

CaixaBank profits up by 53.4% to €1,488 million, with an €11,000 million increase in assets under management in Spain

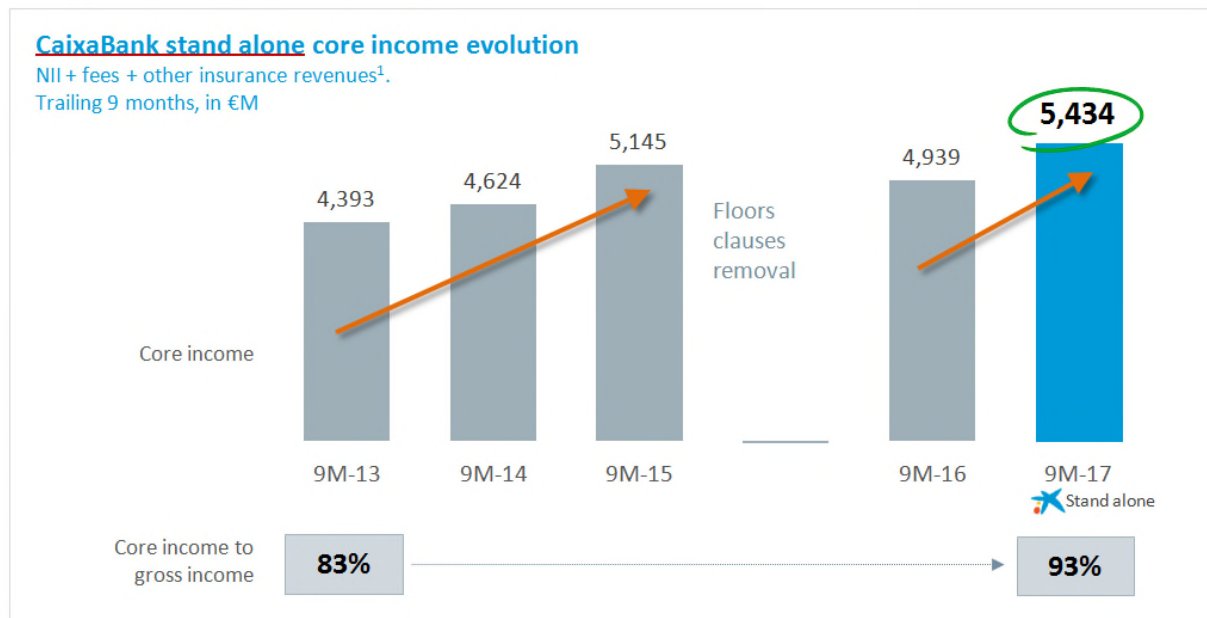
- **CaixaBank reports its largest quarterly profits ever:** €649 million from June to September, up by 48.7% against the previous quarter.
- **The contribution of BPI's business to results** since full integration in February amounts to €180 million (€103 million in the third quarter of 2017).
- **Following the incorporation of BPI, customer funds increased by €34,773 million** against year-end 2016, to €350,014 million.
- **CaixaBank continues to lead the retail banking sector in Spain**, with the leading market penetration of 26.7% (+100 basis points in the last twelve months). It also ranks first in market share for payroll deposits (26.6%), and combined savings insurance and assets under management (21.8%).

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- **Net interest income gains 15.2%** to reach €3,550 million (+6.5% excluding BPI); **fee and commission income totals €1,867 million (+20.8%, +8.2% excluding BPI)**, while **income and expense arising from insurance and reinsurance contracts** climb 65.9% to €354 million.
 - **Gross income amounts to €6,491 million. The 9.3% increase** with respect to the first nine months of the previous year **is down to the integration of BPI and higher income from banking and insurance business.**
 - **The NPL ratio is 6.4%**, well below the average among peers, while the coverage ratio improves to 50% (47% at year-end 2016).
 - **Total liquid assets stood at €71,581 million.** The Group's liquidity position strengthened in the course of the year, **with a Liquidity Coverage Ratio (LCR) of 213%, well clear of the minimum requirement of 80%.**
 - **The CaixaBank Group's ROTE improved to 8% (+235 basis points in the year)**, driven by a sound performance by CaixaBank banking and insurance business, producing returns of 10.5%.
 - The CaixaBank Group has a **fully-loaded Common Equity Tier 1 (CET1) ratio of 11.7%**, within the 11-12% target band envisioned in the Strategic Plan, and almost 3 percentage points clear of the supervisory requirement of 8.75%.

Valencia, 24 October 2017.- The CaixaBank Group, the number one retail bank in Spain with Jordi Gual as Chairman and Gonzalo Gortázar as CEO, secured a net attributable profit of €1,488 million in the first nine months of 2017 (+53.4% compared to September 2016), the Group's best result ever for this period, and the same may be said of its quarterly profits, which stood at €649 million.

The change up to September was fuelled by full consolidation of the results of BPI from February onwards, which impacted the main items on the income statement, and by intensive commercial activity at CaixaBank.

This commercial strength translates to high income generation capacity, with gross income of €6,491 million. The year-on-year change (+9.3%) is down to the integration of BPI and higher core income from banking business (net interest income, fee and commission income and income from insurance business), which up by 19.4% at the Group and 10% at CaixaBank. This healthy set of figures has offset the lower earnings on financial assets and liabilities.



¹ Include life-risk premia and equity accounted income from SegurCaixa Adeslas

Profitability at the CaixaBank Group has gained 235 basis points since December to stand at 8%, while recurring ROTC from banking and insurance business stands at 10.5%, with profit of €1,490 million over the first nine months of the year.

CaixaBank continues to lead the retail banking sector in Spain, with a top-ranking market penetration of 26.7% (+100 basis points in the last twelve months). It also ranks first in payroll deposits with a 26.6% share, and also in insurance products, plans and funds under management, with 21.8%.

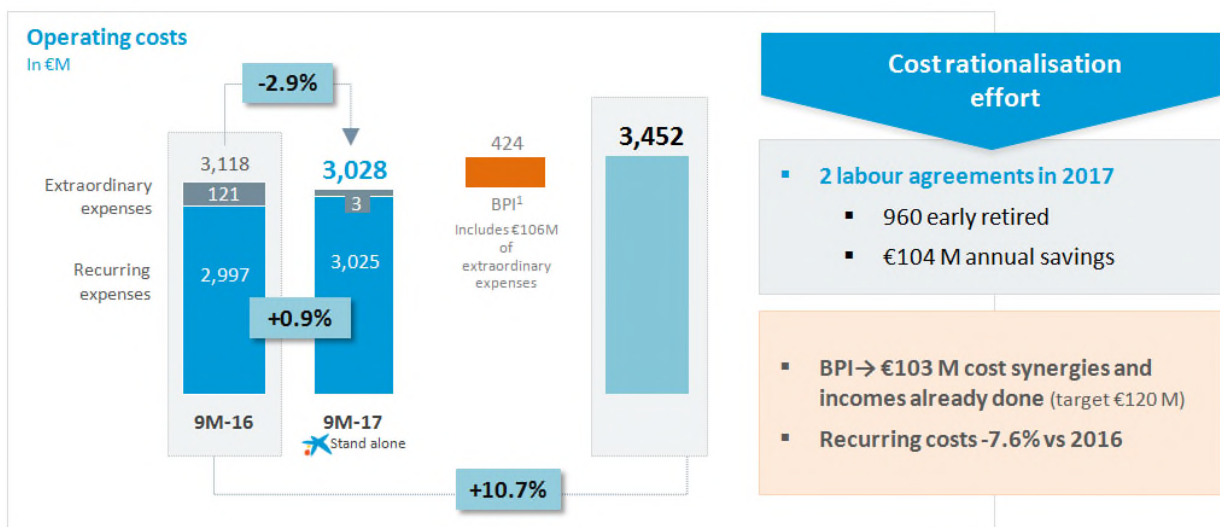
It also leads the way in terms of online banking and mobile banking, with 5.6 million and 4.1 million customers respectively. CaixaBank's business model relies heavily on technology and digitalisation, with 29,500 smart PCs up and running and 42 million digital signatures.

Net interest income climbs to €3,550 million (+15.2%)

Against a backdrop of rock-bottom interest rates, net interest income totalled €3,550 million (+15.2% year on year) following the integration of business from BPI, which contributed growth of 8.7%. At CaixaBank, net interest income was up 6.5% largely in response to sound management of retail activity. The period saw a sharp reduction in the cost of maturity deposits and also a drop in income as the climate of low market interest rates sapped returns on the loan and fixed income portfolios.

Fee and commission income totalled €1,867 million. The change here (+20.8%) was driven by the contribution made by BPI (+12.6%) and income obtained from commercial activity at CaixaBank (+8.2%), indicating an increase in transaction volumes and in fees from investment banking transactions.

Recurring administrative expenses, depreciation and amortisation total €3,343 million (+11.5%), largely in response to the integration of BPI, although they remain steady on a like-for-like basis. The two early retirement agreements signed in 2017 will generate yearly savings of €104 million. Extraordinary costs of €109 million were booked in connection with BPI.



¹ BPI feb-sep. Includes €318 M of recurring expenses and €106M of extraordinary expenses

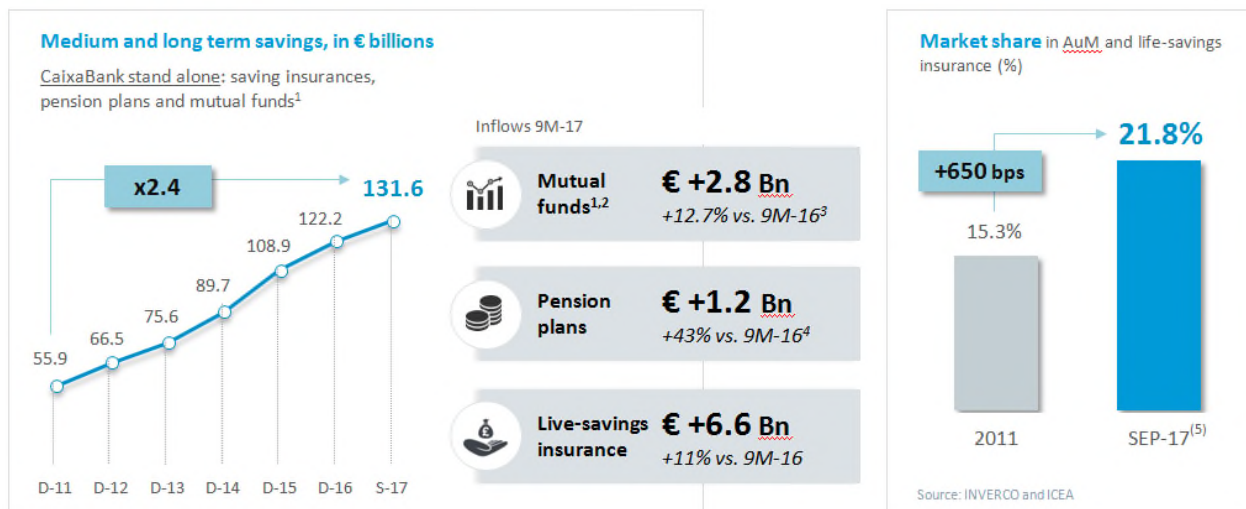
Gains/losses on financial assets and liabilities and other fell to €287 million (-60%), while income from the investee portfolio was up by 11.7% to €614 million, partly due to the sound performance of investees in terms of results, absorbing the impact of the sale of 2% of BPI's stake in BFA (-€97 million attributed), booked in January before the takeover, and certain perimeter changes.

Leadership in long-term savings products

On the commercial front at CaixaBank, the period saw sharp growth in insurance and asset management business. Assets under management stand at €86,860 million, up by 6.1% in the year.

Following the pattern observed in recent years, assets under management in investment funds, portfolios and SICAVs made sizeable gains to stand at €60,331 million (+6.5% in the year), while pension plans also performed well (+5.2% in the year) to reach €26,529 million.

CaixaBank remains the leader when it comes to assets under management through insurance products, plans and funds, with a market share of 21.8%.



1 Including managed portfolios

2 Net inflows

3 YoY change in AuM (sep17 vs sep16)

4 Without considering Barclays portfolio transfer in 2016

5 Market share of mutual funds and insurance as

of September and pension plans' market share estimates.

The Group's total customer funds are €350,014 million, up 15.2% (+46,119 million) in 2017 following the integration of BPI (+11.5%, 34,773 million). At CaixaBank, customer funds are up 3.7% in 2017 (+11,346 million), with a good quarterly performance (+0.3%) in a quarter normally prone to reductions in AUM.

CaixaBank's gross lending portfolio is down by 1.5% and the performing portfolio is down by 1.1% in 2017. If we exclude the drop in lending to CriteriaCaixa due to the process of prudential deconsolidation (with a relevant impact on the first quarter of 2017), the performing portfolio has lost only 0.6%. Loans to the non-real estate development segment also performed well, up by 1.8% in the year, while consumer credit climbed 18.9%.

The Group has an NPL ratio of 6.4%

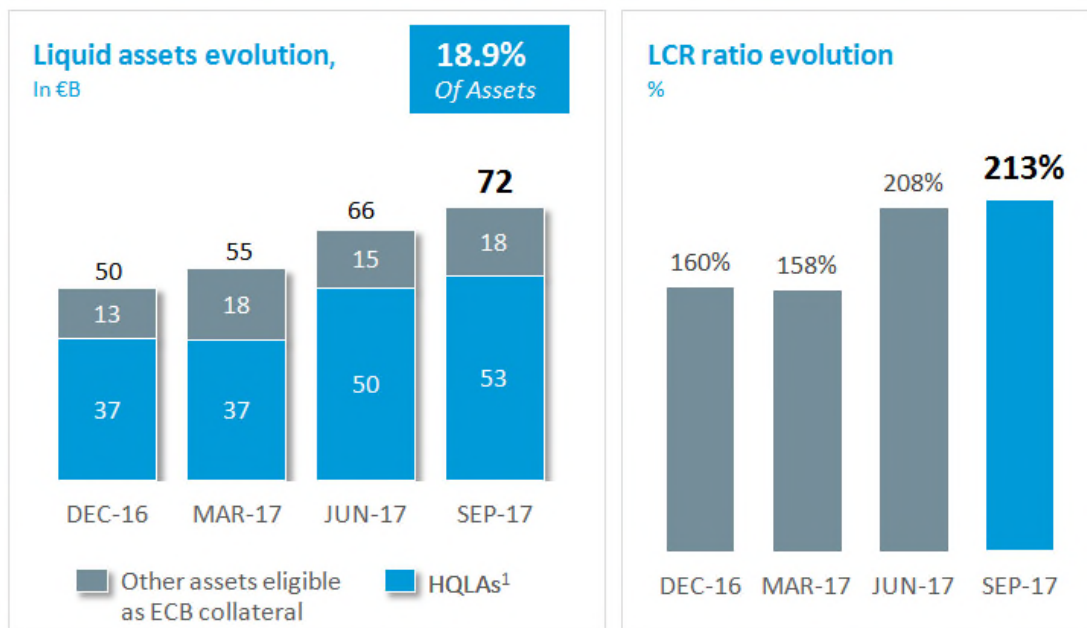
The CaixaBank Group's NPL ratio was 6.4% (6.9% at 31 December 2016), well below the average for the sector, while the NPL coverage ratio improved to 50% (47% at year-end 2016).

Loan loss provisions totalled €658 million (-5.5% on the same period in 2016, with a quarterly change of -16.0%). Meanwhile, other charges to provisions totalled €800 million, mainly featuring €455 million in connection with early retirements (€152 million and €303 million in the first and second quarter of the year respectively) and €154 million in write-downs on exposure to the SAREB.

In connection with floor clauses, CaixaBank has now made payment on half of the approximately 94,000 claims received which were eligible for the extrajudicial proceedings stipulated in Royal Decree-Law 1/2017. These payments were made in cases where it was considered, following an exhaustive stringent review by a team of more than 270 employees, that the floor clauses concerned, mostly in relation to companies taken over in recent years, did not meet the transparency criteria established in case-law. The amount paid was €210 million.

Strong boost to liquidity throughout the year

Total liquid assets stood at €71,581 million. The Group's liquidity position strengthened in the course of the year, with a Liquidity Coverage Ratio (LCR) of 213%, well clear of the minimum requirement of 80%.



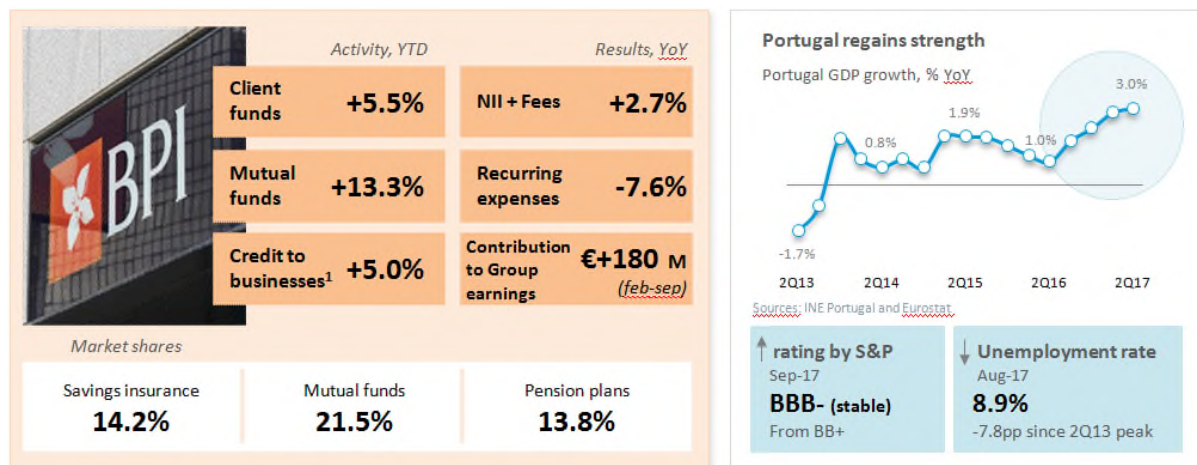
¹ High Quality Liquid Assets

The CaixaBank Group had a fully-loaded Common Equity Tier 1 (CET1) ratio of 11.7% at 30 September, within the target band established in the 2015-2018 Strategic Plan (11-12%), and almost 3 percentage points clear of the supervisory requirement of 8.75%. Following the integration of BPI, the ratio gained 50 basis points in the first nine months of the year on the back of solid generation of profits, but shed 16 basis points, mostly due to market conditions.

Meanwhile, fully-loaded total capital was 15.8%, exceeding the 14.5% target established in the Strategic Plan. The ratio was boosted in the first nine months of the year with a €1,000 million issue of AT1 and several issues of subordinated debt in the total amount of €2,150 million, between February and July.

BPI contributes €180 million to the CaixaBank Group's earnings

As of 1 February CaixaBank's stake in BPI (84.5%) has been fully consolidated, whereas previously it was consolidated using the equity method (45.5%). Over those eight months BPI has contributed €180 million to CaixaBank's profits (€103 million in the third quarter).



¹ CIB and SME Portuguese businesses

The highlights of BPI earnings in the third quarter were as follows:

- Gross income climbed by 10.2% thanks to a good performance by net interest income (+4.0%) and fee income (+4.2%), along with other operating income and expenses.
- BPI's NPL ratio fell to 5.5%, using the CaixaBank Group's NPL classification criteria, with a coverage ratio of 81%.
- BPI succeeded in boosting its capital adequacy during the year, pushing its fully-loaded Common Equity Tier 1 (CET1) from 10.3% to 11.5% over the nine months.

Welfare Projects: changing the present, building the future

The "la Caixa" Banking Foundation led by Isidro Fainé completed the third quarter of 2017 to observe the **transformational impact** of its projects. The final straight in 2017 also marks the halfway point in the bank's 2016-2019 Strategic Plan, which has earmarked total investment of over €2,000 million euros for social, educational, cultural and research projects. This master plan supports the Banking Foundation, which directly oversees Welfare Projects and uses CriteriaCaixa to pool all the shareholdings of the "la Caixa" Group, including CaixaBank, as **Spain's largest foundation** and Europe's second largest.

The Banking Foundation's **social programmes** are still its **hallmarks**, and the main beneficiaries are vulnerable groups, in a bid to foster **equal opportunities**. Specifically, these schemes are allocated 60% of the Welfare Projects' **€510 million budget** for 2017.

One of the social initiatives is "**CaixaProinfancia**". Ten years on, the programme is now being extended to gradually cover all the autonomous communities.

Between January and September 2017, CaixaProinfancia provided support for **53,662 vulnerable children** and young people aged 0 to 18, along with members of their families, in a bid to **break the vicious circle of inherited poverty**. In coherence with its main lines of action, CaixaProinfancia recently implemented a **back to school** scheme for almost 38,000 children on the programme.

More than 22,000 jobs created

Another priority of the Welfare Projects is the **creation of employment**, and most especially for disadvantaged groups. Through the job integration scheme **Incorpora**, a total of **22,433 jobs for people at risk** or in situations of exclusion were created between January and September this year, thanks to the assistance of **8,516 companies**.

Moving to healthcare, the bank has an aid programme for people with advanced illnesses at **123 health care centres**. In the first three quarters of the year, **a total of 17,727 patients** received psychological and social support, **as did 22,289 family members**.

Providing easier access to housing is another strategic priority of the Strategic Plan. **The "la Caixa" Group already has upwards of 32,700 flats** available to those earning low incomes, with monthly rents starting at just €85.

The **elderly** are also still a priority in the bank's social projects. Between January and September, over 580,000 people were involved in 11,722 initiatives to boost their social participation, taking action to improve their lifestyles, prevent loneliness and assist with their personal development.

On top of all this, we have the extremely successful **milk collection campaign** *Milk moustache for all kids*, which is aimed at vulnerable families and is supported by food banks across Spain. In its third year, the scheme collected **1.2 million litres of milk** thanks to public solidarity.

The main achievement in the realm of **educational action** was the award of **77 grants for post-graduate studies** at some of the finest universities and research centres in Spain. Welfare Projects also created the new "la Caixa" post-doctorate grant programme, **Junior Leader**. The programme sets out to engage the best researchers in Spain and other countries to carry out projects at Spanish research centres and universities.

With this goal in mind, the **EduCaixa programme** has reached out to **1.5 million pupils at 6,710 schools in Spain**. The initiative offers innovative, practical and easy-to-access educational resources, with programmes designed to hone entrepreneurial skills, boost careers in science, and disseminate art and culture.

Meanwhile, the "la Caixa" Banking Foundation and the Telefónica Foundation continue to work together on their joint **ProFuturo project**. The initiative, inspired by Pope Francis, seeks to give a boost to the **digital education** of children, teenagers and adults from the most underprivileged regions of Africa, Latin America, the Middle East and South-East Asia.

On the international stage, a joint innovative project was launched alongside the United Nations High Commissioner for Refugees (**UNHCR**) to improve the living conditions of **refugees**, which concentrates on preventing malnutrition.

With the Research Essentials

The Strategic Plan is heavily committed to research, and aims to triple its budget to **€90 million in 2019**. This has been made clear by the Banking Foundation's new communication campaign, which pays homage to the scientists who dedicate their lives to preserving one of the most important things in life: our health. They are **the Essentials**.

In this regard, 23 projects selected by **CaixaImpulse** were presented as part of a programme to pass on scientific knowledge to society through patents, the creation of companies, or transfer agreements.

In the cultural realm, highlights include the superb range of events and activities arranged by the eight CaixaForum centres. Exhibitions currently running or due shortly include **Warhol. Mechanical art** (CaixaForum Barcelona); **The world of Giorgio de Chirico. Dream or reality** (CaixaForum Madrid); **Disney. The art of storytelling** (CaixaForum Sevilla) and **Goya and the illustrated court** (CaixaForum Zaragoza).

Key Group figures

€ million	January - September		Year-on-year	3Q17	Quarter-on-quarter
	2017	2016			
INCOME STATEMENT					
Net interest income	3,550	3,080	15.2%	1,201	0.4%
Net fee and commission income	1,867	1,546	20.8%	615	(7.4%)
Gross income	6,491	5,939	9.3%	2,211	(7.4%)
Recurring administrative expenses, depreciation and amortisation	(3,343)	(2,997)	11.5%	(1,127)	0.1%
Pre-impairment income stripping out extraordinary expenses	3,148	2,942	7.0%	1,084	(14.1%)
Pre-impairment income	3,039	2,821	7.7%	1,081	(7.2%)
Profit/(loss) before tax	1,862	1,314	41.7%	857	54.3%
Profit/(loss) attributable to the Group	1,488	970	53.4%	649	48.7%
BALANCE SHEET					
€ million	September 2017	June 2017	December 2016	Quarter-on-quarter	Year-to-date
Total assets	379,112	378,684	347,927	0.1%	9.0%
Equity	24,992	24,375	23,556	2.5%	6.1%
Customer funds	350,014	348,903	303,895	0.3%	15.2%
Loans and advances to customers, gross	225,166	228,435	204,857	(1.4%)	9.9%
EFFICIENCY AND PROFITABILITY (last 12 months)					
Cost-to-income ratio	53.1%	55.1%	52.6%	(2.0)	0.5
Cost-to-income ratio stripping out extraordinary expenses	51.8%	52.2%	51.0%	(0.4)	0.8
ROE	6.6%	5.4%	4.5%	1.2	2.1
ROTE	8.0%	6.5%	5.6%	1.5	2.4
ROA	0.4%	0.3%	0.3%	0.1	0.1
RORWA	1.0%	0.8%	0.8%	0.2	0.2
RISK MANAGEMENT					
Non-performing loans (NPL)	15,286	15,492	14,754	(206)	532
Non-performing loan ratio	6.4%	6.5%	6.9%	(0.1)	(0.5)
Cost of risk (last 12 months) ¹	0.41%	0.44%	0.46%	(0.03)	(0.05)
Provisions for non-performing loans	7,630	7,732	6,880	(102)	750
NPL coverage ratio	50%	50%	47%		3
Net foreclosed available for sale real estate assets ²	6,145	6,258	6,256	(113)	(111)
Foreclosed available for sale real estate assets coverage ratio	58%	58%	60%		(2)
LIQUIDITY					
Total Liquid Assets	71,581	65,594	50,408	5,987	21,173
Loan to deposits	107.0%	107.9%	110.9%	(0.9)	(3.9)
Liquidity Coverage Ratio	213%	208%	160%	5	53
CAPITAL ADEQUACY					
Fully-loaded Common Equity Tier 1 (CET1)	11.7%	11.5%	12.4%	0.2	(0.7)
Fully-loaded Tier 1	12.3%	12.2%	12.4%	0.1	(0.1)
Fully-loaded Total Capital ³	15.8%	15.5%	15.4%	0.3	0.4
Fully-loaded Risk-Weighted Assets (RWAs)	149,448	151,223	134,385	(1,775)	15,063
Fully-loaded leverage ratio	5.4%	5.5%	5.4%	(0.1)	
Common Equity Tier 1 (CET1)	12.7%	12.5%	13.2%	0.2	(0.5)
SHARE INFORMATION					
Share price (€/share)	4.240	4.180	3.140	0.060	1.100
Market capitalization	25,346	24,988	18,768	358	6,578
Book value per share (€/share)	4.11	4.01	3.94	0.10	0.17
Tangible book value per share (€/share)	3.40	3.30	3.26	0.10	0.14
Number of outstanding shares excluding treasury stock (millions)	5,978	5,978	5,977		1
Net income attributable per share (€/share) (12 months)	0.26	0.21	0.18	0.05	0.08
Average number of shares excluding treasury stock (millions) (12 months)	5,961	5,810	5,842	151	119
PER (Price/Profit)	16.30	19.49	17.52	(3.19)	(1.22)
Tangible PBV (Market value/ book value of tangible assets)	1.25	1.27	0.96	(0.02)	0.29
OTHER DATA (units)					
Customers (millions)	15.8	15.8	13.8		2.0
CaixaBank Group Employees	37,304	37,336	32,403	(32)	4,901
Branches ⁴	5,397	5,468	5,027	(71)	370
of which: CaixaBank retail branches	4,697	4,749	4,851	(52)	(154)

(1) The ratio excludes the release of €676 million in provisions carried out in the fourth quarter of 2016 and considers BPI since its inclusion within the consolidated scope in February 2017.

(2) Exposure in Spain.

(3) At June 2017, includes the redemption of the €1,302 million issue of subordinated debt executed in August as well as the new pro-forma Tier2 of €1,000 million subscribed in July with a positive impact of 66 basis points.

(4) Does not include branches outside Spain or representative offices.

Results

Income statement

Year-on-year performance

€ million	Group			CABK		BPI
	9M17	9M16	Chg. in %	9M17	Chg. in %	9M17
Net interest income	3,550	3,080	15.2	3,281	6.5	269
Dividend income	126	113	12.2	120	6.5	6
Share of profit/(loss) of entities accounted for using the equity method	488	437	11.6	314	(28.3)	174
Net fee and commission income	1,867	1,546	20.8	1,673	8.2	194
Gains/(losses) on financial assets and liabilities and others	287	718	(60.0)	265	(62.9)	22
Income and expense arising from insurance or reinsurance contracts	354	214	65.9	354	65.9	
Other operating income and expense	(181)	(169)	7.4	(164)	(2.7)	(17)
Gross income	6,491	5,939	9.3	5,843	(1.6)	648
Recurring administrative expenses, depreciation and amortisation	(3,343)	(2,997)	11.5	(3,025)	0.9	(318)
Extraordinary expenses	(109)	(121)	(9.6)	(3)	(97.6)	(106)
Pre-impairment income	3,039	2,821	7.7	2,815	(0.2)	224
Pre-impairment income stripping out extraordinary expenses	3,148	2,942	7.0	2,818	(4.2)	330
Allowance for insolvency risk	(658)	(696)	(5.5)	(683)	(1.8)	25
Other charges to provisions	(800)	(481)	66.6	(798)	66.2	(2)
Gains/(losses) on disposal of assets and others	281	(330)		281		
Profit/(loss) before tax	1,862	1,314	41.7	1,615	22.9	247
Income tax expense	(336)	(333)	1.0	(302)	(9.0)	(34)
Profit/(loss) after tax	1,526	981	55.5	1,313	33.8	213
Profit/(loss) attributable to minority interest and others	38	11		5	(58.6)	33
Profit/(loss) attributable to the Group	1,488	970	53.4	1,308	34.8	180