



# Shareholders' Annual General Meeting

2018






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2018

Chairman **Jordi Gual**

## Economic and financial environment

-  Results 2017
-  Strategic Plan 2015-2018
-  A socially responsible bank

# Growth in the world economy is accelerating

## Real GDP

Annual growth, %

	2016	2017	2018 (F)
<b>World economy</b>	<b>3.2</b>	<b>3.7</b>	<b>3.9</b>
<b>Advanced economies</b>	<b>1.7</b>	<b>2.3</b>	<b>2.4</b>
USA	1.5	2.3	2.7
Euro Area	1.8	2.5	2.5
<b>Emerging economies</b>	<b>4.4</b>	<b>4.7</b>	<b>5.0</b>

## Outlook 2018

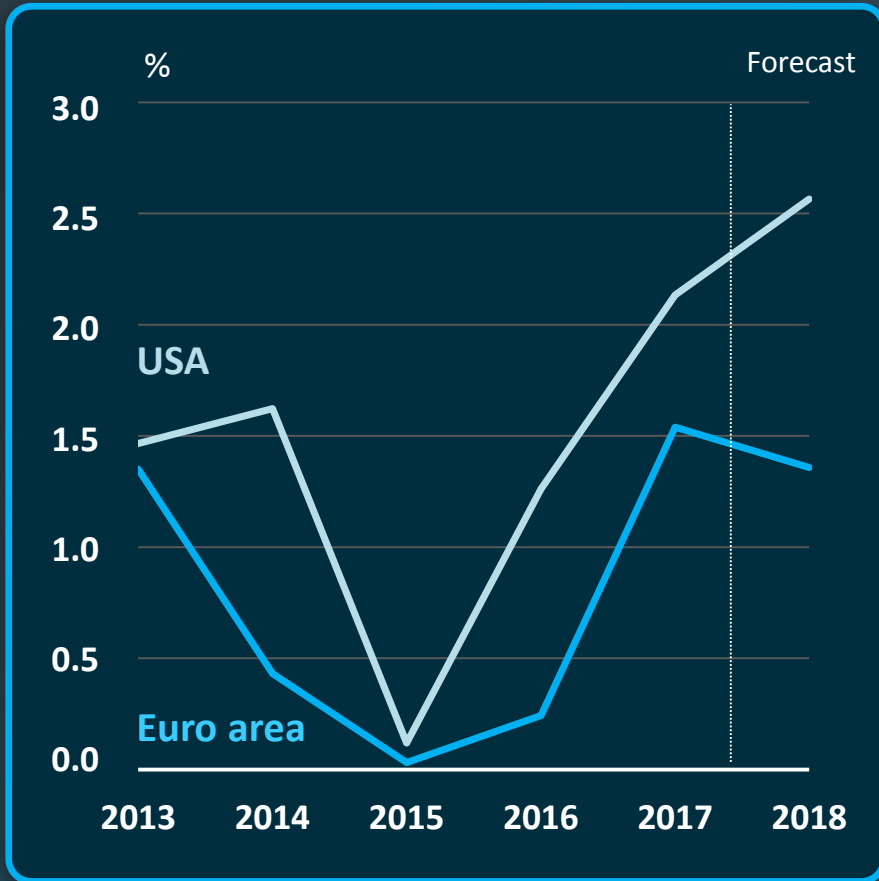
- ▶ **More dynamic and synchronized growth**
- ▶ **Balanced risks:**
  - ⬆️ Fiscal reform in the USA
  - ⬆️ Reforms in the Euro Area
  - ⬆️ Financial
  - ⬆️ Geopolitics and trade

Note: (F) Forecast.

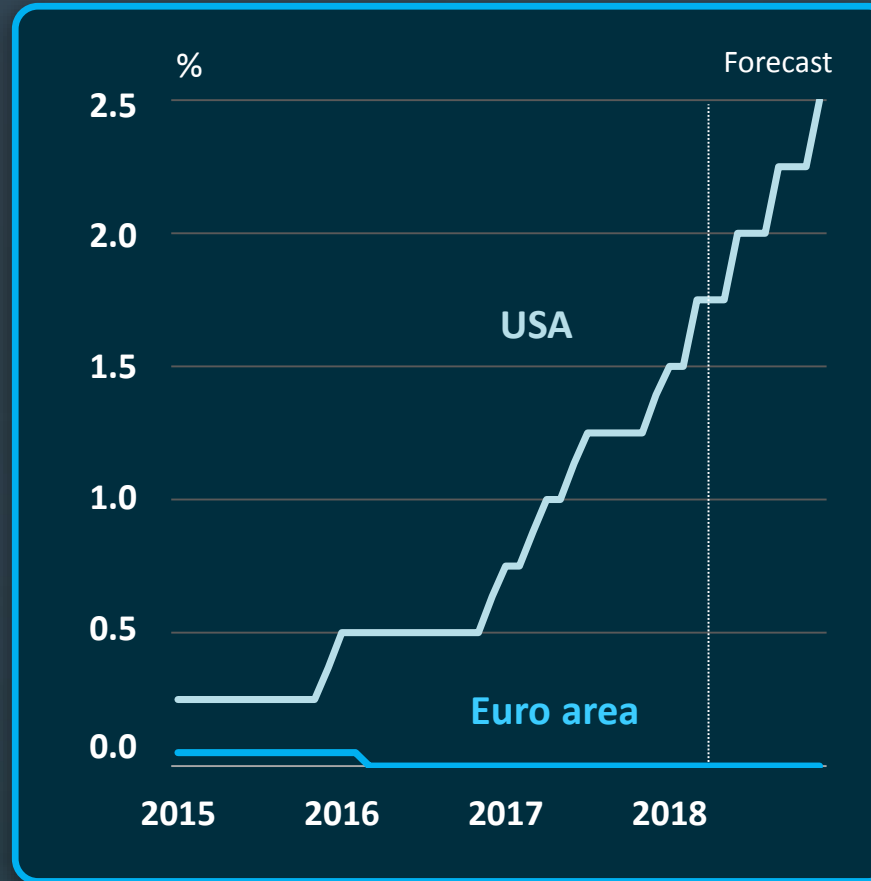
Source: CaixaBank Research.

# A context that justifies a gradual normalization of monetary policy

## Inflation



## Official interest rates



The Fed will continue raising interest rates...



... and the ECB is likely to do so in 2019

# Spain and Portugal: another good year ahead

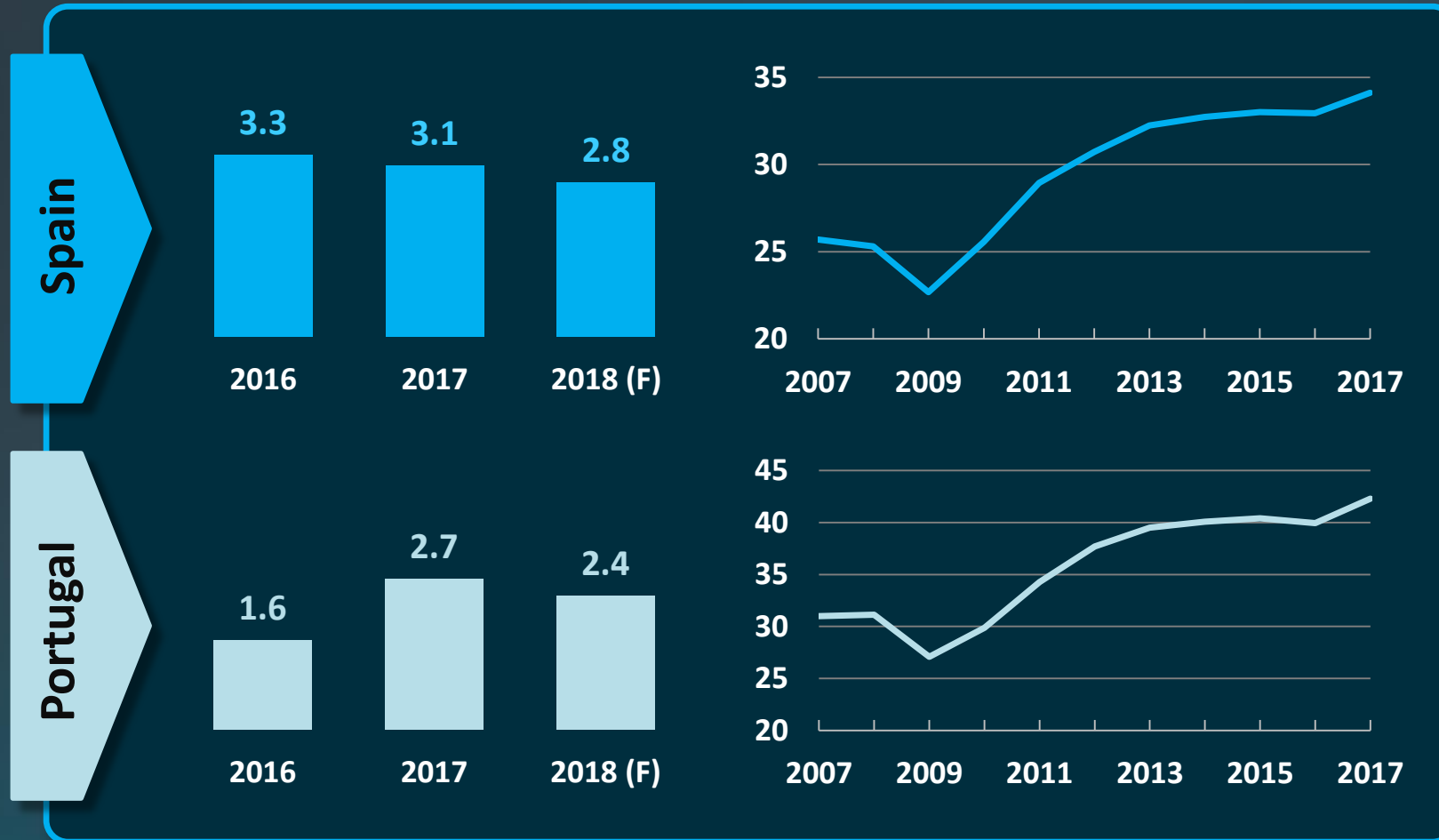
## Real GDP

Annual growth, %

## Exports

% of GDP

## Challenges



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

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

Note: (F) Forecast. Source: CaixaBank Research, based on data from INE.

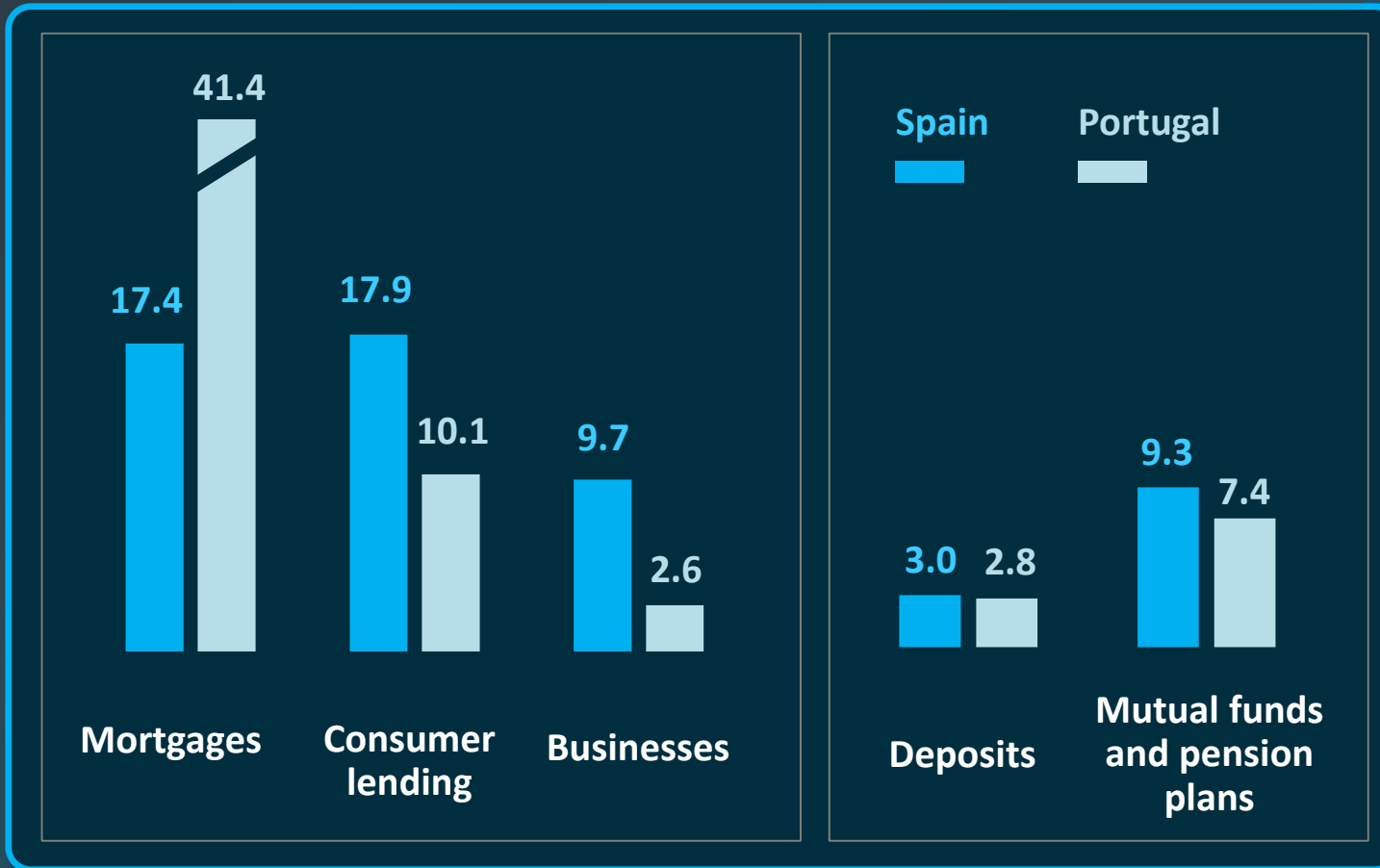
# Evolution of the banking sector in Spain and Portugal

## New lending<sup>1</sup>

Change in 2017 (%)

## Customer funds

Change in 2017 (%)



- ▶ Gradual improvement of profitability
- ▶ Reduction of NPLs, but still high levels of problematic assets
- ▶ Reduction of regulatory uncertainties
- ▶ Digital transformation

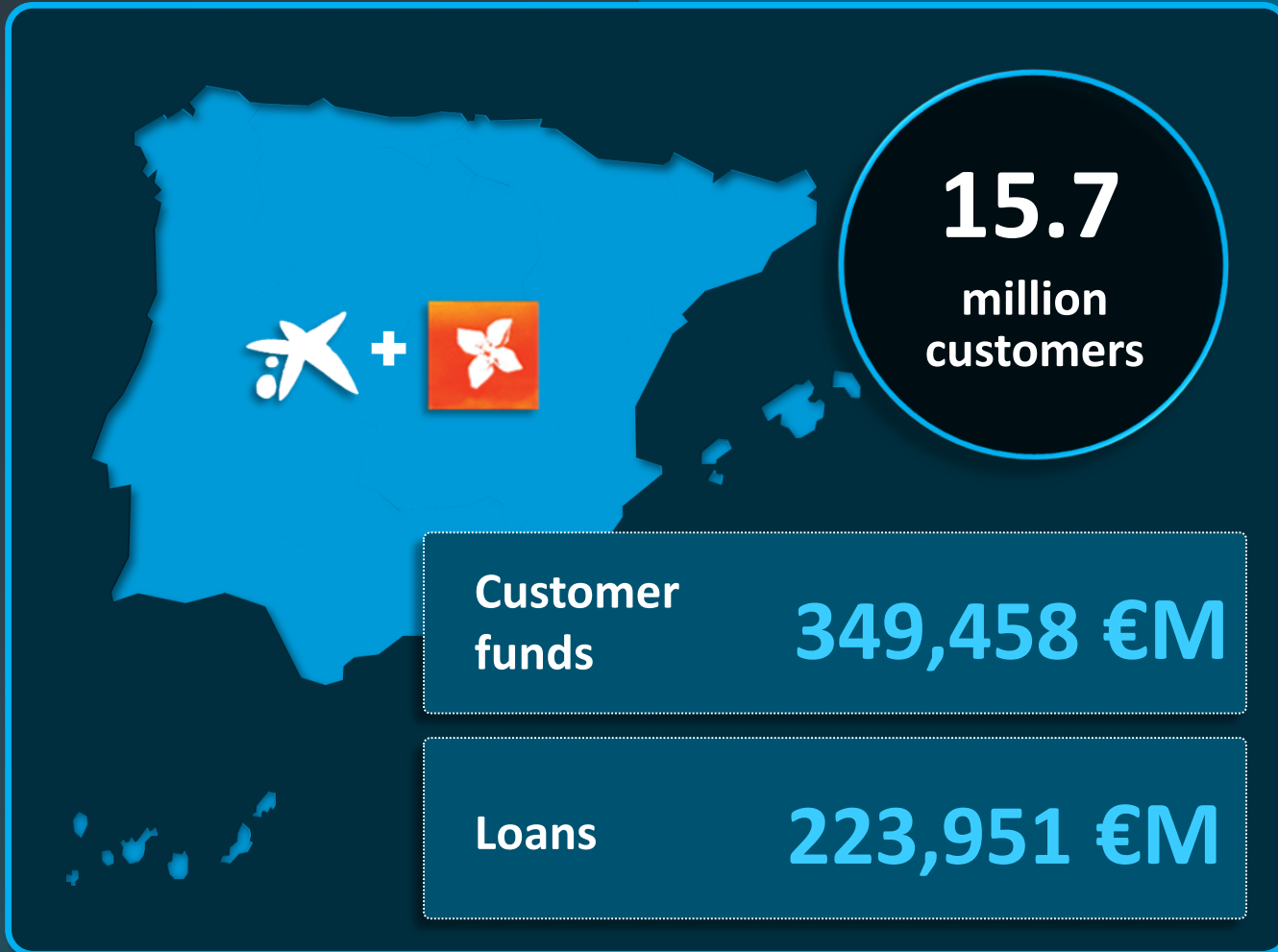
**Note:** <sup>1</sup> It does not include refinanced operations.

**Sources:** Bank of Spain, Bank of Portugal and ECB.

- Economic and financial environment
- Results 2017**
- Strategic Plan 2015-2018
- A socially responsible bank



# Retail banking leadership in Spain-Portugal



## Market shares in Spain

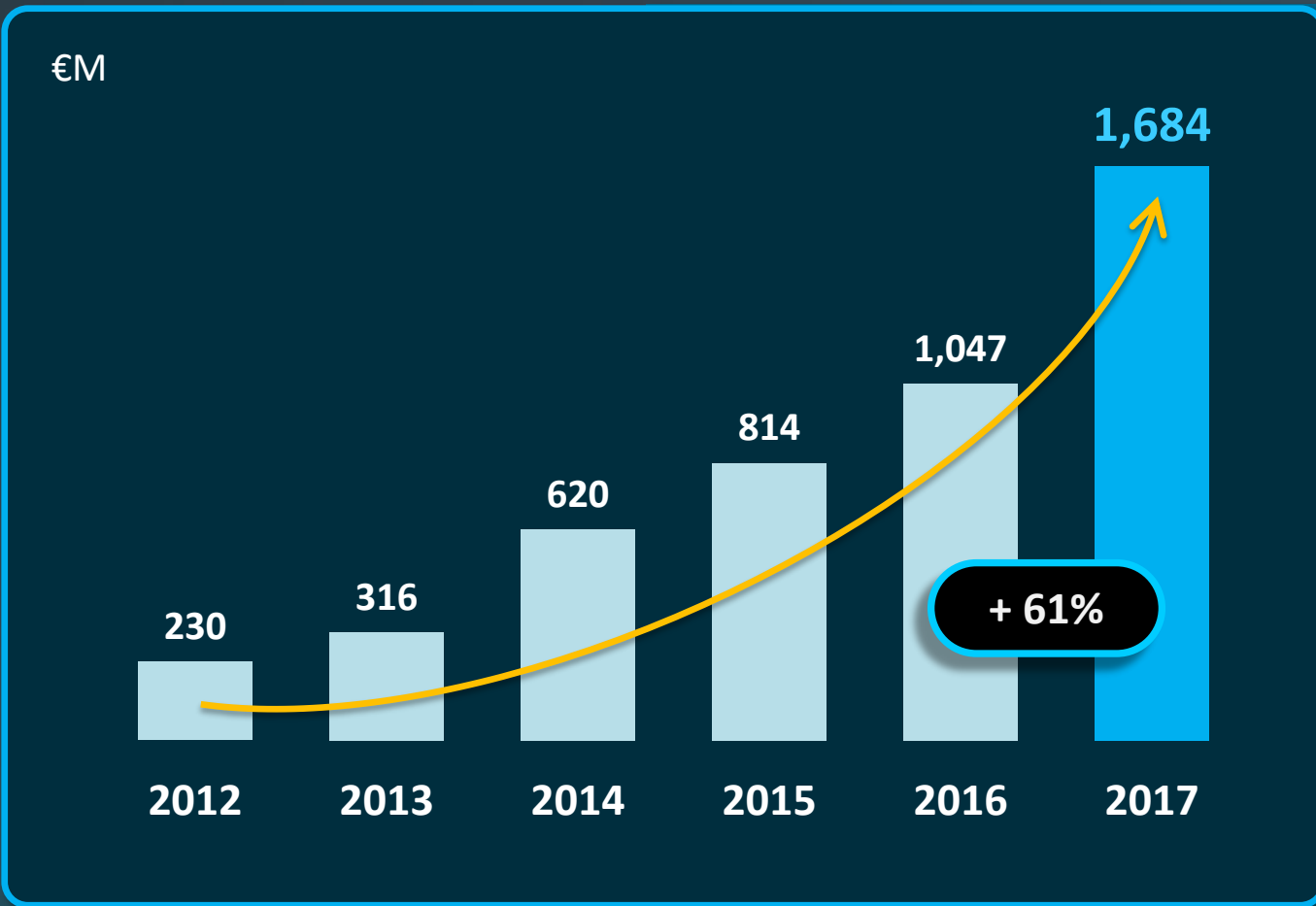
Retail clients penet. (primary bank) <sup>1</sup>	<b>26.7%</b>
Digital penetration <sup>2</sup>	<b>33.0%</b>
Payroll deposits	<b>26.3%</b>
Long-term savings <sup>3</sup>	<b>21.3%</b>

**Note:** <sup>1</sup> Retail customers aged 18 or above. Source: FRS Inmark 2017 “Comportamiento financiero de los particulares en España”.

<sup>2</sup> Source: comScore (data in Dec-17, 12-month average). <sup>3</sup> Includes pension plans, managed mutual funds and savings insurances (Source: INVERCO and ICEA).

# The bank earns record profits

## Evolution of net attributable profit



**NPL** NPL reduction **>50%** (from Jun-13)<sup>1</sup>

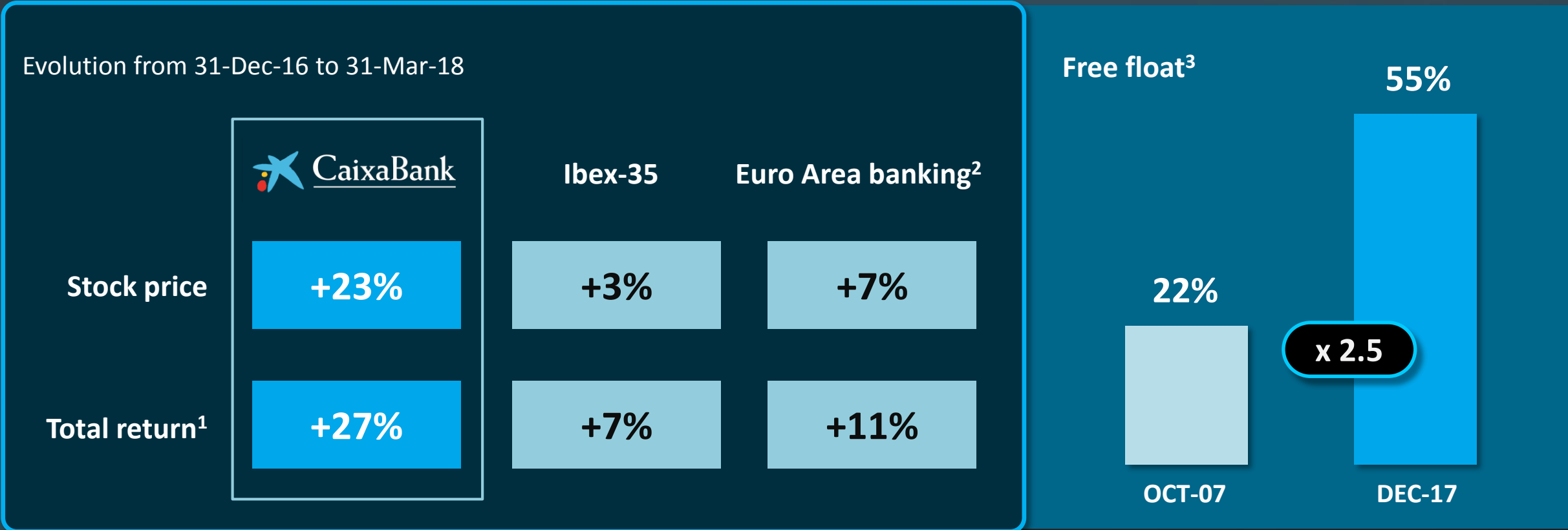
**Liquidity** **72,775** €M<sup>2</sup>  
+22,367 €M in year

**Solvency** CET1 FL **11.7%**

**Note:** <sup>1</sup> Pro forma with Barclays Bank SAU (ex BPI); <sup>2</sup>High Quality Liquid Assets (HQLA) and other assets eligible as ECB collateral.

# Stock price evolution

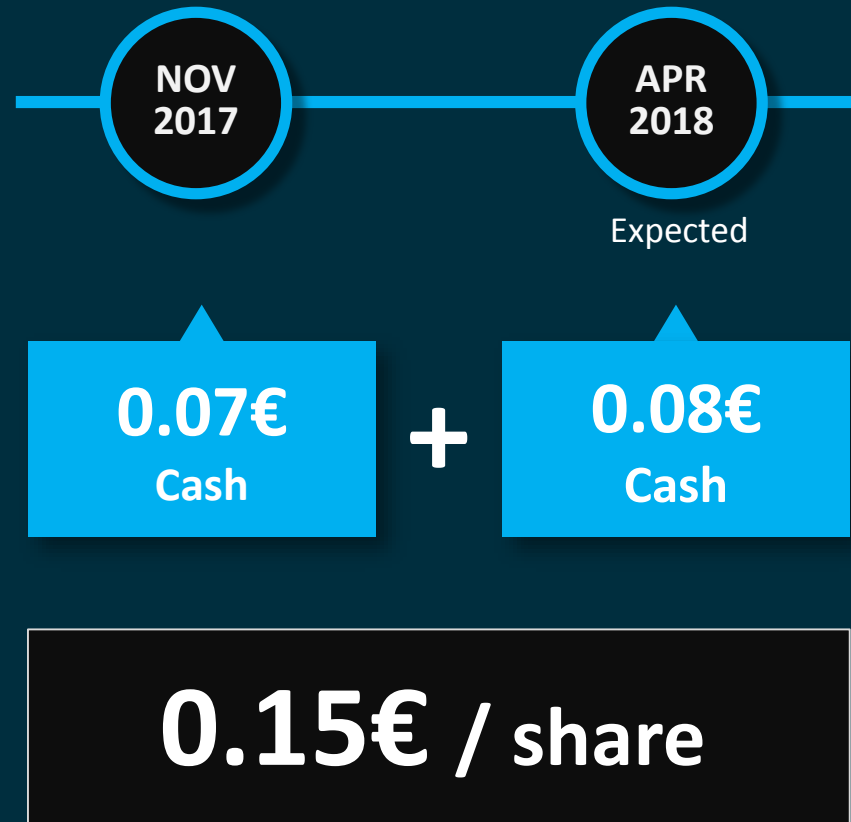
Stock price outperforms main indexes since the beginning of 2017



**Notes:** <sup>1</sup>Including reinvested dividends. <sup>2</sup>Eurostoxx Banks Index. <sup>3</sup>Share 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.

## Dividend policy. Remuneration 2017

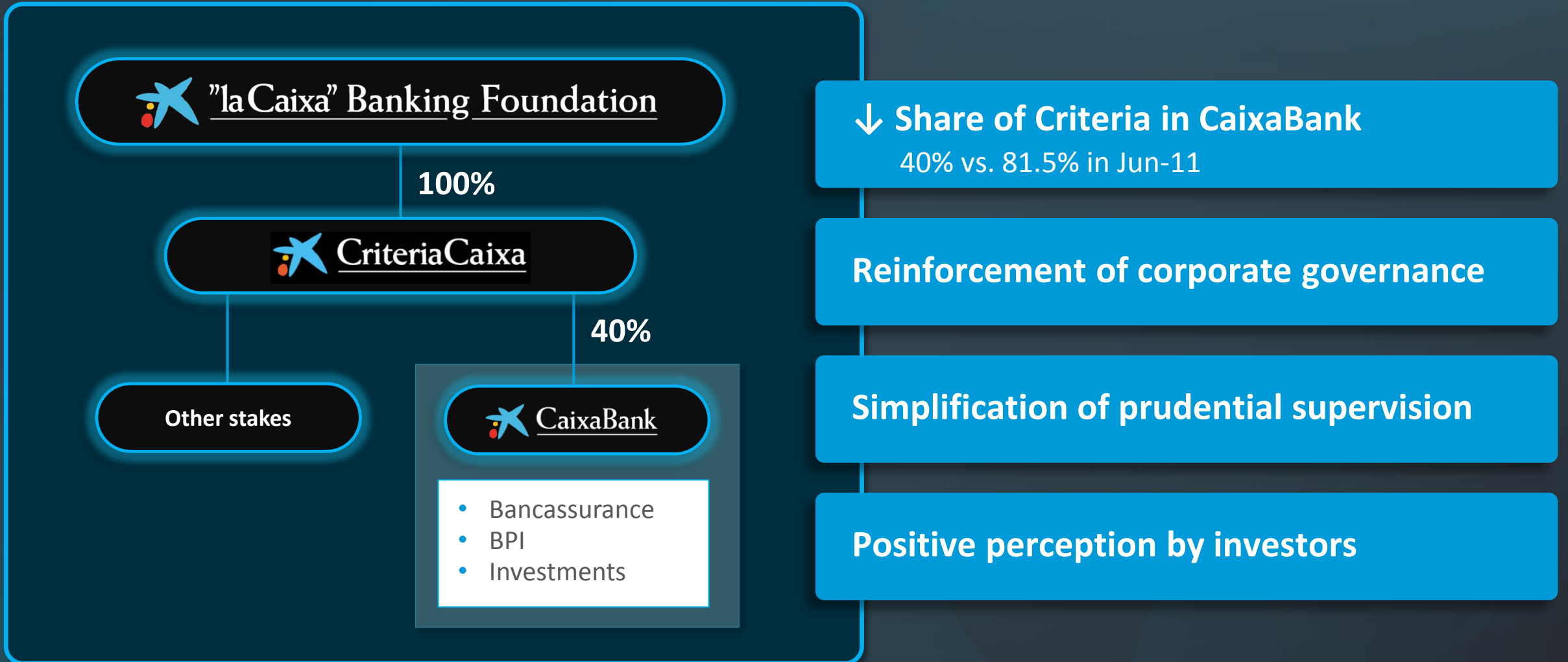


A very attractive remuneration for shareholders:

- ▶ In cash
- ▶ 53% pay-out
- ▶ Dividend yield<sup>1</sup>: +3.9%








Note: <sup>1</sup> Dividends from 2017 results, as a percentage of the stock price at the end of the year.

# The process of deconsolidation with Criteria has been completed



- Economic and financial environment
- Results 2017
- Strategic Plan 2015-2018**
- A socially responsible bank

## Our strategic goals have almost been achieved

		2014	2017
 Quality & reputation	Quality ranking <sup>1</sup>	2nd	1st
 Profitability	ROTE	3.4%	8.4%
 Capital management	Total Capital FL	14.6% <sup>2</sup>	15.7%
 Digitalization	Digital customers	45%	55%
 Human resources	Certificates in advisory services <sup>3</sup>	 	10,500

Coming soon...  
the new  
**Strategic Plan**  
**2019-2021**

Note: <sup>1</sup> BMK Stiga Ranking, global customer satisfaction. Ranking among big banks. <sup>2</sup> Pro forma Barclays Bank SAU. <sup>3</sup> Postgraduate degree in financial advisory.

- Economic and financial environment
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**Integrity,  
transparency and  
good governance**



Committed with the  
Objectives for Sustainable  
Development (UN)

Top score in corporate  
governance  
(ISS 2017)

**Financial  
inclusion**



**MicroBank #1st**  
in microfinance  
in Europe

Promotion of  
financial culture

**>90%** coverage of  
Spanish population

**Social projects and  
volunteering**



**>32,000**  
Social housing

Alliance with "la Caixa"  
Banking Foundation

**>5,500**  
Corporate volunteers

**Environment**



Environmental criteria in  
doing business

Participation in key  
environmental initiatives



- ▶ **A long-term vision**
- ▶ **Willingness to serve**
- ▶ **Ability to anticipate**
- ▶ **Financial strength**
- ▶ **A highly committed team**



# Shareholders' Annual General Meeting

2018

Thank you



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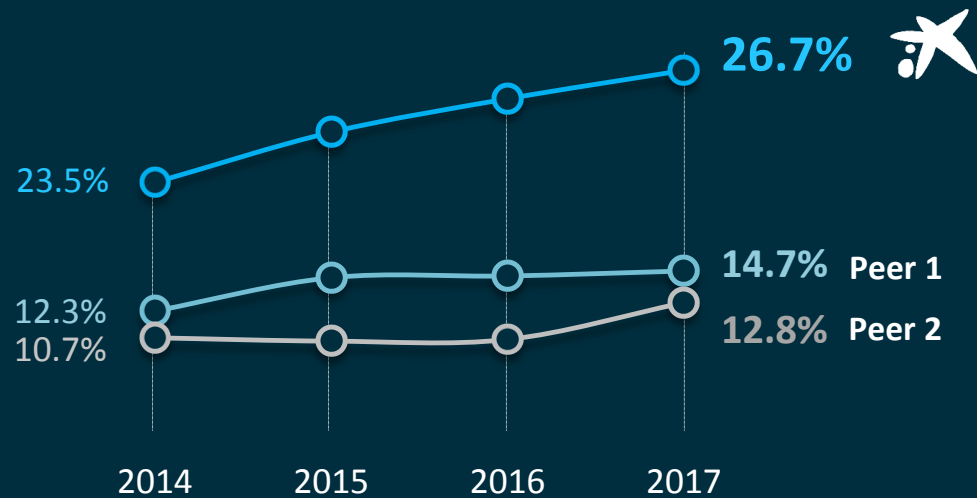
# Shareholders' Annual General Meeting

2018

Chief Executive Officer **Gonzalo Gortázar**

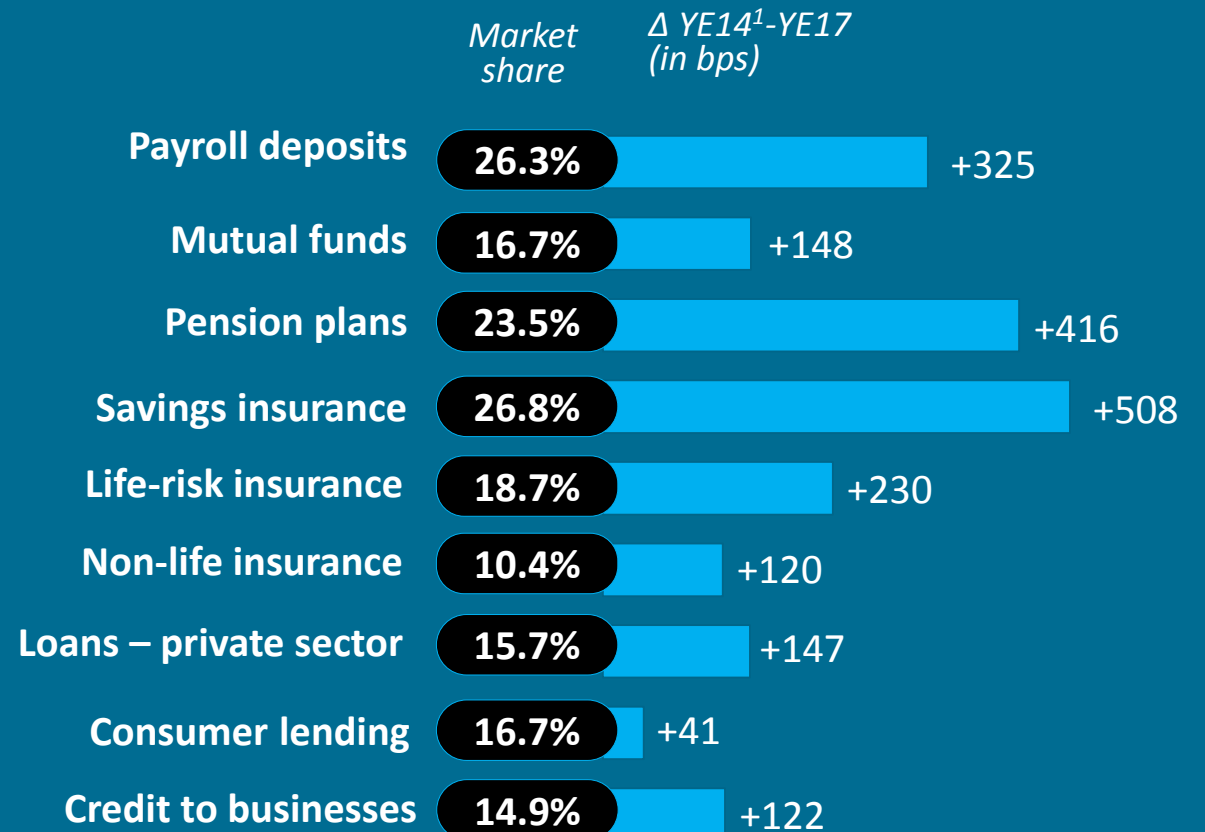
-  **FY 2017 highlights**
-  FY 2018 Priorities
-  Medium-term outlook

## Penetration as primary bank among retail customers in Spain



**Bank of the year in Spain 2017**

## Market share of key retail products, in Spain



PS: Penetration among retail clients aged 18 or above. Peers: BBVA and Santander (pro-forma Popular)

Source: FRS Inmark, Social Security, INVERCO, ICEA and Banc of Spain

<sup>1</sup> Data as of dec-14, without Barclays



## Customer funds managed in Spain, CaixaBank ex-BPI

YTD

**+€ 10.6 Bn**      **+3.5%**

**+7.8%**

Mutual funds and portfolios<sup>1</sup>

**+13.7%**

Savings insurance

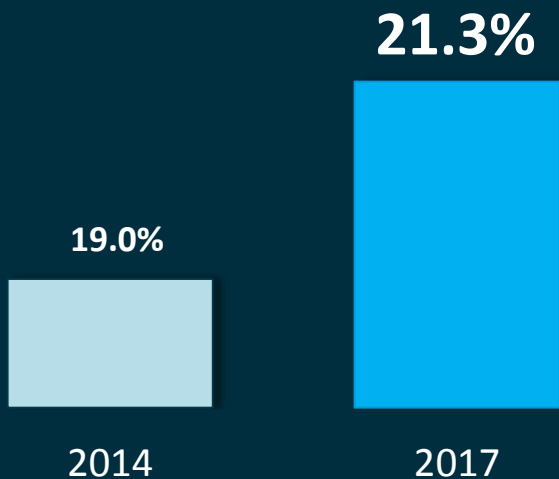
**+6.8%**

Pension plans

**+1.2%**

Deposits<sup>2</sup>

## Market share in long term savings<sup>3</sup>



*2017: New high-quality model of advisory services*

**10,500**  
Certified with a degree in advisory services

<sup>1</sup> Managed portfolios

<sup>2</sup> Demand and time deposit

<sup>3</sup> Includes pension plans, savings insurance and own mutual funds

# Strong growth in protection business



Life-risk insurance

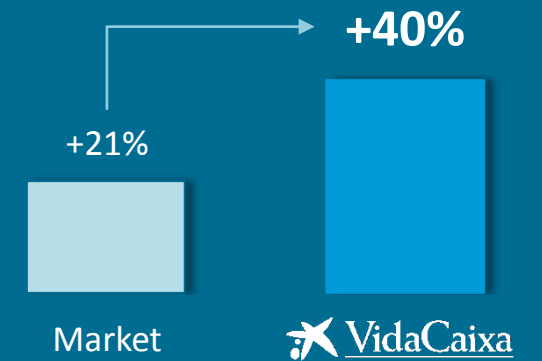


**€ 833 M**

Premia in 2017

+8.3% In 2017

Premia growth (2014-2017)



Non-life insurance

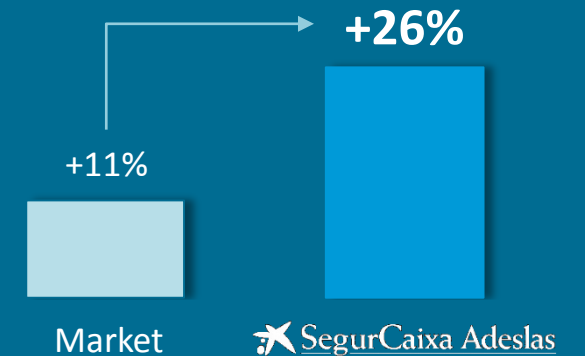


**€ 3,547 M**

Premia in 2017

+7.8% In 2017

Premia growth (2014-2017)

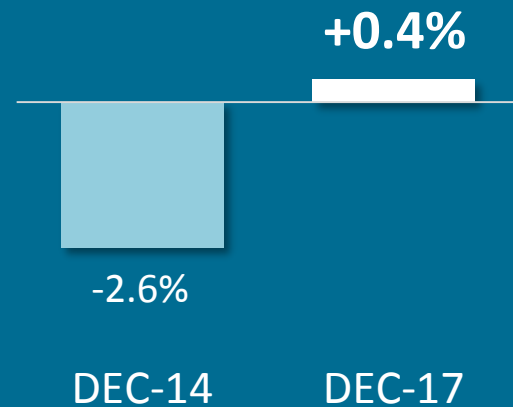


## Performing loans<sup>1</sup>

YTD<sup>2</sup>

**+0.4%** CaixaBank,  
ex BPI

### Performing loans evolution



## Consumer loans

YTD

**+22.4%**  
Outstanding  
loans

**+15%**  
New  
lending

*Compra Estrella*



## SME loans

YTD

**+4.0%**  
Outstanding  
loans

**+16%**  
New  
lending

 **CaixaBank**  
Business



<sup>1</sup> Gross loan excluding NPLs

<sup>2</sup> Growth of Performing loans at Dec-17, excluding public sector and Criteria funding

# Operating trends also very positive in Portugal



Market share and YTD (bps)<sup>1</sup>

<b>13.7%</b> Penet. among retail customers	<b>10.8%</b> Payroll deposits +10 bps YTD	<b>8.4%</b> Credit to businesses +80 bps YTD	<b>11.8%</b> Consumer lending +70 bps YTD
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Commercial activity, YTD

<b>+5.6%</b>	Customer funds
<b>+12.7%</b>	Mutual funds
<b>+6.4%</b>	Business loans <sup>2</sup>

Recurring expenses BPI **-5.3%**

Contribution to CABK<sup>3</sup> **€ 176 M**

Costs & revenues synergies **€ 120 M target**



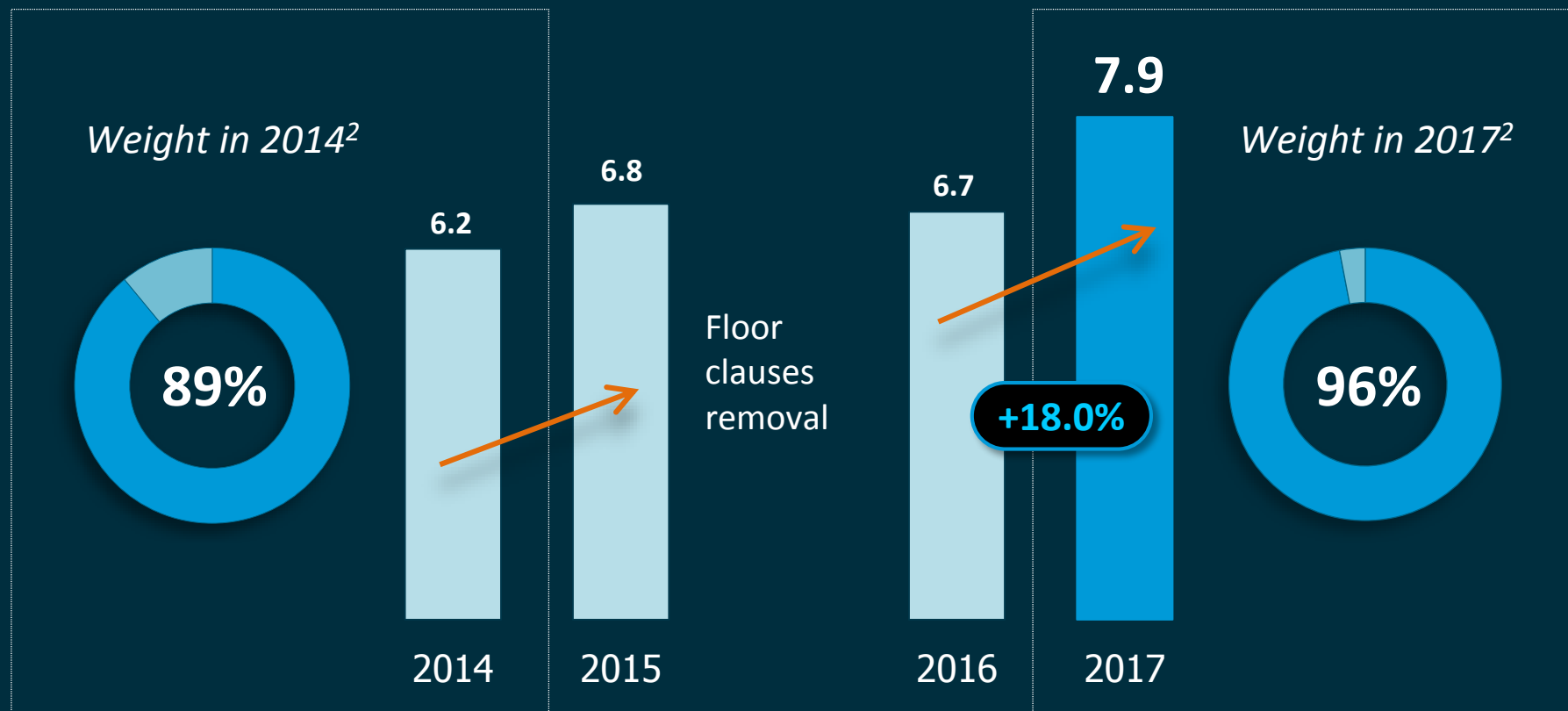
**Bank with the highest-quality service**

<sup>1</sup> As of December 2017

<sup>2</sup> Corporate and SMEs in Portugal

<sup>3</sup> Contribution to CABK profit (Feb-Dec)

## Core revenues evolution<sup>1</sup> CaixaBank Group, in €Bn



<sup>1</sup> NII + Fees + other revenues from insurance (life-risk premia and equity accounted income from SegurCaixa Adeslas). 2017 includes BPI

<sup>2</sup> Weight of core revenues over gross income

# High-quality profit

CaixaBank Group, in €M. 2017 includes BPI	2017	YTD	
<b>Net interest income</b>	<b>4,746</b>	<b>+18.0%</b>	<b>Core revenues<sup>1</sup></b>
Net fees and commissions	2,499		
Income and exp. from insurance	472		
Income from investments & associates	653	<b>-70.7%</b>	<b>Other revenues<sup>2</sup></b>
Trading income	282		
Other operating income & exp.	(430)		
<b>Gross income</b>	<b>8,222</b>	<b>+1.0%</b>	<b>Recurring expenses, ex BPI</b>
Recurring expenses	(4,467)		
<b>Pre-impairment income w/o extraord. exp.</b>	<b>3,755</b>	<i>+11.8%</i>	<i>Recurring expenses CABK Group</i>
Extraordinary operating expenses	(110)		
<b>Pre-impairment income</b>	<b>3,645</b>	<b>-29.0%</b>	<b>Losses below-the line</b>
Loan impairment losses and others	(1,711)		
Gains/losses on asset disposals & others	164 <sup>3</sup>		
<b>Pre-tax income</b>	<b>2,098</b>	<b>+60.9%</b>	<b>Profit attributable to the Group</b>
Taxes, minority interests & others	(414)		
<b>Profit attributable to the Group</b>	<b>1,684</b>		<i>Of which : 16.8% BPI</i>

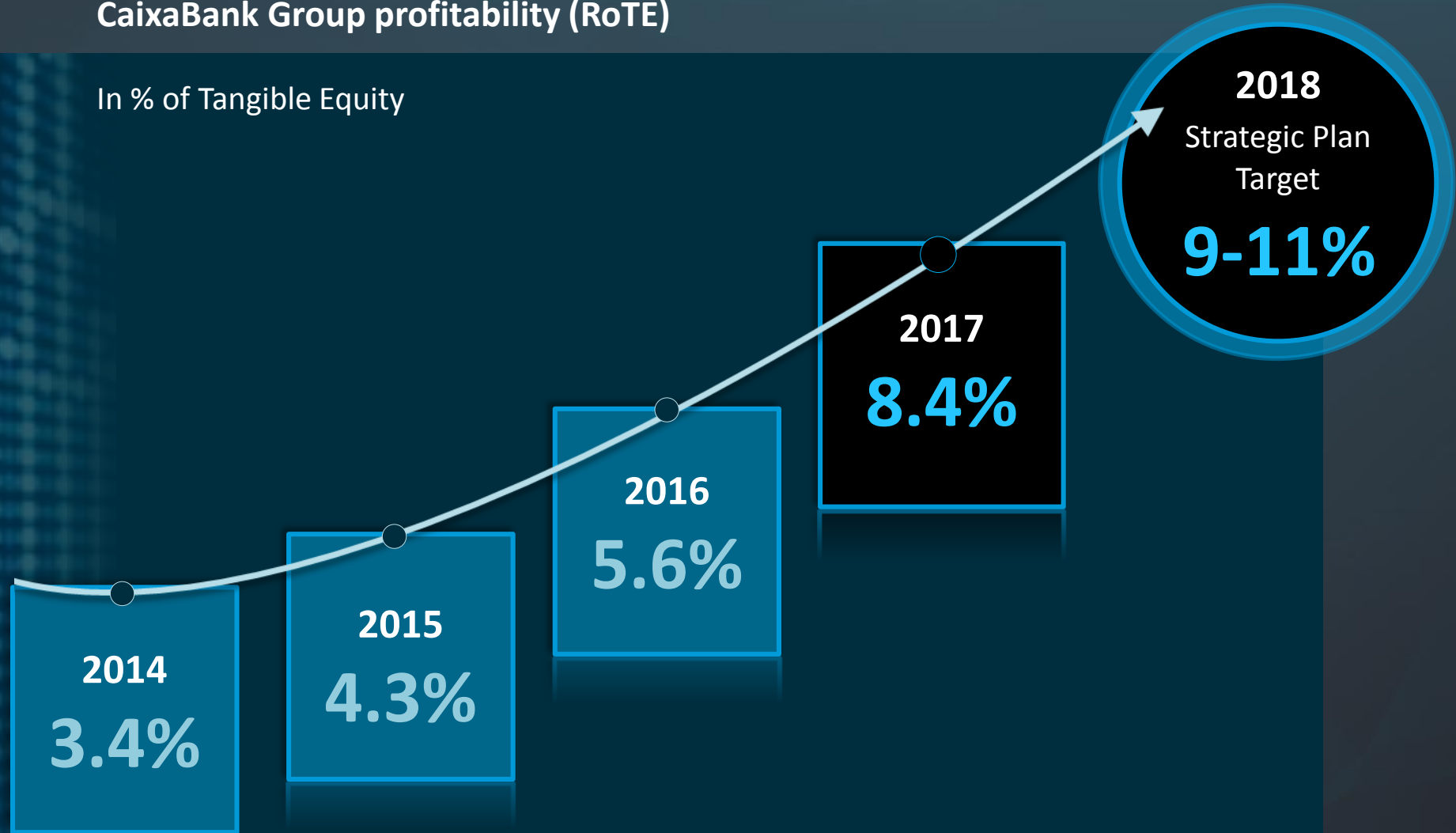
<sup>1</sup> Includes equity accounted income from SegurCaixa Adeslas

<sup>2</sup> It does not include equity accounted income from SegurCaixa Adeslas

<sup>3</sup> Includes net business combination results from BPI

## CaixaBank Group profitability (RoTE)

In % of Tangible Equity



# 2017

In a complex environment...

- ▶ Market shares gains
- ▶ Strong net income growth
- ▶ Higher-quality revenues quality improvement

## Commercial success

### Growth drivers

- *Medium and long term savings*
- *Protection insurances*
- *Consumer /SME lending*
- *BPI integration*

### Lower contribution to growth Potential to provide more

- *On-balance-sheet deposits*
- *Mortgages*



- FY 2017 highlights
- FY 2018 Priorities**
- Medium-term outlook

**Sustained business growth**

**Fostering digital transformation**



**Maintaining balance sheet strength**

**Create value at BPI**

**Reinforcing our social commitment**

Business growth

Digital transformation

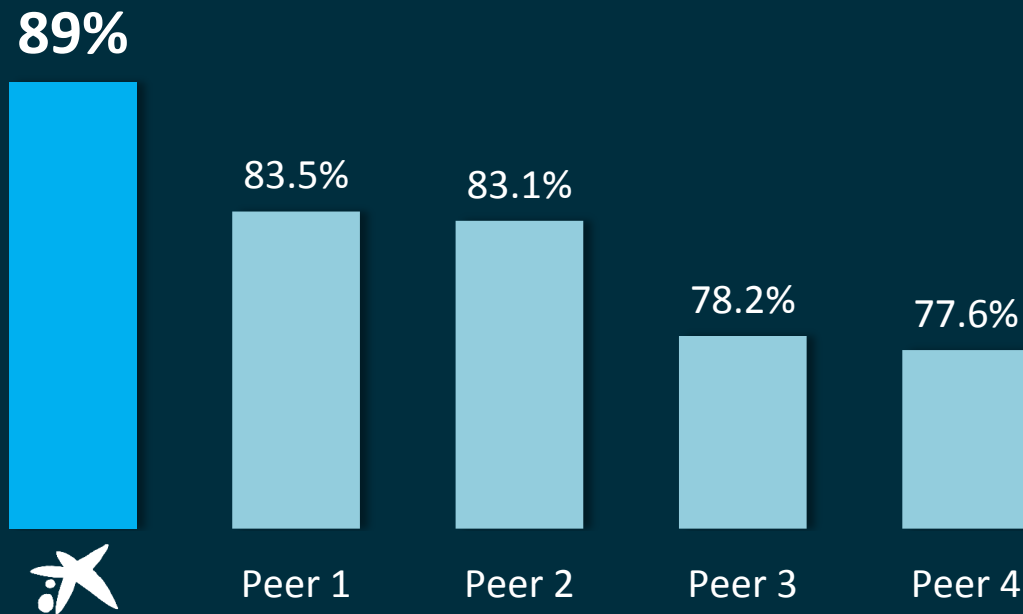
Balance Sheet strength

BPI

Social commitment

## Growth in consolidated customers

### Consolidated customers index<sup>1</sup>



**30.0%**

Market penetration among retail clients<sup>2</sup>

+50 bps YTD

**26.7%**

Main bank among retail clients<sup>2</sup>

+100 bps YTD

- ▶ Increased proportion of consolidated customers increase
- ▶ Very active in launching new commercial initiatives

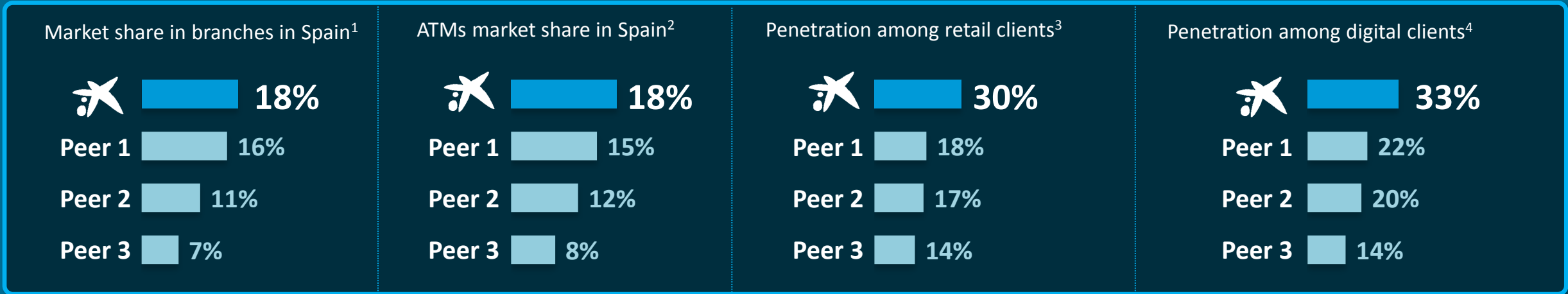
<sup>1</sup> Penetration as main bank among retail clients/ total market penetration among retail clients (aged 18 or above). Peers: Bankia, BBVA, Sabadell & Santander (including Popular)

<sup>2</sup> Retail clients aged 18 or above.

Source: FRS Inmark 2017 "Financial behaviour of retail clients in Spain"

- Business growth
- Digital transformation
- Balance Sheet strength
- BPI
- Social commitment

## Quality and client experience: transparency and proximity



4,681 retail branches in Spain & 193 specialized branches

Business model specialized and tailored to customer needs



<sup>1</sup> Branches and ATMs in Spain, as of September 2017  
<sup>4</sup> Data available (12 months average) as of December 2017.

<sup>2</sup> Peers data: estimates based on public information  
 \* 13.8 M in CABK

<sup>3</sup> Retail clients over 18 years (FRS Inmark-2017)  
 Source: Bank of Spain, FRS Inmark & ComScore. Peers: Santander (includes Popular), BBVA, Sabadell & Bankia

Business growth

Digital transformation

Balance Sheet strength

BPI

Social commitment

## Fostering technology and digitalisation

→ to be more efficient

### Mobility and digital signature



All employees  
with SmartPCs



68 M  
Digital signatures 2017



99%  
Digital processes



161  
"Store" Branches



Business growth

**Digital transformation**

Balance Sheet strength

BPI

Social commitment

## Fostering technology and digitalisation

→ to be closer to the client

### Mobility and digital signature

**All employees**  
with SmartPCs

**68 M**  
Digital signatures 2017

**99%**  
Digital processes

**161**  
"Store" Branches



### Digital proximity

**55%**  
Digital penetration<sup>1</sup>



- "Wall" since 2012 (SMEs, Private & Premier)
- Ready to Buy
- New CaixaBank App
- Smart Money

### Service innovation

Mis **Finanzas**  
>3.0 M users



**SAMSUNG pay** **Apple Pay**  
**CaixaBank Pay**

<sup>1</sup> Customers aged 20-74 years old

Business growth

Digital transformation

**Balance Sheet strength**

BPI

Social commitment

## 1 Maintain liquidity and solvency: our identity hallmark



### Liquid assets

**€ 72.8 Bn**  
+22.4 YTD

**202% LCR<sup>1</sup>**

### Solvency

*Fully-loaded ratios*

<b>11.7%</b> CET1	<b>15.7%</b> Total Capital
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*Phase-in ratios*

<b>12.7%</b> CET1	<b>16.1%</b> Total Capital
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Business growth

Digital transformation

**Balance Sheet strength**

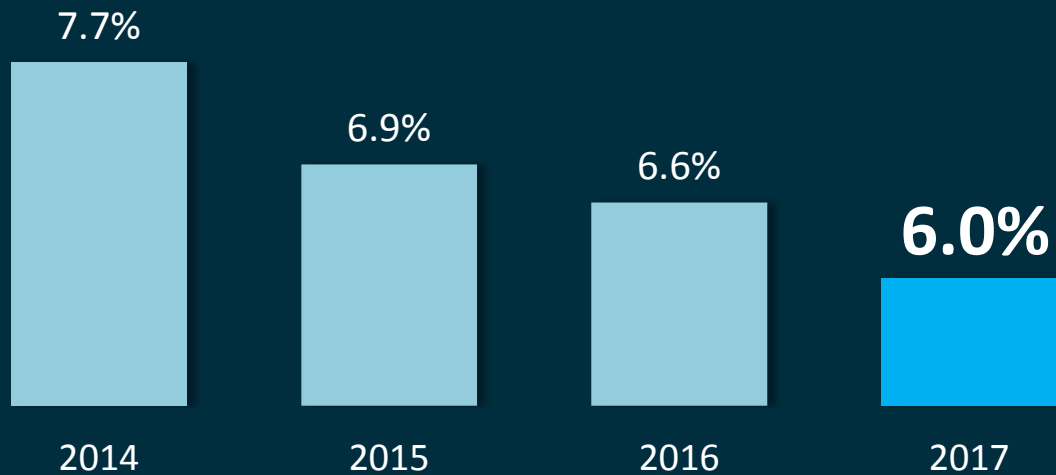
BPI

Social commitment

## 2 Continue with ongoing NPA reduction

### Non Performing Assets

CABK- net NPA (NPL + foreclosed RE assets) <sup>1</sup> over total net exposure<sup>2</sup>



**NPL stock- CABK**

Reduction **>50%** since JUN-13<sup>3</sup>

**NPA coverage – CABK**

**53%** as of DEC-17

<sup>1</sup> NPL and foreclosed RE assets both net of provisions

<sup>2</sup> Total credit (with contingent liabilities) and foreclosed RE assets both net of provisions

<sup>3</sup> As of June 2013 pro-forma



Business growth

Digital transformation

Balance Sheet strength

**BPI**

Social commitment

## Foster business growth in Portugal



**BPI: Target  
2020 (Portugal)**

RoTE  
**>10%**

Cost-to-income  
**~ 50%**

*Improving macroeconomic and market environment*

↑ GDP 2018e<sup>1</sup>

**+2.4%**

↑ S&P rating

**BBB- (stable)** (from BB+)

↓ Unemployment rate<sup>2</sup> **7.9%** (-6.9pp since 2Q13)

<sup>1</sup> Source: Bank of Portugal & CaixaBank Research

<sup>2</sup> As of January 2018

Business growth

Digital transformation

Balance Sheet strength

BPI

Social commitment

## A distinctive banking model



- FY 2017 highlights
- FY 2018 Priorities
- Medium-term outlook**

Outstanding position to take seize new opportunities and to create value for our shareholders

## *Strengths of CaixaBank*

- ▶ Scale & capillarity
- ▶ Comprehensive offering of financial services
- ▶ Technological leadership
- ▶ Professional team



Outstanding position to take new opportunities and to create value for our shareholders

## *Strengths of CaixaBank*

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## *Positive environment*

Economic growth:  
Spain & Europe

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Deleveraging:  
bottoming out

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Interests rates: prospects  
for a turn of the cycle

Outstanding position to take new opportunities and to create value for our shareholders

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## *Positive environment*

Economic growth:  
Spain & Europe

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Deleveraging:  
bottoming out

---

Interests rates: prospects  
for a turn of the cycle

Back to adequate  
profitability levels

Strong capital generation  
→ commitment to shareholders



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Thank you



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