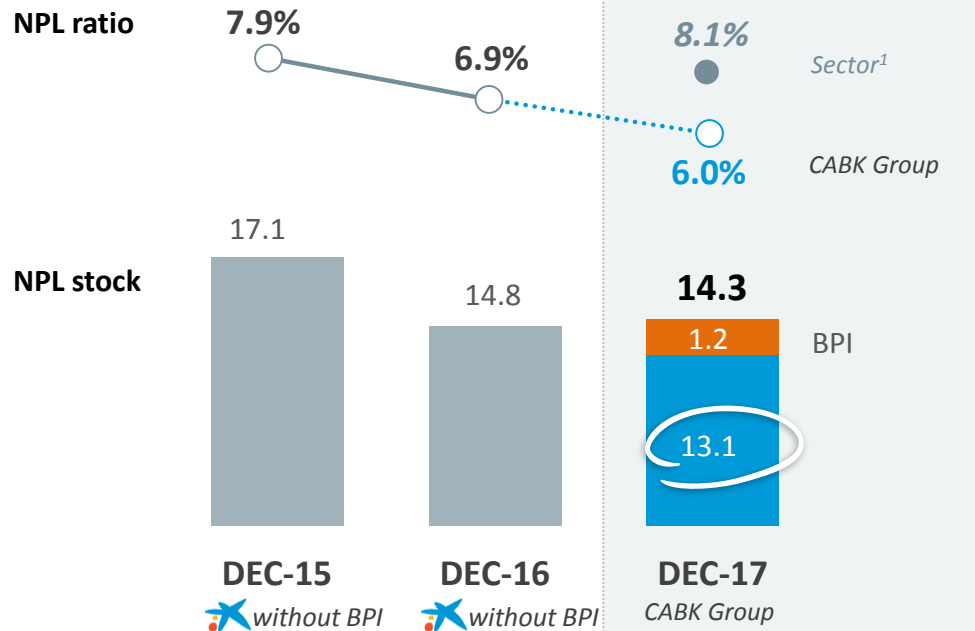
Note: Published data by BPI

Source: APFIPP, APS, Banco de Portugal, BPI Gestao de Activos, BPI vida e Pensoes, BASEF Banca and INE

Sustained decline of NPL

NPL evolution (ratio and stock)

In €Bn and %



Sustained reduction of NPL ratio

6.0% NPL ratio

Coverage improvement

50% Coverage ratio

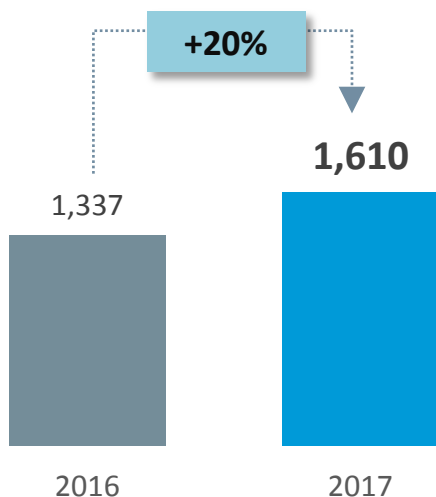
€ 7,1 M Allowances

¹ As of November 2017

High level of foreclosed assets, with positive results

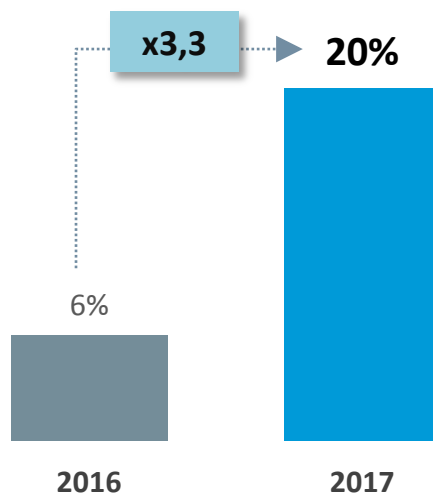
OREO Sales ¹

In €M



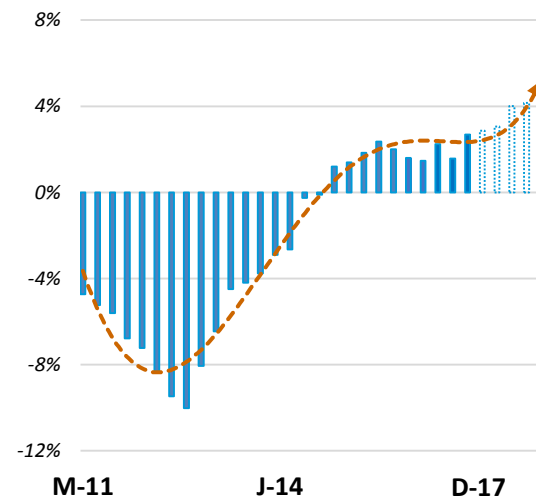
OREO sales results

As % of net book value



Housing prices

Housing prices evolution in Spain and forecast ² (yoy, %)

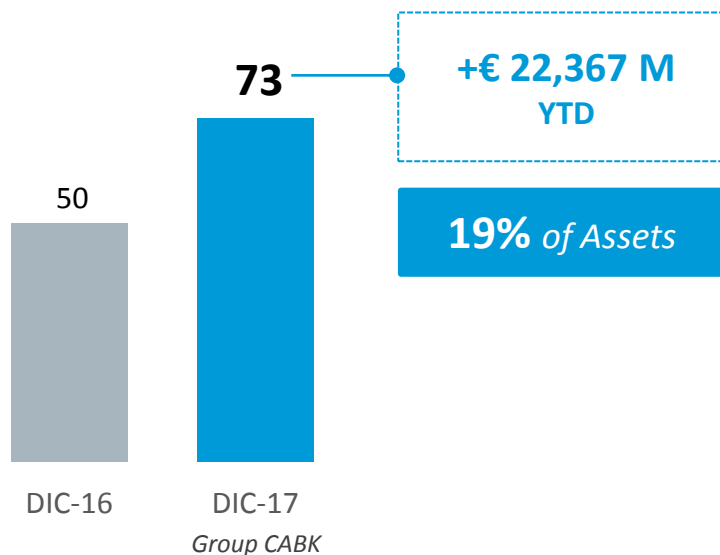


¹ at sales price. OREO = Other Real Estate Owned: foreclosed real estate assets available for sale

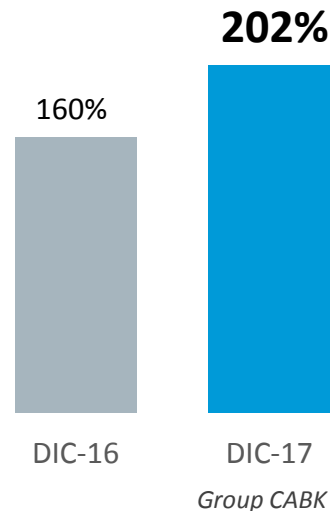
² CaixaBank Research

Reinforced liquidity throughout the year
Total liquid assets evolution

In €Bn


LCR ratio evolution

In %


Successful access to markets
€ 6,750 M
 issued in 2017

- € 1.5 Bn** Covered Bonds
- € 1.0 Bn** Senior
- € 2.0 Bn** Subordinated
- € 1.25 Bn** Non preferred
- € 1.0 Bn** Additional Tier1

Strong solvency ratios

CaixaBank Group, as of 31 December 2017

	Phase-in	Fully loaded
CET1	12.7%	11.7%
Tier 1	12.8%	12.3%
Total Capital	16.1%	15.7%
Leverage ratio	5.5%	5.3%





CaixaBank

Results

2017

Results and profitability improvements

CaixaBank Group, in €M	2017	YTD	YTD without BPI ²
Net interest income	4,746	14.2%	+5.1%
Net fees and commissions	2,499	19.5%	+6.3%
Income and exp. from insurance	472	51.9%	+51.9%
Income from investments & associates	653	(21.1%)	
Trading income	282	(66.7%)	
Other operating income & exp.	(430)	5.6%	
Gross Income	8,222	5.1%	
Recurring expenses	(4,467)	11.8%	+1.0%
Pre-impairment income w/o extraord. Exp.	3,755	(2.0%)	
Extraordinary operating expenses	(110)	(8.7%)	
Pre-impairment income	3,645	(1.8%)	
Loan impairment losses and others	(1,711)	60.0%	
Gains/losses on asset disposals & others	164 ¹	-	
Pre-tax income	2,098	36.4%	
Taxes, minority interests & others	(414)	-	
Profit attributable to the Group	1,684	60.9%	+44.1%

1 Increase of core revenues

- Lower extraordinary activities in trading income
- Lower contribution from investments and associates
→ Enforcement of IAS29 in BFA in 4Q

2 Cost discipline

- ### 3 Lower Cost of risk
- (0.34%, -12bps vs. 4Q-16)
- 2016: Annex IX impact

Higher result in history

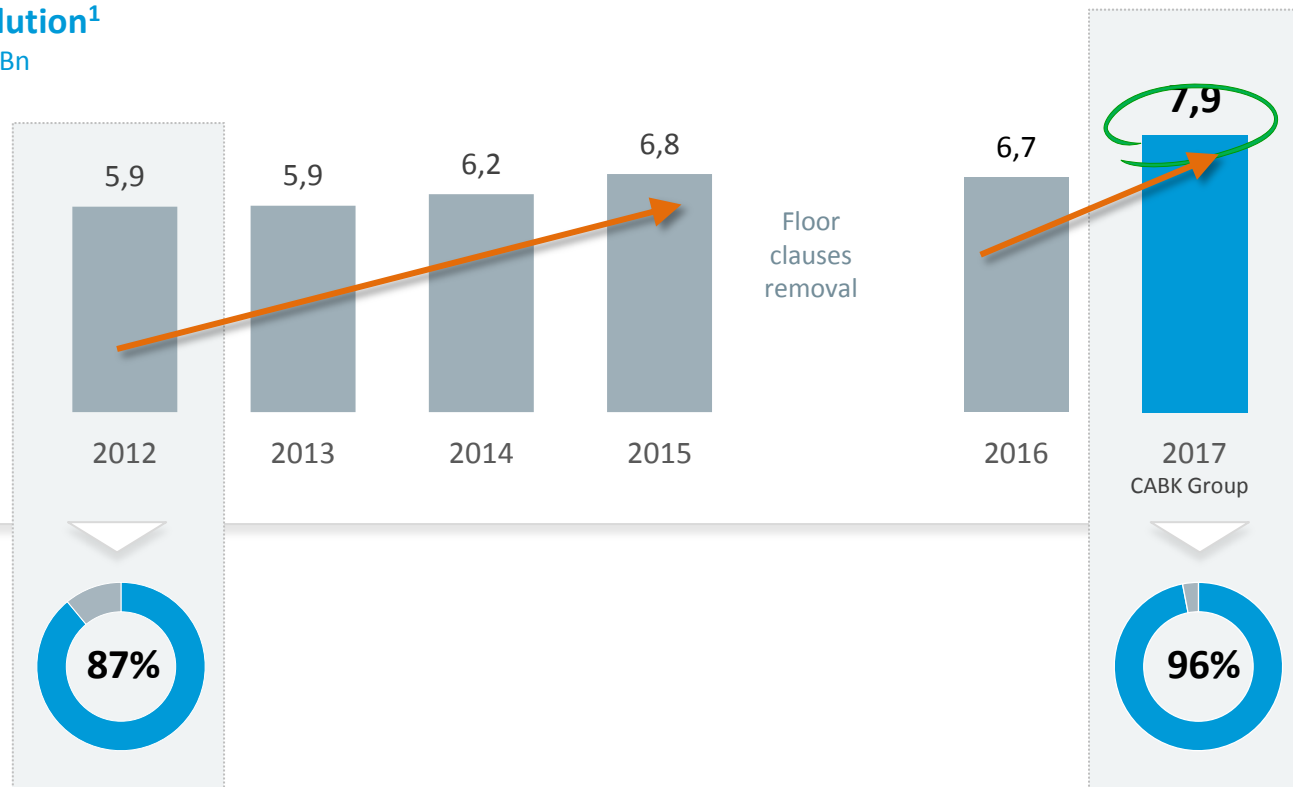
¹ Includes net result of business combination with BPI

² Without BPI contribution after integration in CaixaBank Group in February 1st 2017

The evolution of core revenues reflects the strength of our model

core revenues evolution¹

Trailing 12 months, in € Bn

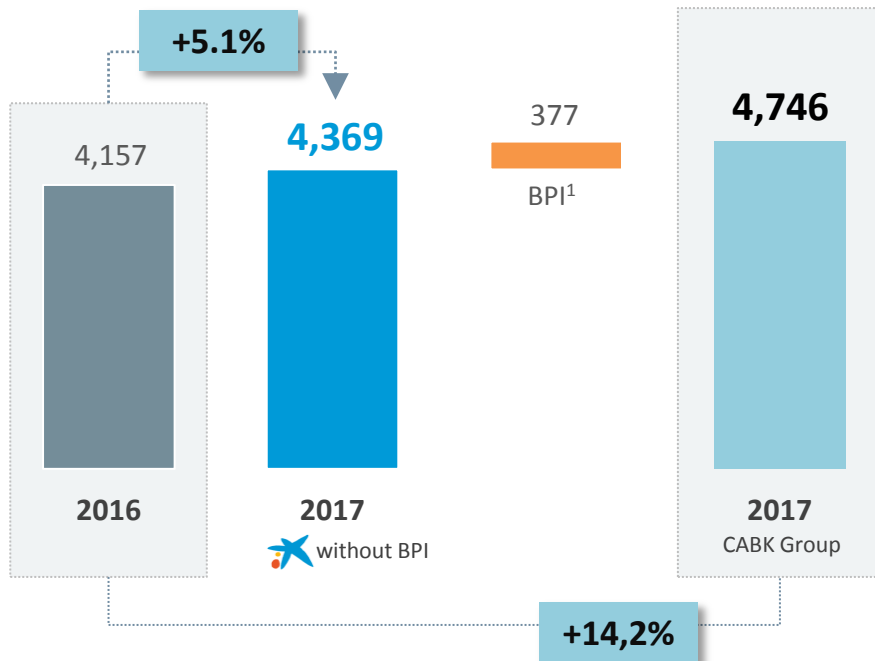


¹ NII + Fees + other revenues from insurance (life-risk premia and equity accounted income from SegurCaixa Adeslas)

Net interest income: recovery although market conditions

NII evolution

In €M



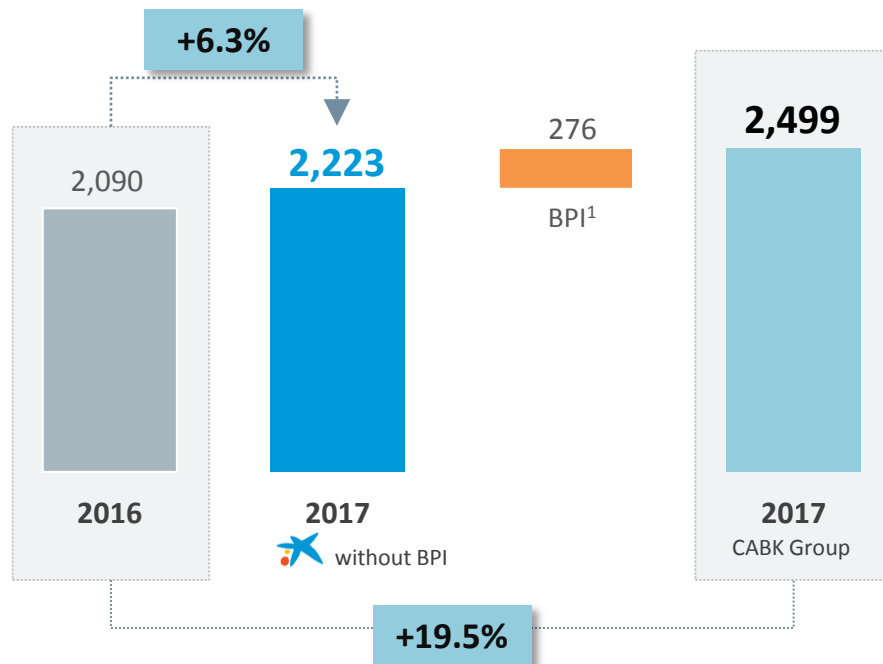
The higher recurrent activity and the lower liabilities costs offset the still negative depreciation of credit

¹ BPI February - December

Fees increase supported by savings diversification and BPI contribution

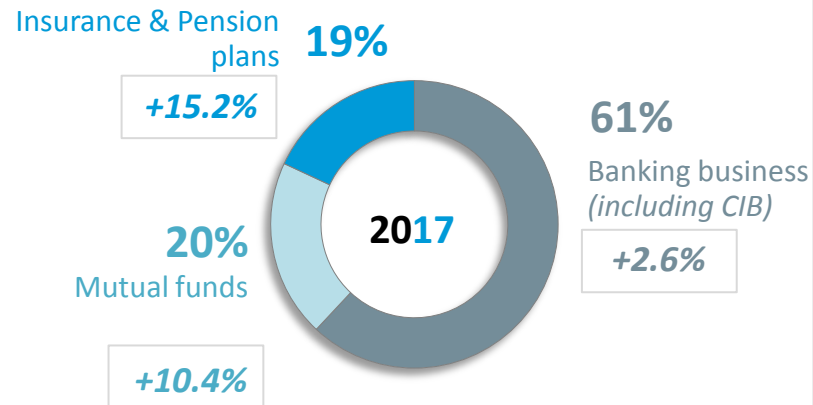
Net fees and commissions evolution

In €M



Fees breakdown by segment and annual growth

CABK without BPI



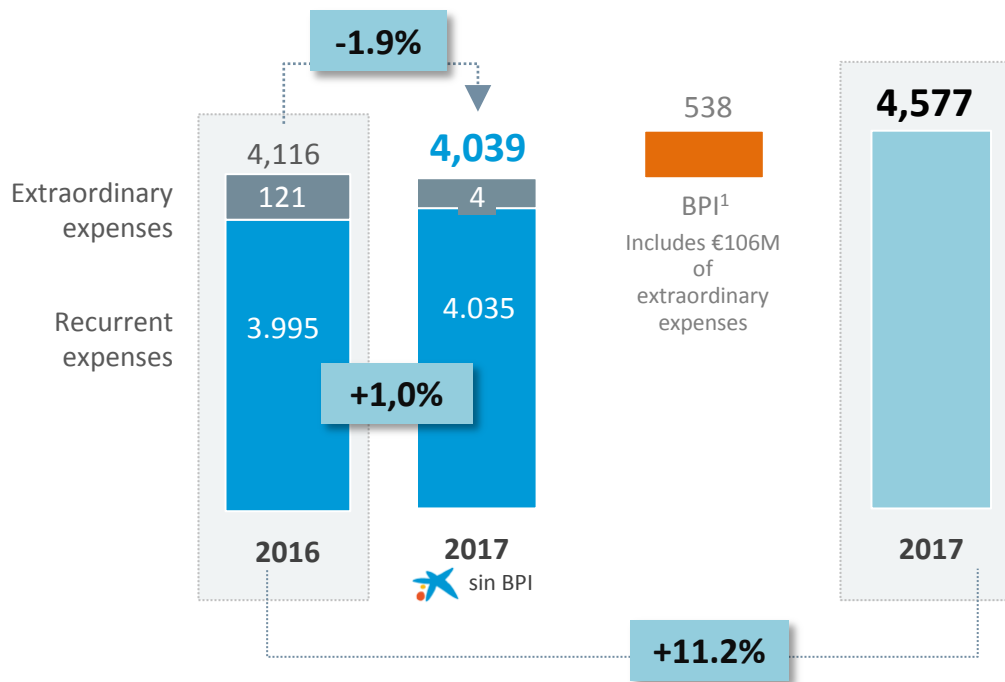
- Strength in insurance and asset-management businesses are key contributors to fees increase

¹ BPI February - December

Strict costs discipline coexists with a higher investor effort

Recurrent expenses

In €M



Extraordinary events

- CABK → 2 labour agreements
 - 960 early retirements
 - € 104M savings/year

- BPI → costs and revenues synergies of € 120 M

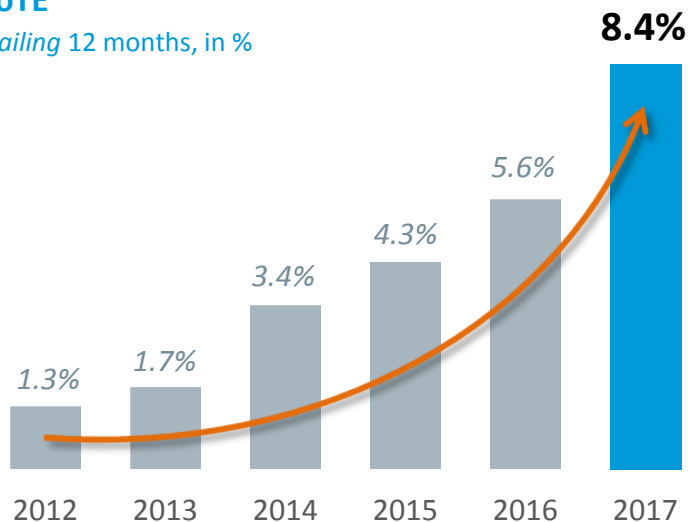
¹ BPI February - December

² Recurrent expenses and core revenues (NII+ fees+ other insurance revenues - includes SegurCaixa Adeslas-)

Strong profitability improvement based on higher core banking revenues

RoTE

Trailing 12 months, in %



Excellent positioning

- *Spanish leader in retail banking*
- *Business growth also in Portugal*

Profitability recovery

- *CaixaBank's best year*
- *Based on recurrent results*

Good progress in credit

- *Support to consumer lending and SMEs*

Asset quality improvement

- *NPLs reduction and book coverage increase*
- *Better margins in OREO sales*

Excellent position to undertake the last year of the Strategic Plan

