



**2Q 2018 Results**

27<sup>th</sup> July 2018

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

Note: Group data unless otherwise noticed. Hereinafter “CABK” refers to CaixaBank stand-alone while “CABK Group” or “Group” refers to CaixaBank Group

(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.

1.



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ACTIVITY**

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REMARKS

## Client funds reflect continuous growth complemented by positive seasonality

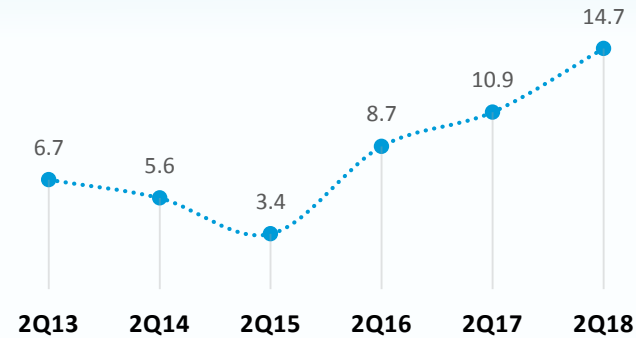
### Customer funds

Breakdown, in €Bn

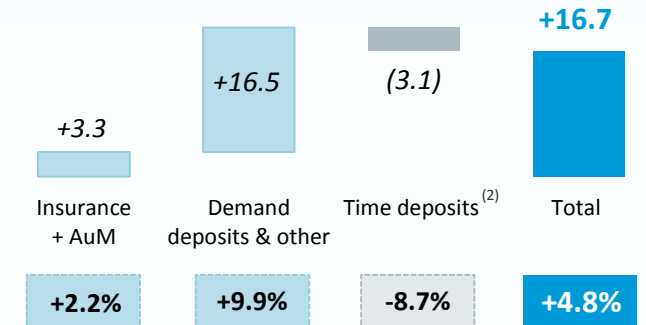
	30 <sup>th</sup> June 2018	% ytd	% qoq
<b>I. On balance-sheet funds</b>	<b>262.6</b>	<b>+6.1%</b>	<b>+5.0%</b>
Demand deposits <sup>(1)</sup>	176.0	+10.8%	+8.6%
Time deposits <sup>(2)</sup>	32.7	-8.7%	-1.6%
Subordinated liabilities <sup>(3)</sup>	0.0	-100.0%	-100.0%
Insurance	51.5	+3.0%	+1.7%
Other funds	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

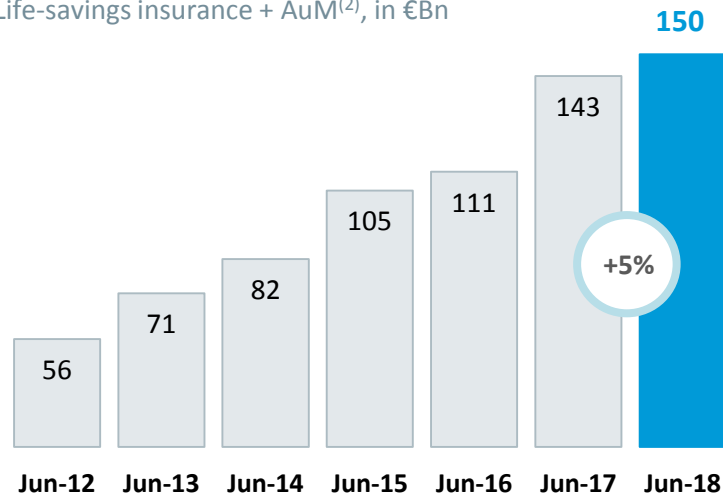
### Long-term savings products



**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%**

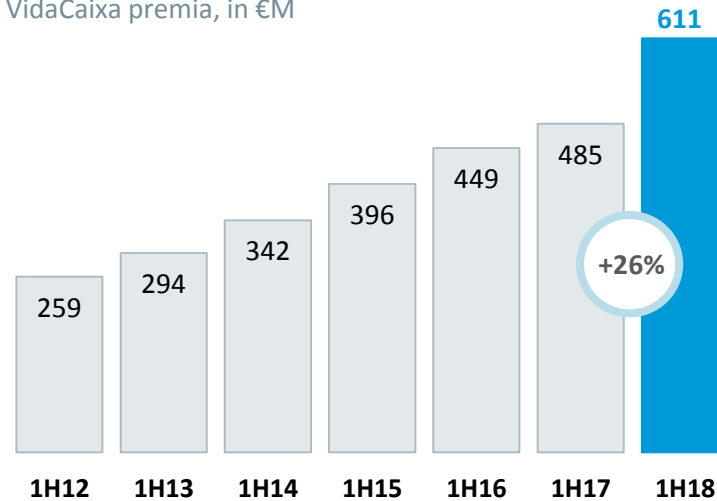
### Life-risk insurance



**Production**  
1H18, VidaCaixa

**€611 M**

VidaCaixa premia, in €M



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

**25.9%**

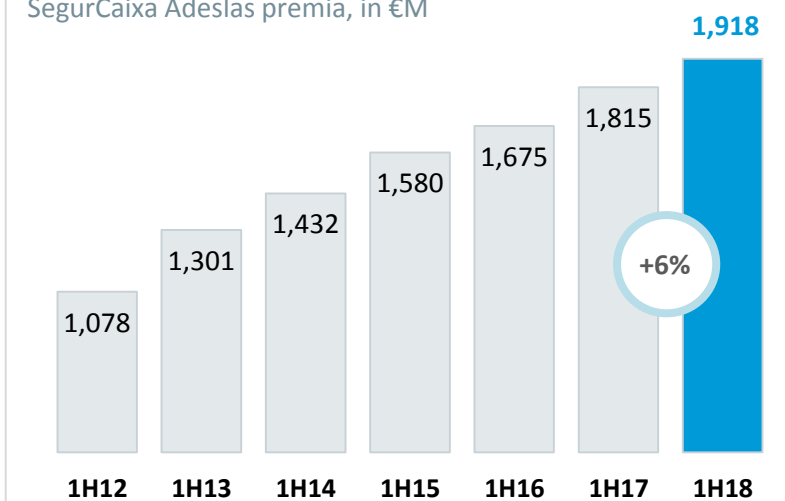
### Non-life insurance



**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.

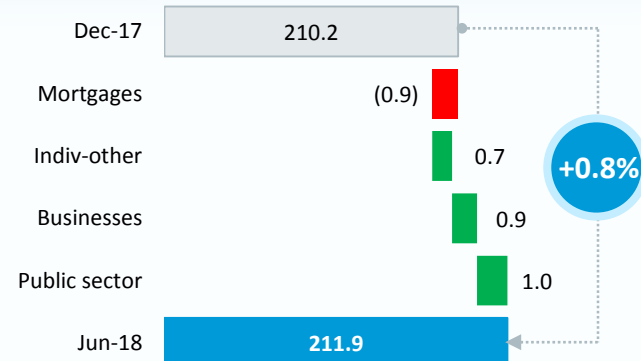
# Broad-based loan growth with lower mortgage deleveraging

## Loan book

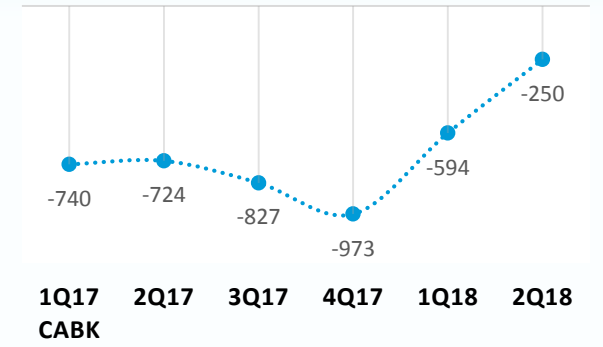
Breakdown, in €Bn	30 <sup>th</sup> June 2018	% ytd	% qoq
<b>I. Loans to individuals</b>	<b>129.8</b>	<b>1.0%</b>	<b>1.4%</b>
Residential mortgages	93.2	(1.1%)	(0.4%)
Other loans to individuals <sup>(1)</sup>	36.6	6.6%	6.3%
<i>o/w: CABK consumer loans<sup>(2)</sup></i>	11.0	10.6%	5.0%
<b>II. Loans to 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

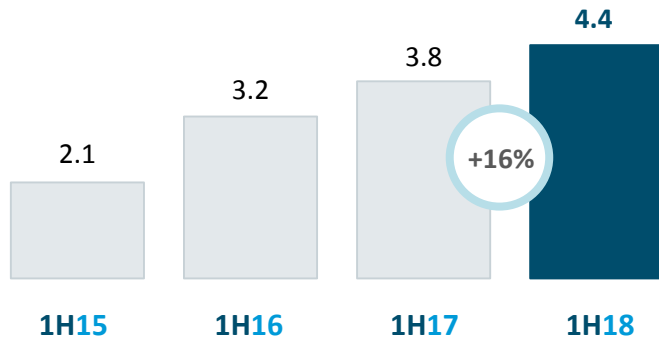
(1) Other loans to individuals (other than consumer loans) includes seasonal pension advances in June amounting to €1.6Bn.  
 (2) Unsecured loans to individuals, excluding those for home purchases. Includes personal loans from CaixaBank, MicroBank and CaixaBank Consumer Finance, as well as revolving credit card balances (CaixaBank Payments) excluding float.

## Positive loan production dynamics continue

### Consumer lending

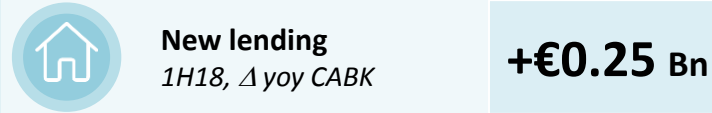


New lending (CABK), €Bn

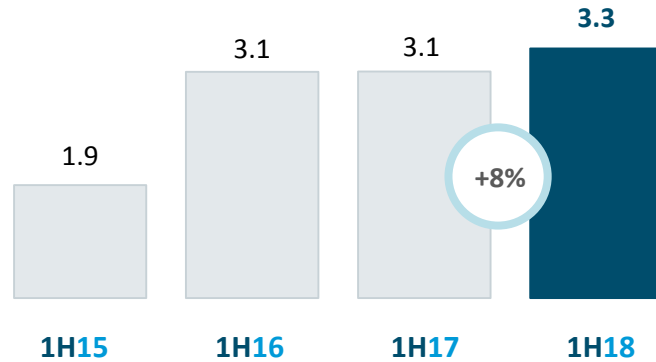


**Strategic alliances and commercial agreements with vendors**

### Residential mortgages



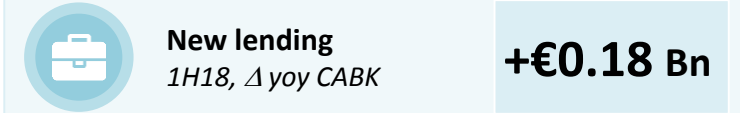
New lending (CABK), €Bn



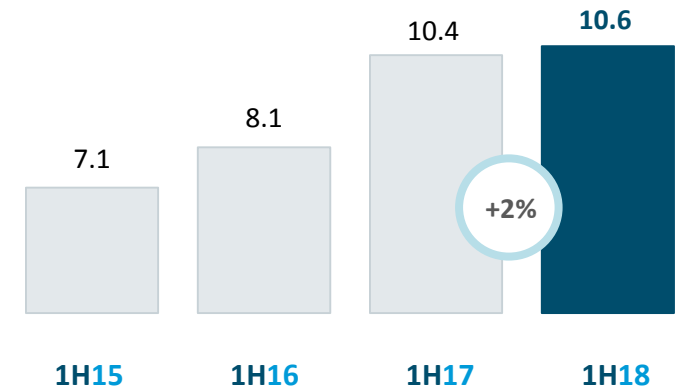
**~60%**  
at fixed rate

**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>Of our clients are digital <sup>(1)</sup></b></p>	<p><b>#1 in digital client penetration <sup>(2)</sup></b></p>	<p><i>Constant innovation to add value to our clients – Recent examples</i></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>
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#### Leveraging IT *to transform the distribution network*

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

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## 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".

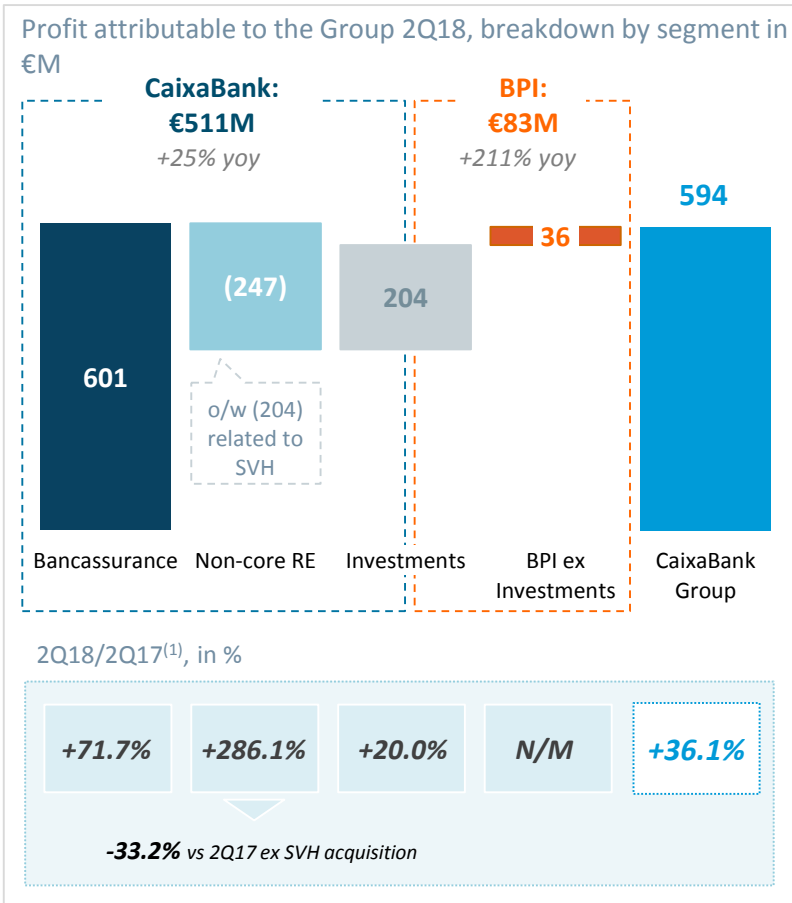
(2) TEF dividend in 2Q18 amounts to €104M while SRF charge in 2Q18 amounts to -€97M.

(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.

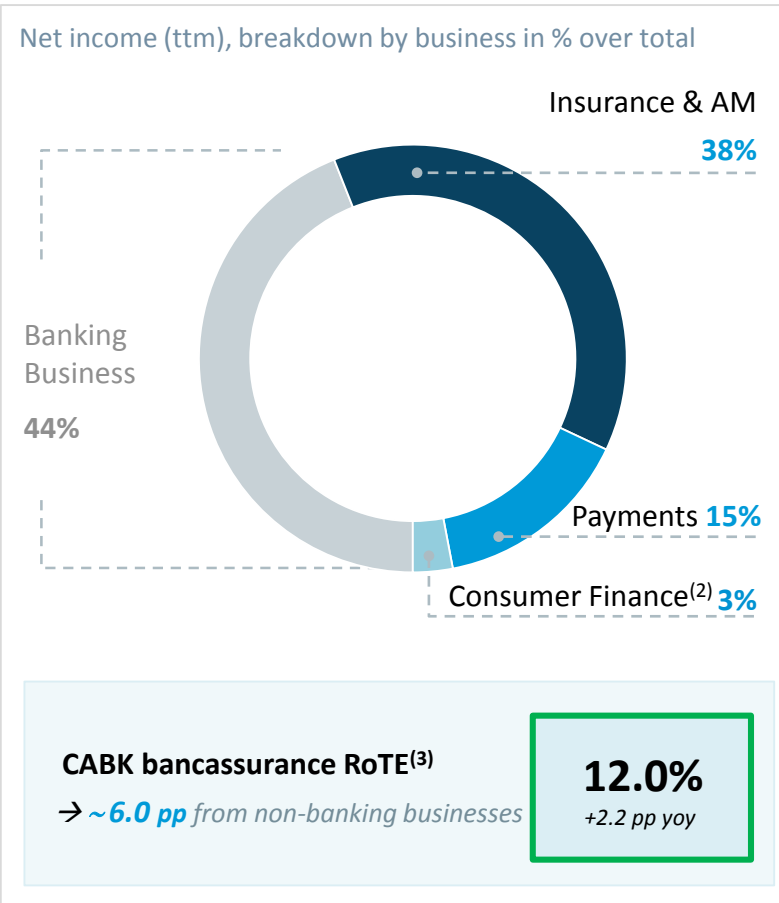
(4) Of which -€152M impact in "Other provisions" and -€52M in "Gains/losses on disposals and other".

## 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

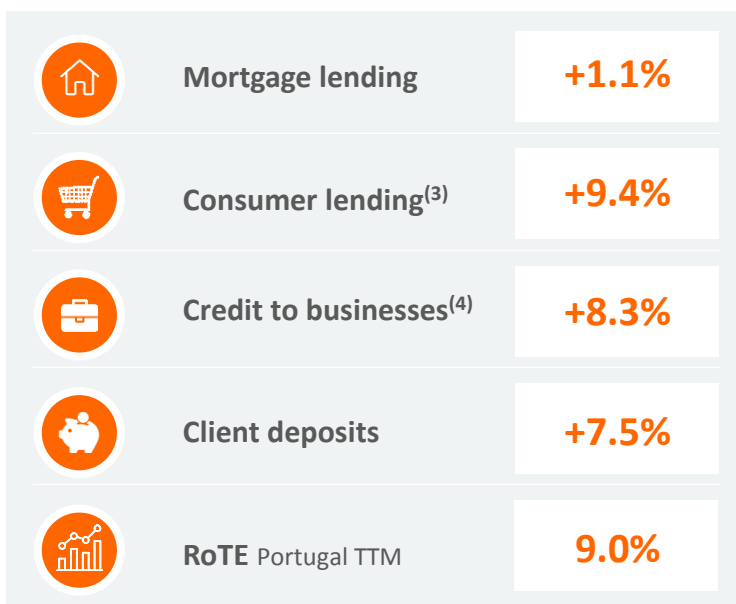
### BPI segment P&L

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

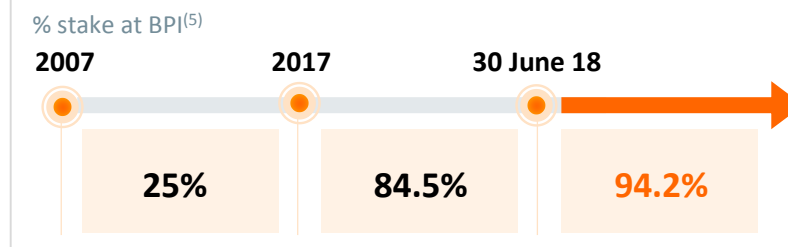
Activity in Portugal, as reported by BPI in % ytd



**Best bank in Portugal  
2018**

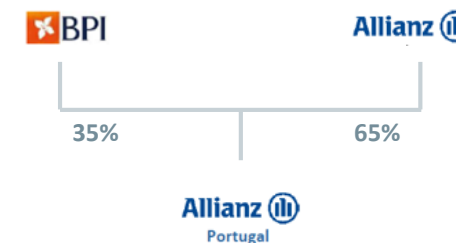


### Acquisition of 100% of BPI shares advances

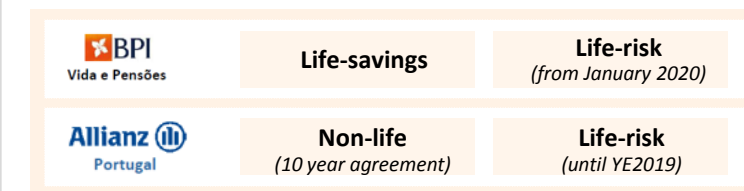


### New alliance to distribute insurance in Portugal

Ownership structure, 30 June 2018



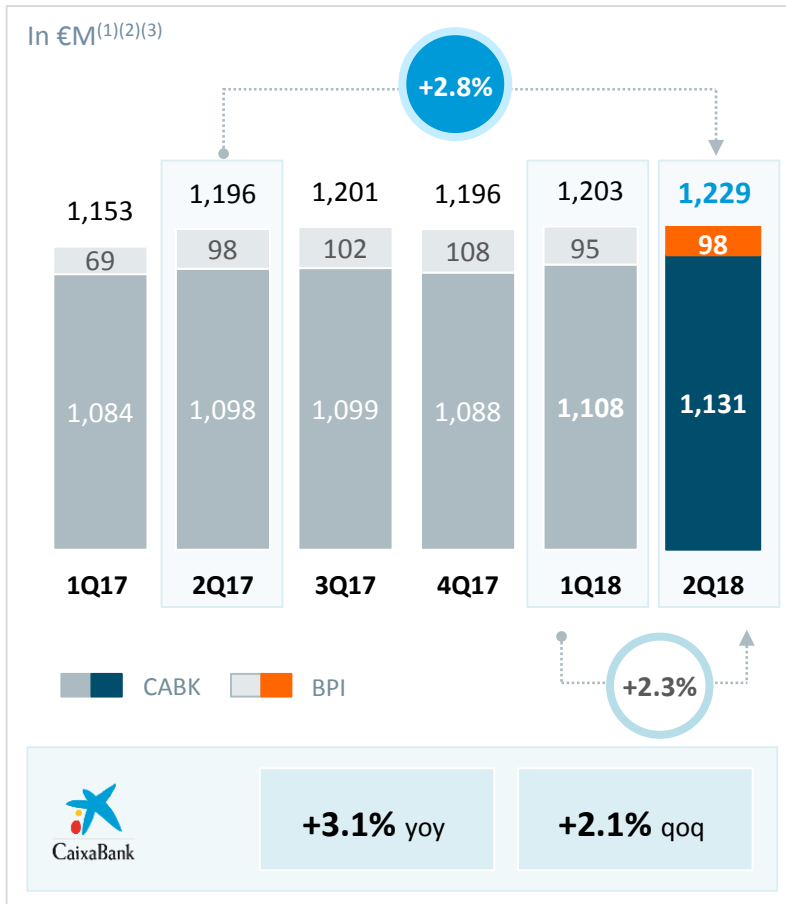
Insurance distribution by BPI



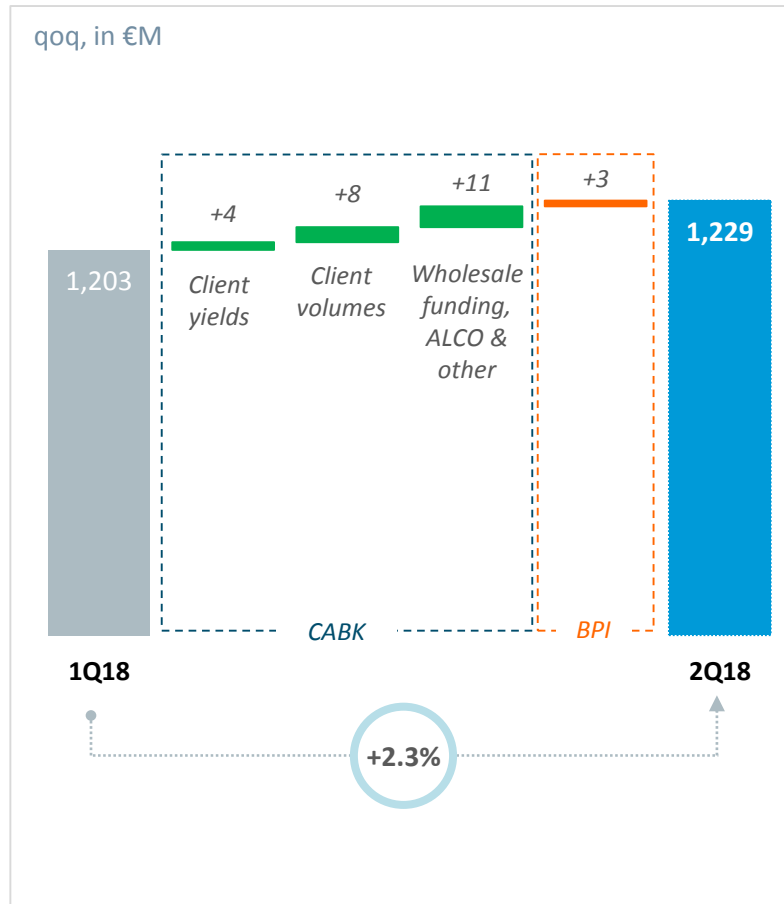
(1) BPI Segment P&L excludes contribution from BPI minority stakes, which is assigned to the "Investments" business segment. NII in BPI segment excludes cost from funding BFA and BCI which is included in "Investments" segment.  
 (2) QoQ impacted by sale of BPI Gestao de Activos and BPI Global Investment 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

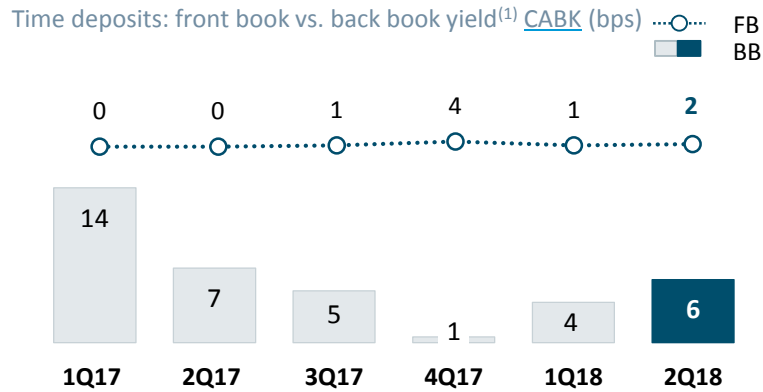
(1) 1Q17 includes 2 months of BPI. From 2Q17, inclusive, BPI contributes a full quarter.

(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).

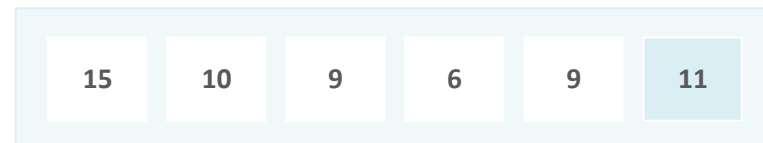
(3) Application of IFRS 9 from January 1<sup>st</sup> 2018.

## Loan volumes show slight inflection on broadly stable yields

### Deposit repricing

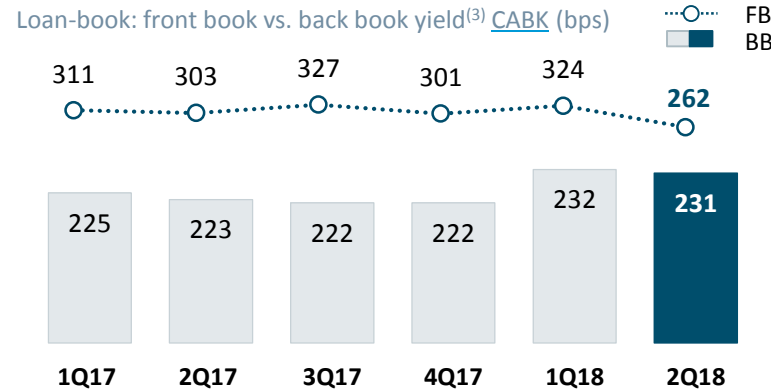


Time deposits<sup>(2)</sup>: back book yield, Group in bps

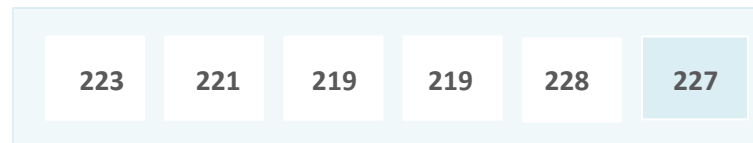


- ▶ Limited potential for further re-pricing as back book already close to front book
- ▶ BB uptick qoq mainly driven by F/X deposit production

### Loan yields

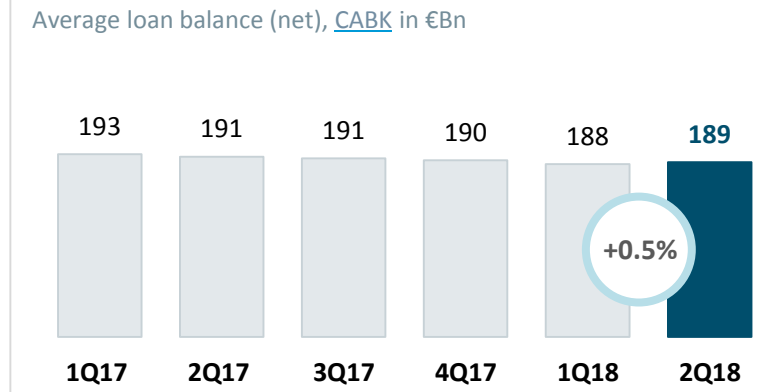


Loan-book<sup>(2)</sup>: back book yield, Group in bps

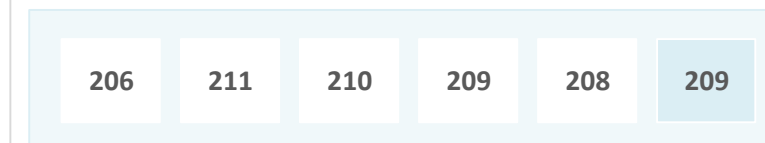


- ▶ FB yields reflect change in mix in 2Q (skew toward higher volumes of business lending)
- ▶ BB yields broadly stable as accretive FB offsets negative Euribor resets

### 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.

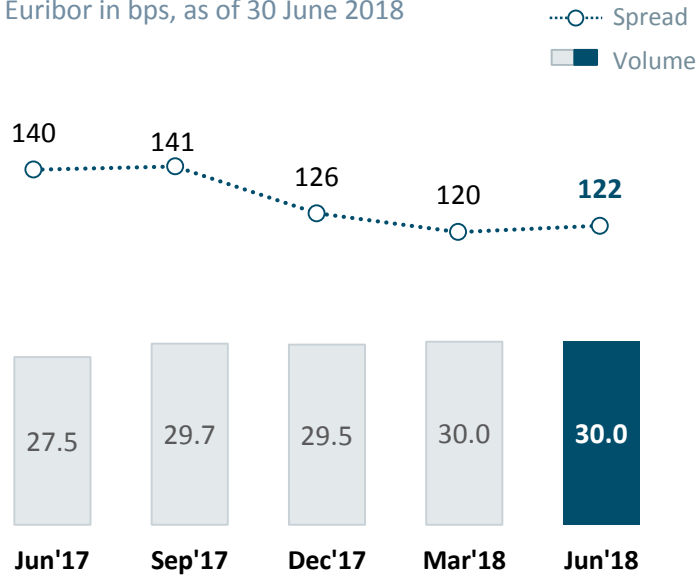
(2) 1Q17 Group time deposit and asset yields, as well as average balance BPI, calculated on 2 months of BPI contribution.

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

## ALCO and wholesale funding books remain stable

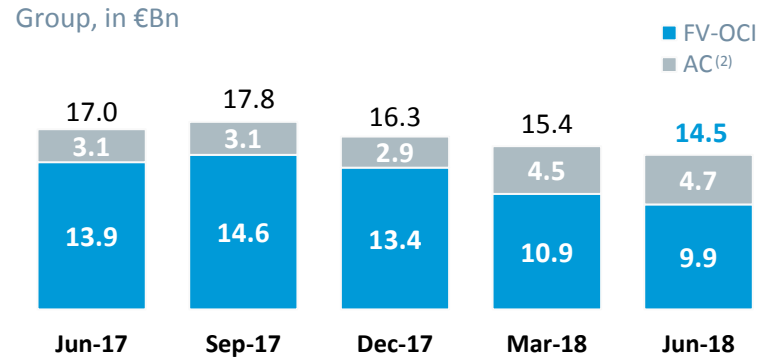
### Wholesale funding costs

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

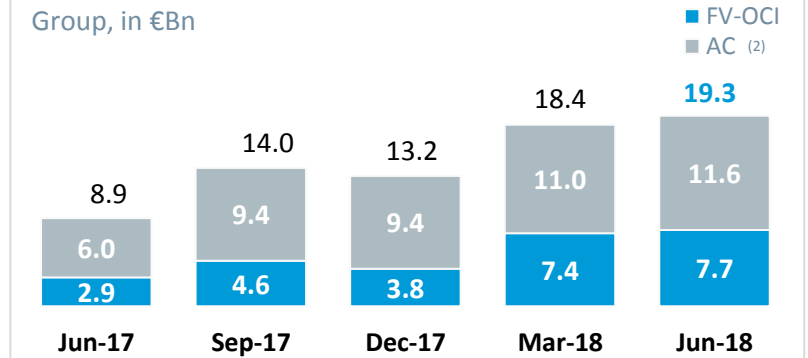
### Structural ALCO portfolio



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

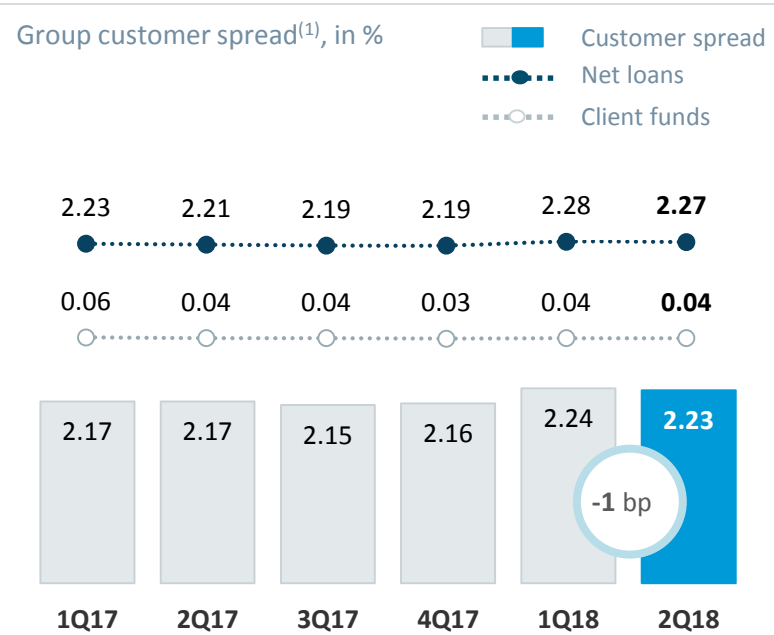
(1) Includes securitisations placed with investors and self-retained multi-issuer covered bonds. It does not include the AT1 issued in June 2017 and in March 2018.

(2) Securities at amortised cost.

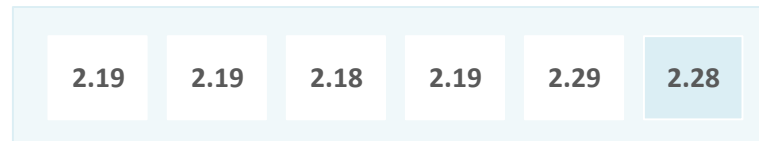


## Customer spread and NIM remain broadly stable

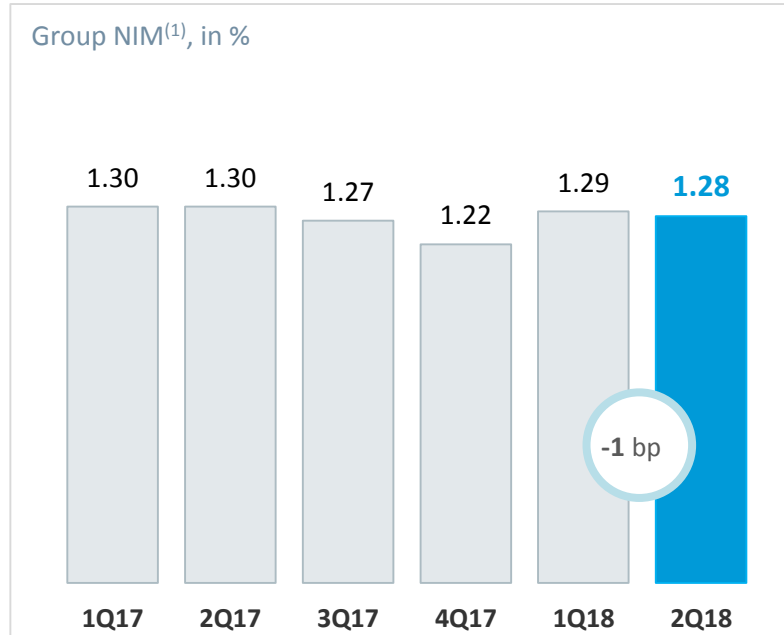
### Customer spread



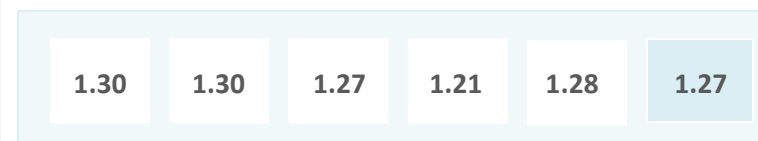
CABK customer spread, in %



### NIM



CABK NIM, in %

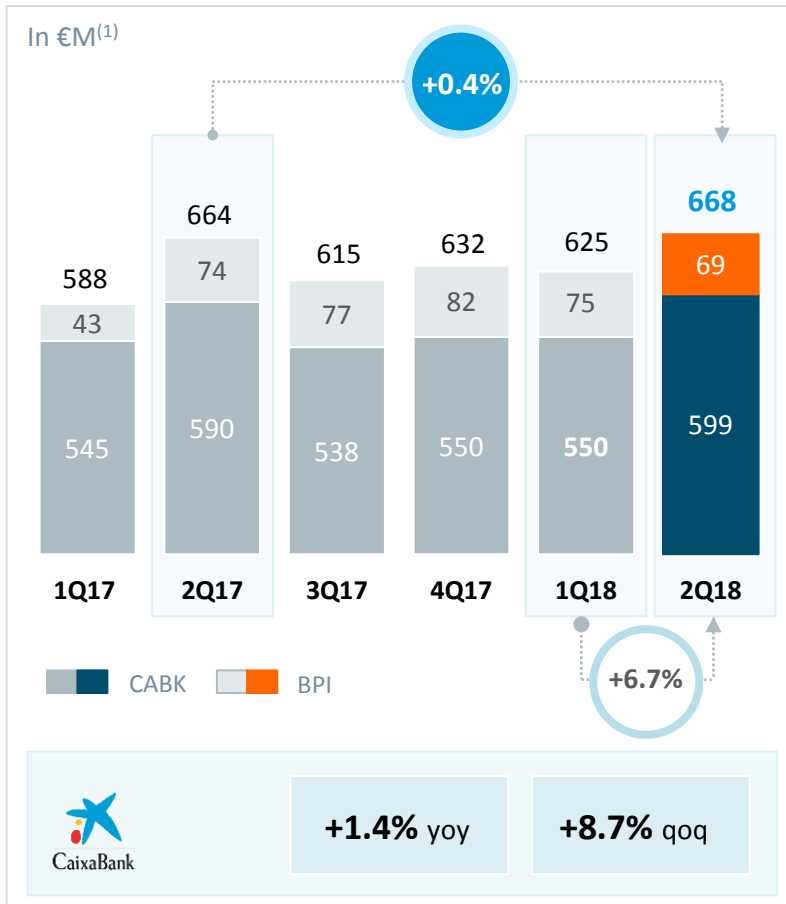


- ▶ Customer spreads remain stable qoq on:
  - Low and stable client funding costs
  - Flat lending yields: positives from mix-shift compensate for negative Euribor repricing
- ▶ Lower NIM qoq reflects denominator effect related to higher cash balances

(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%

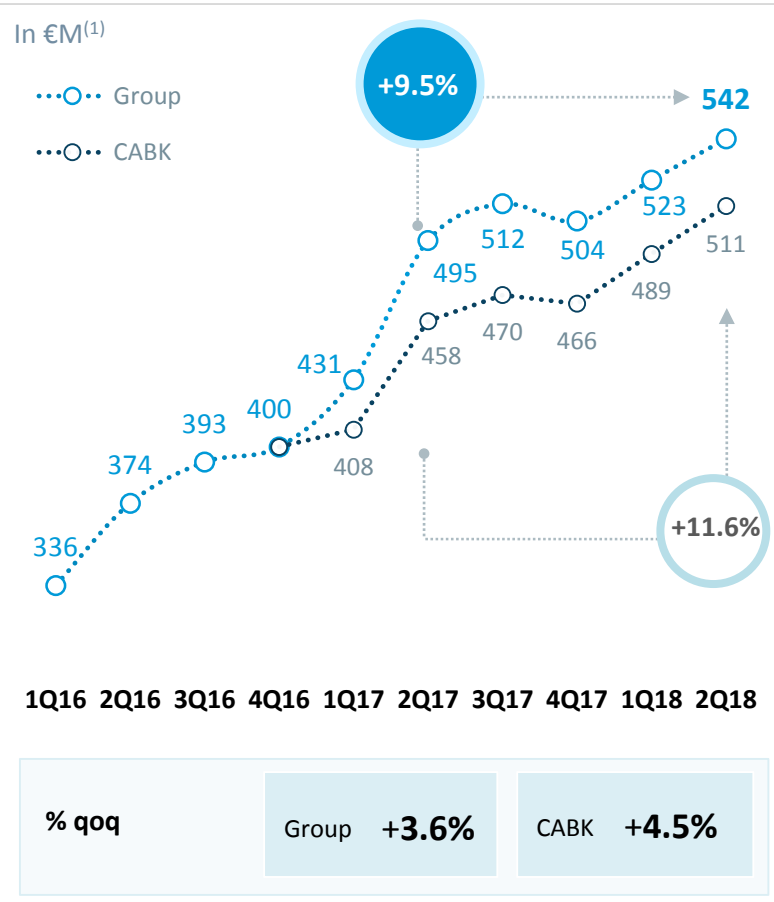
- ▶ Group fee evolution **yoy** reflects:
  - Recurrent banking fees impacted by investments in consumer lending distribution agreements –stable otherwise
  - Strong growth in mutual fund fees as higher AuM shows resilience to market volatility
  - Non-life insurance distribution remains an engine of 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.

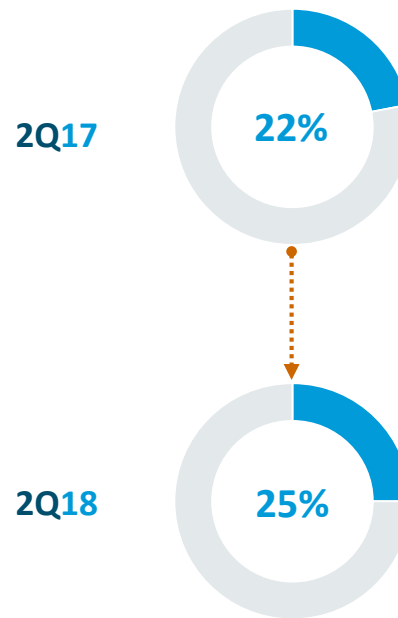
## Insurance and asset management remain key contributors to CABK bancassurance earnings

### 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

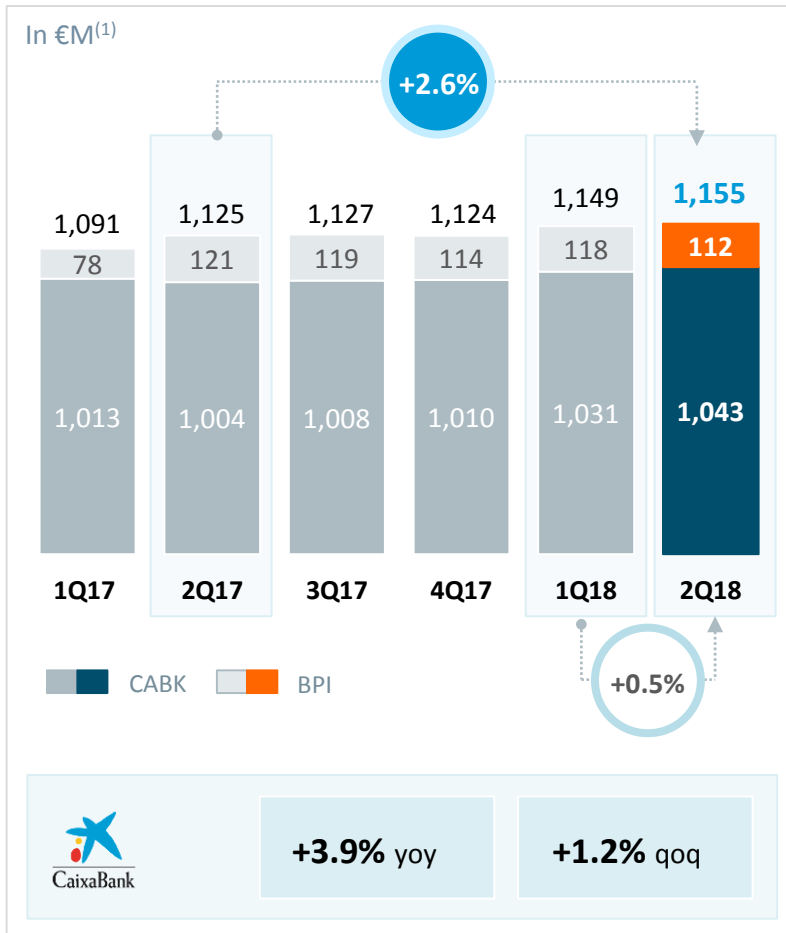
	Bancassur.	o/w Insurance <sup>(3)</sup>	Insur. % qoq
<b>Net interest income</b>	<b>1,175</b>	<b>77</b>	<b>6.9</b>
Net fees and commissions	601	(39)	(2.5)
Income and exp. insurance	144	144	4.3
Income from associates	55	38	(7.3)
Other revenues	79		
<b>Gross income</b>	<b>2,054</b>	<b>220</b>	<b>2.8</b>
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

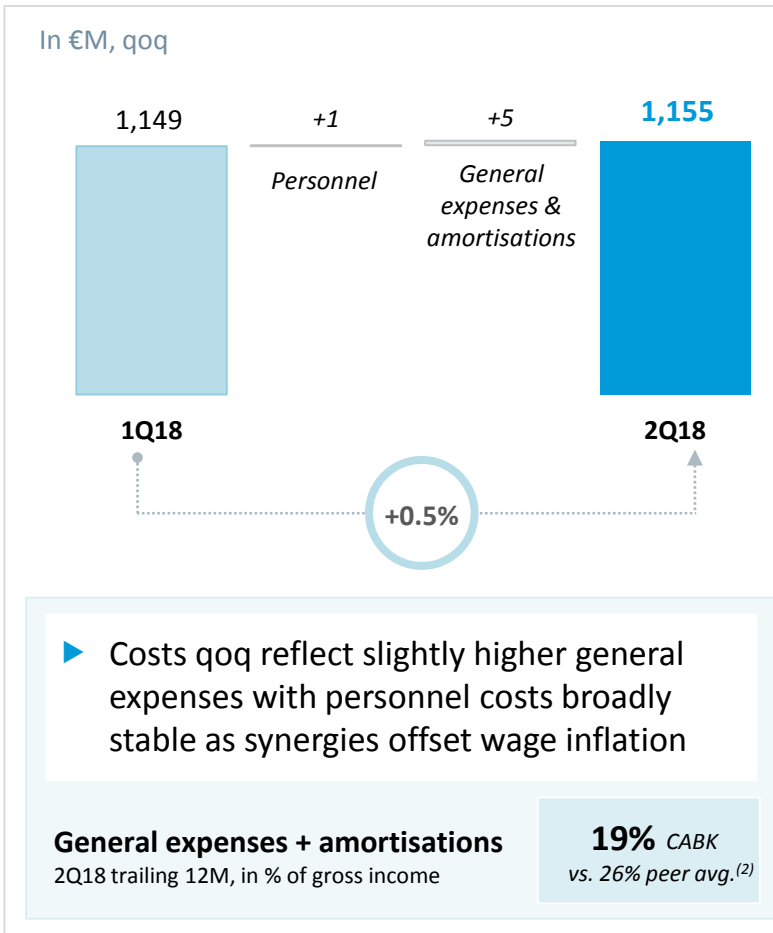
(1) AM revenues include pension plan and mutual fund fees. Insurance revenues include NII from life-saving insurance, life-risk premia, net insurance fees, equity accounted income from SegurCaixa Adeslas and other bancassurance stakes from BPI.  
 (2) AM revenues include pension plan and mutual fund 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

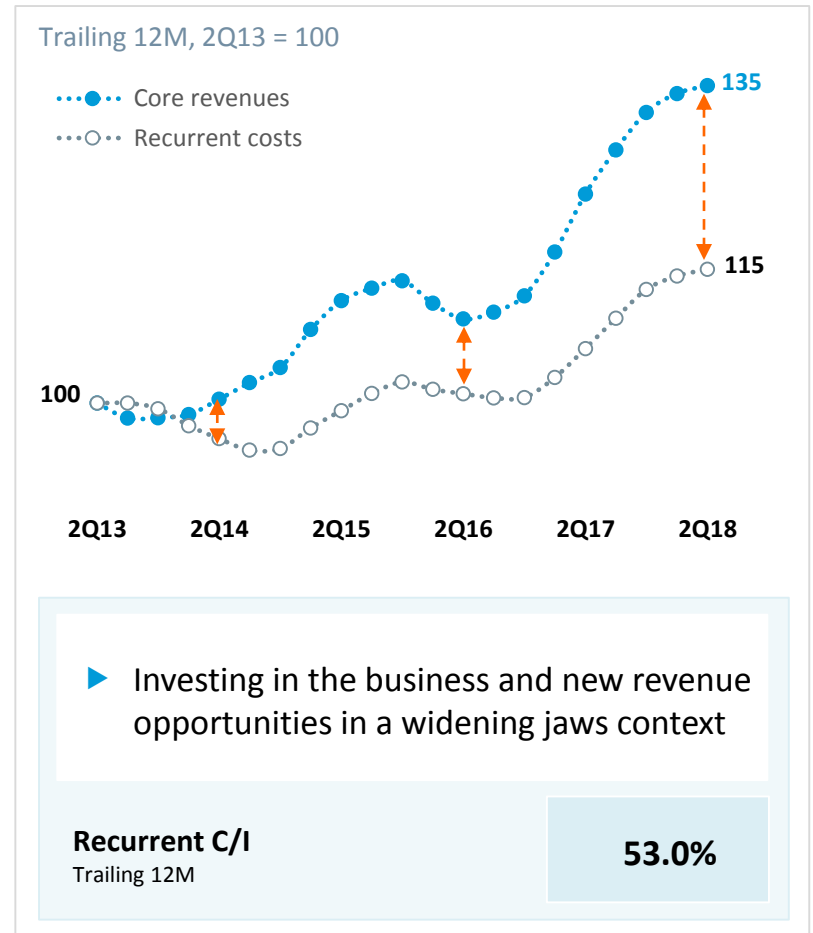
### Recurrent costs



### Recurrent cost bridge



### “Jaws” have continued to widen

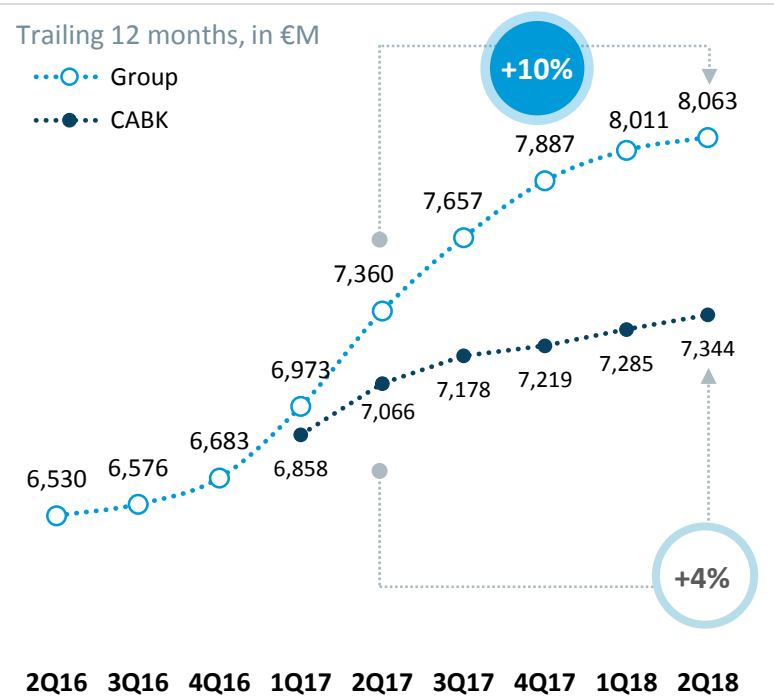


(1) 1Q17 includes 2 months of BPI.

(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.

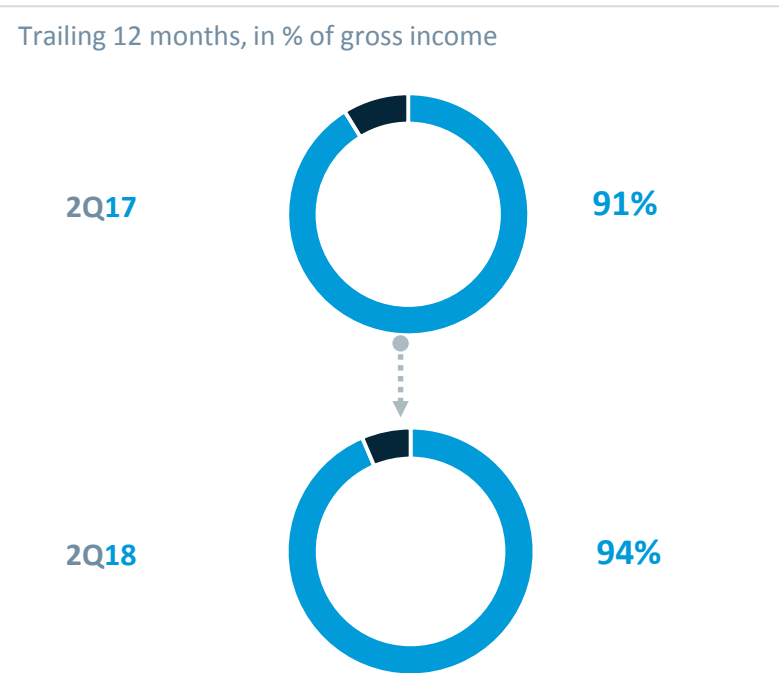
## Consistent core revenue and operating income growth reflect the strength of our model

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



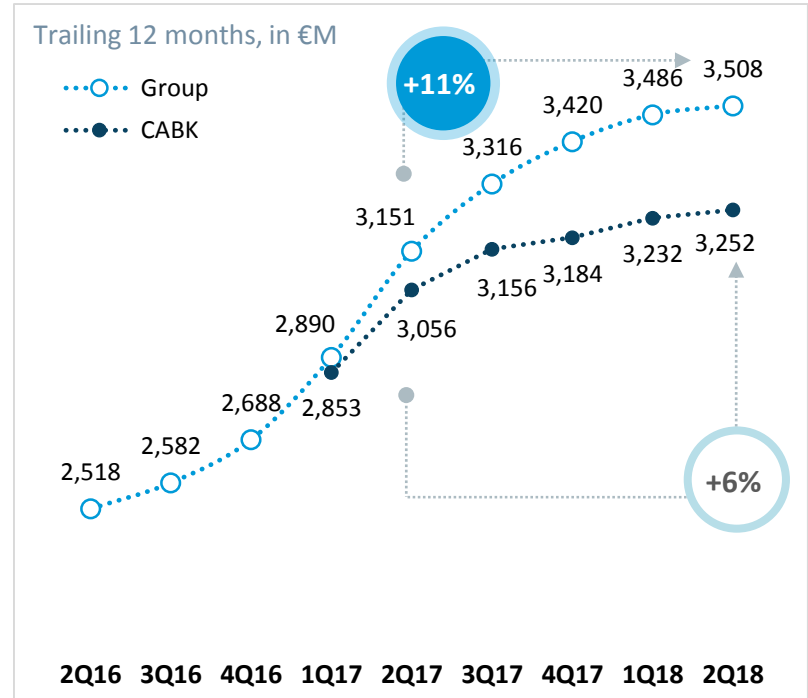
<b>2Q18 Core revenues</b>	<b>€2,083M</b>	<b>€1,911M</b>
	Group +2.5% yoy +3.7% qoq	CABK +3.2% yoy +4.0% qoq

### Core revenue contribution to total revenues



► Gradually improving the quality of revenues

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



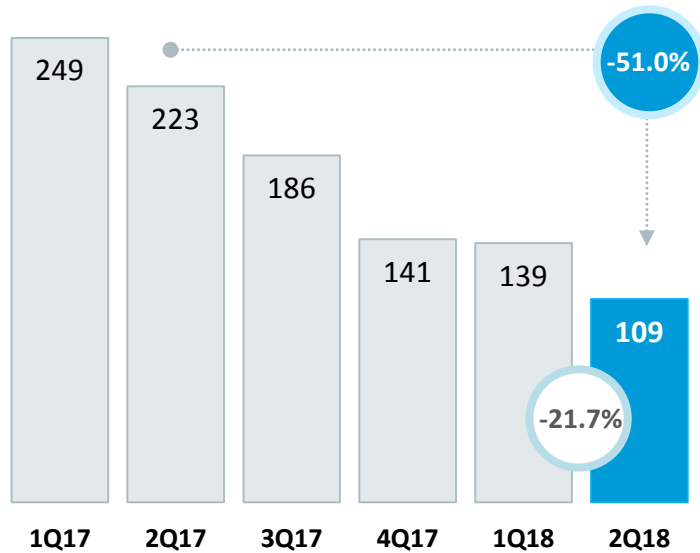
<b>2Q18 Core operating income</b>	<b>€928 M</b>	<b>€868 M</b>
	Group +2.4% yoy +8.0% qoq	CABK +2.3% yoy +7.7% qoq

(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.

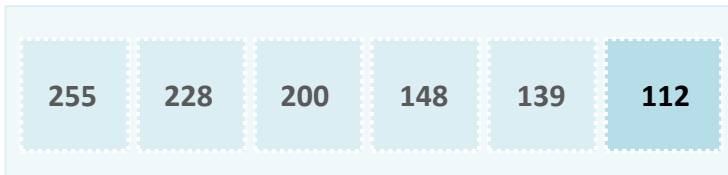
## Steady decline in LLPs with CoR<sup>(1)</sup> down to 24 bps

### LLPs

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

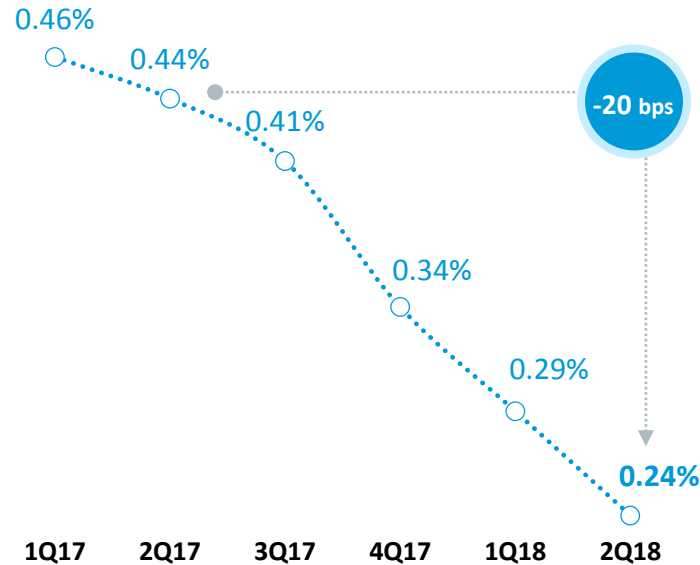


o/w CABK, in €M



### CoR trailing 12M

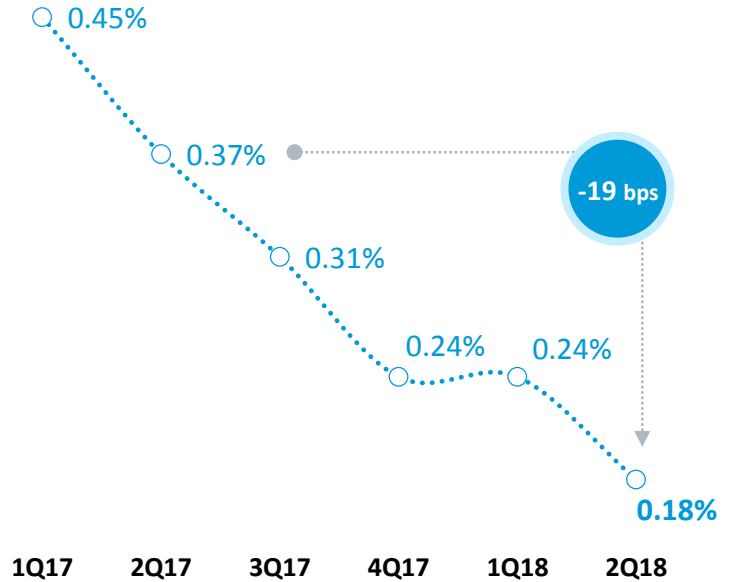
In %<sup>(2)(3)</sup>



► Group CoR shows another steady improvement in 2Q

### Annualised quarterly CoR

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



► Annualised quarterly CoR falls below 20 bps

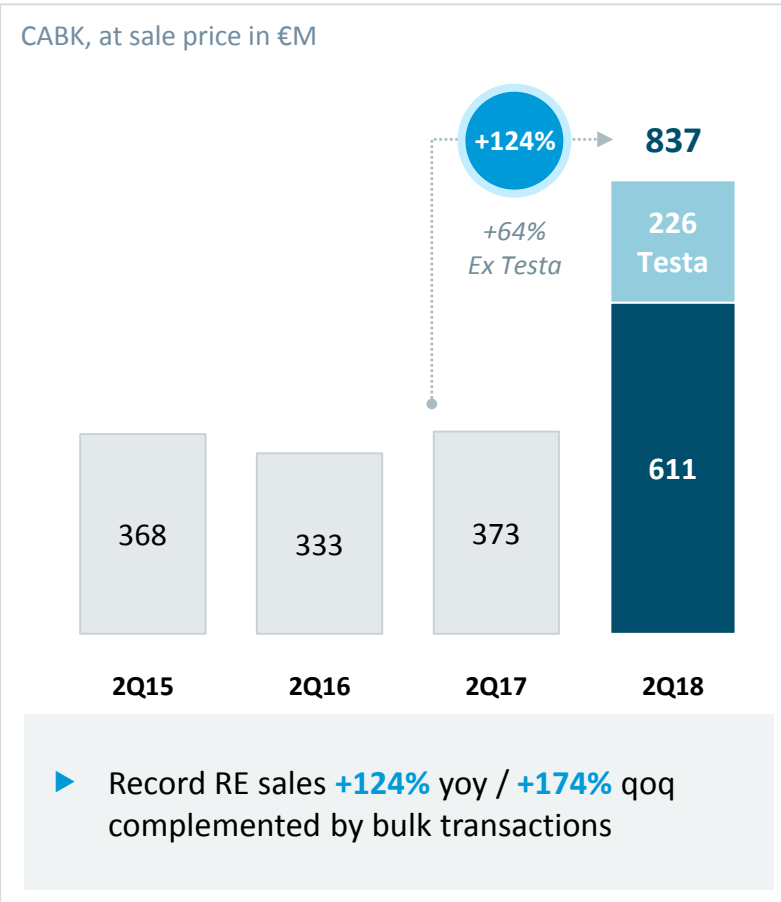
(1) Trailing 12 months.

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

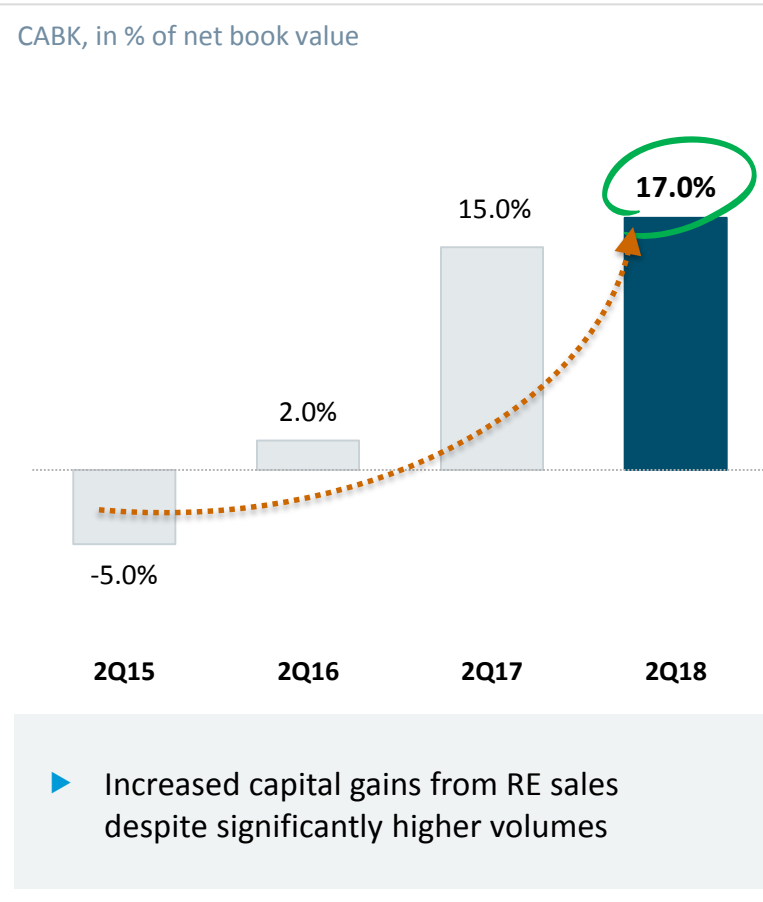
(3) For 3Q17 and previous quarters, it excludes extraordinary provision release in 4Q16 related to development of internal models.

## 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.

1.



COMMERCIAL  
ACTIVITY

2.



FINANCIAL  
RESULTS

3.



**BALANCE  
SHEET**

4.



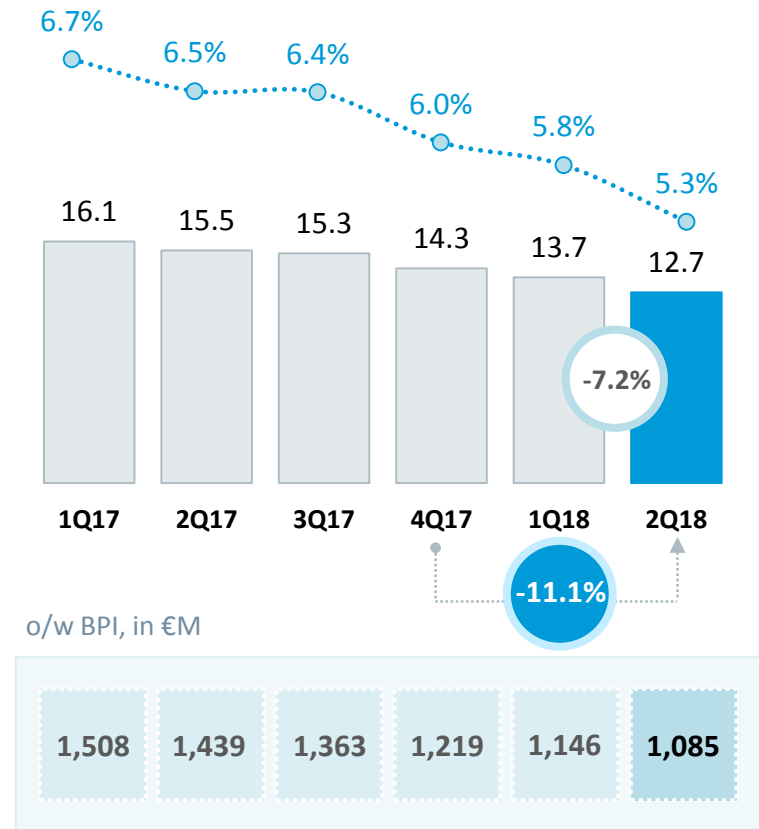
FINAL  
REMARKS



## NPL reduction continues at a faster pace

### NPL stock and ratio

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

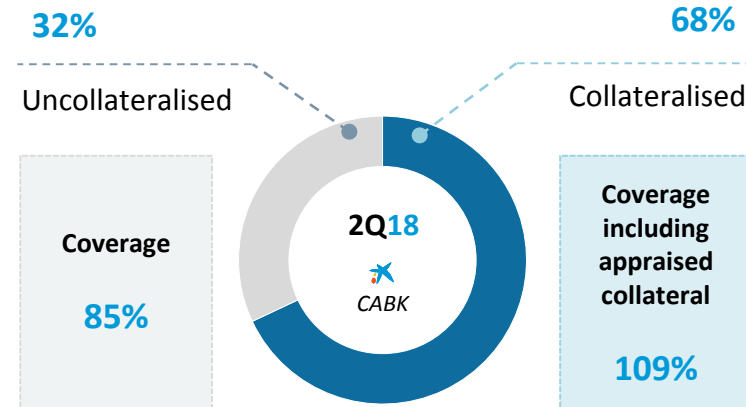


### NPL Coverage<sup>(2)</sup>

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

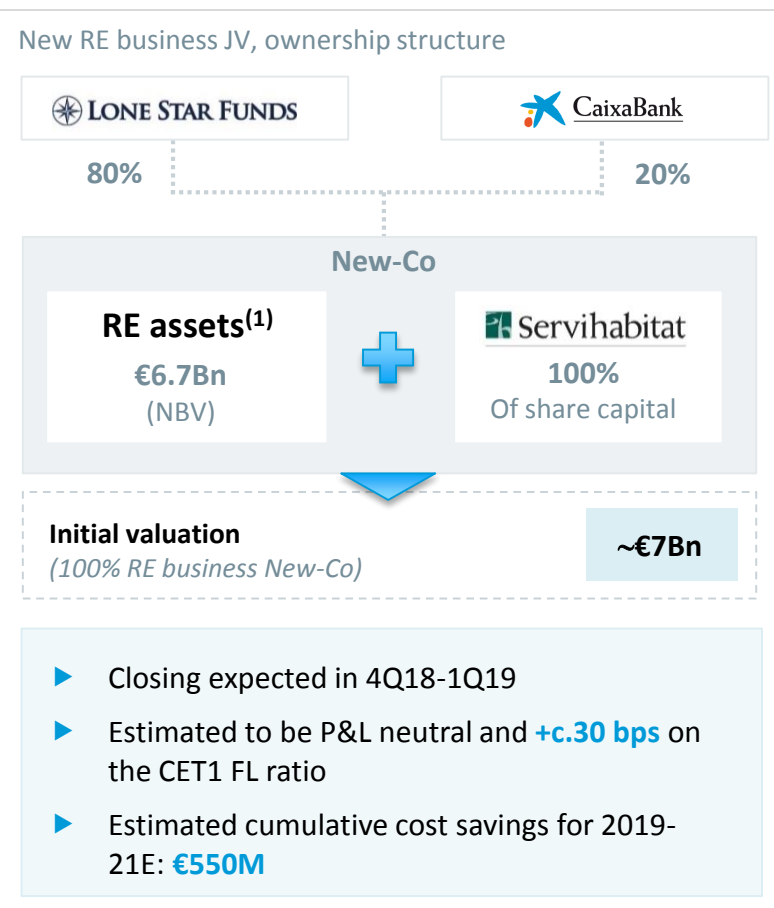
(1) Includes non-performing contingent liabilities (€490M in 2Q18, including BPI).

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

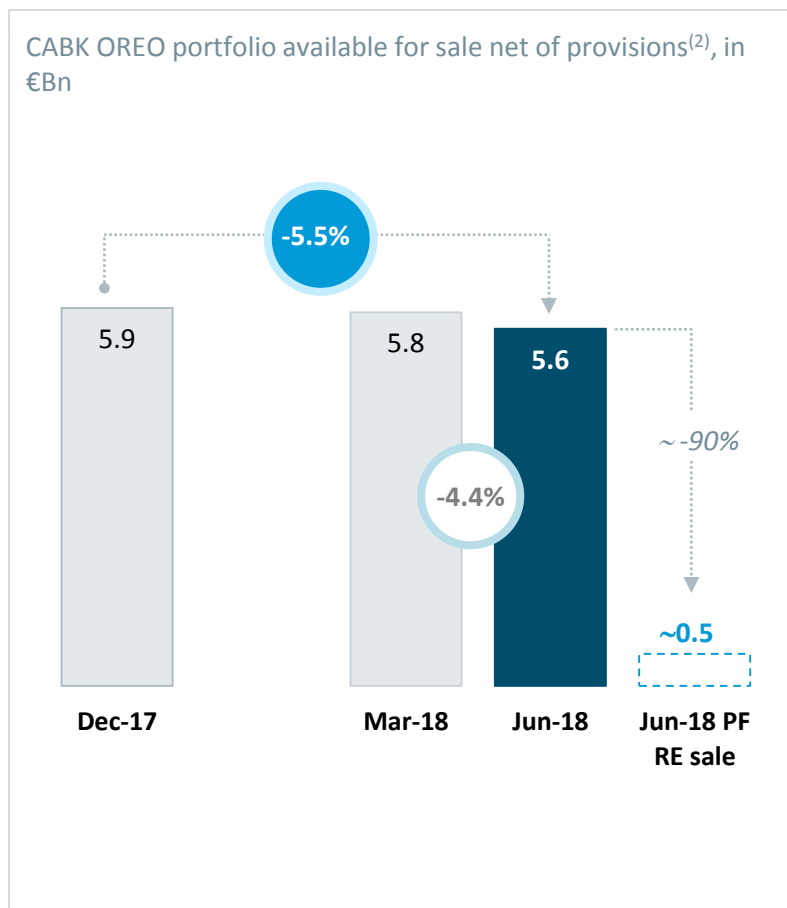
(3) Portfolio sale of €104M NPLs in 1Q18 and of €365M NPLs in 2Q18.

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

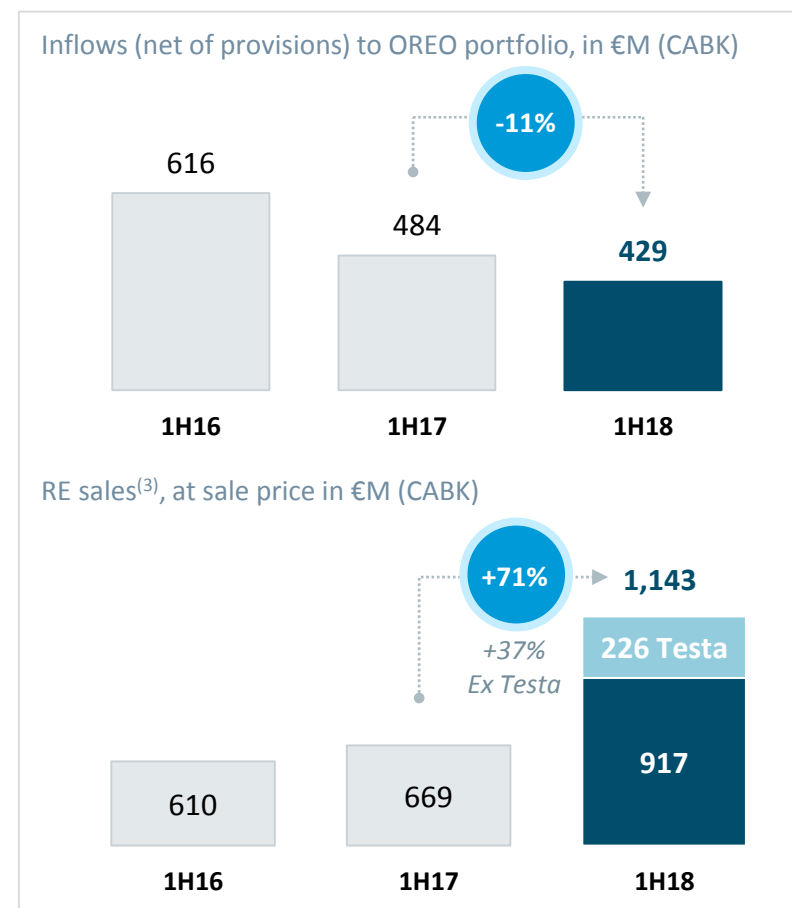
### RE business disposal agreement



### OREO exposure drastically reduced



### RE inflows/outflows also improving



(1) Mainly comprising the available for sale portfolio of real estate assets as of 31st October 2017. The gross book value of the RE assets as of 31st October 2017 was approximately €12.8Bn.

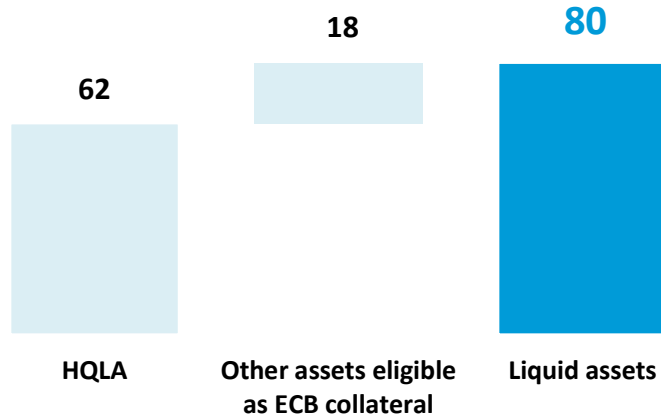
(2) BPI OREO portfolio net of provisions amounts to €41M as of 30 June 2018 (versus €53M as of 31 December 2017).

(3) Including sales of rental assets.

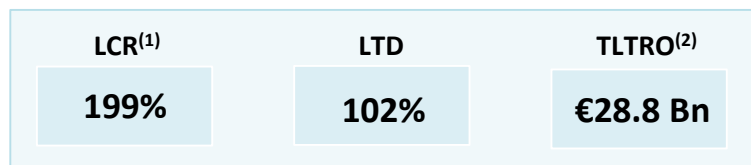
## Existing strong liquidity position reaches a new high

### Group liquidity metrics

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

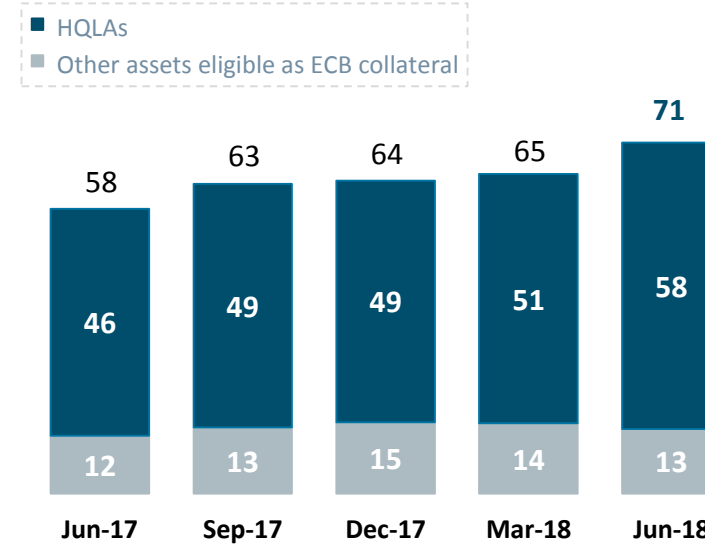


Other liquidity metrics, as of 30 June 2018



### CABK liquidity metrics

Total liquid assets (CABK), in €Bn

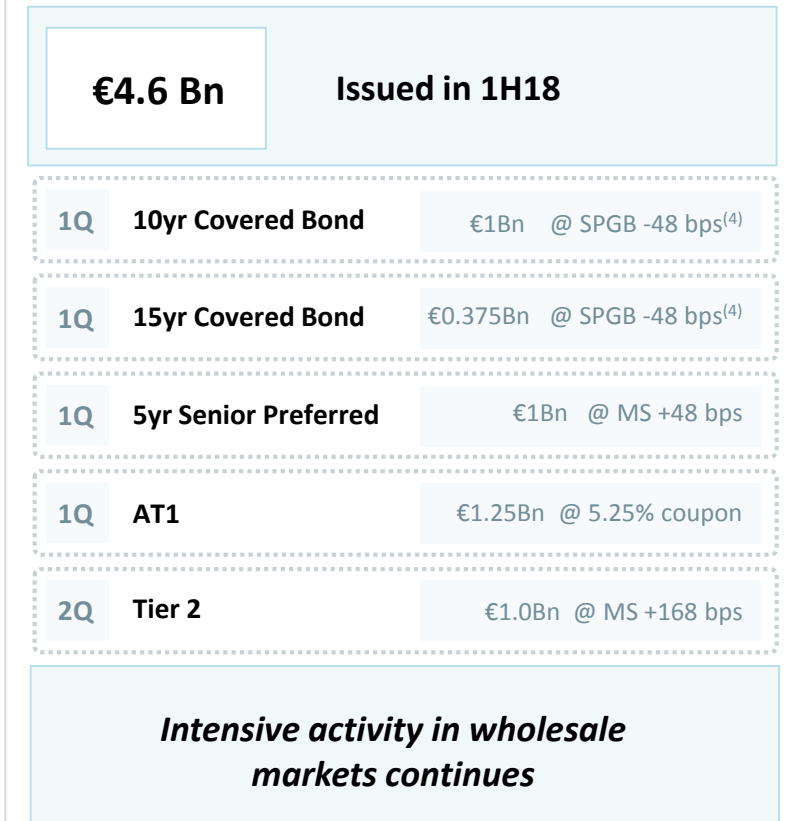


LCR (end of period)

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.

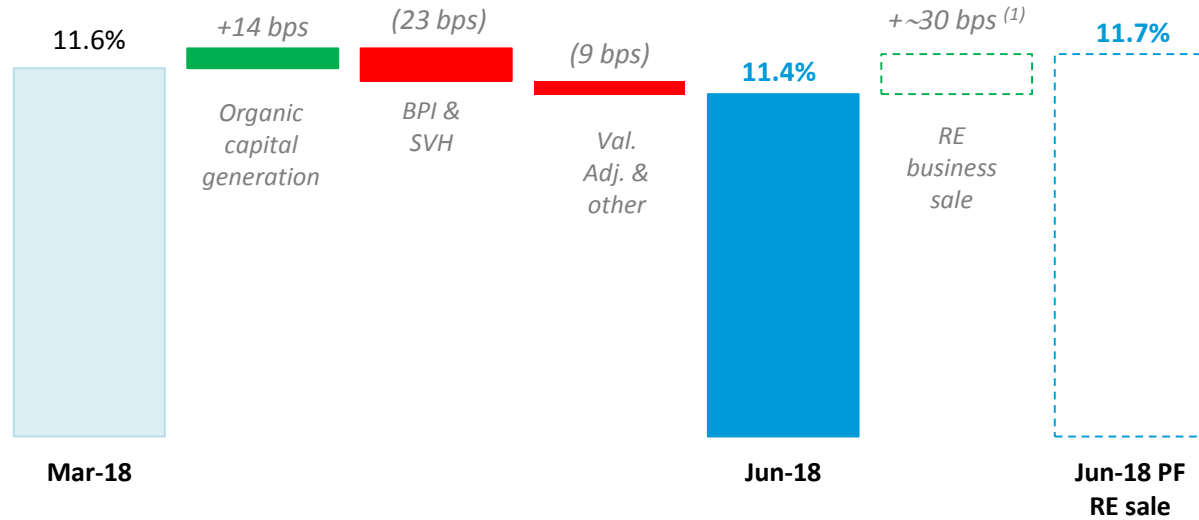
(3) Additionally, there were three private placements of mortgage covered bonds in 1Q18 for a total of €250M.

(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.

1.



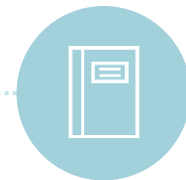
COMMERCIAL  
ACTIVITY

2.



FINANCIAL  
RESULTS

3.



BALANCE  
SHEET

4.



**FINAL  
REMARKS**

## Moving with confidence toward our strategic targets

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

# *Investor*day

27 November 2018 London

# [Appendix]



## 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 by BPI	Consolidation + business sale adjustments & accounting homogenisation	1H18 BPI contribution to CABK Group	BPI segment	Investments 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 <sup>th</sup> 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>

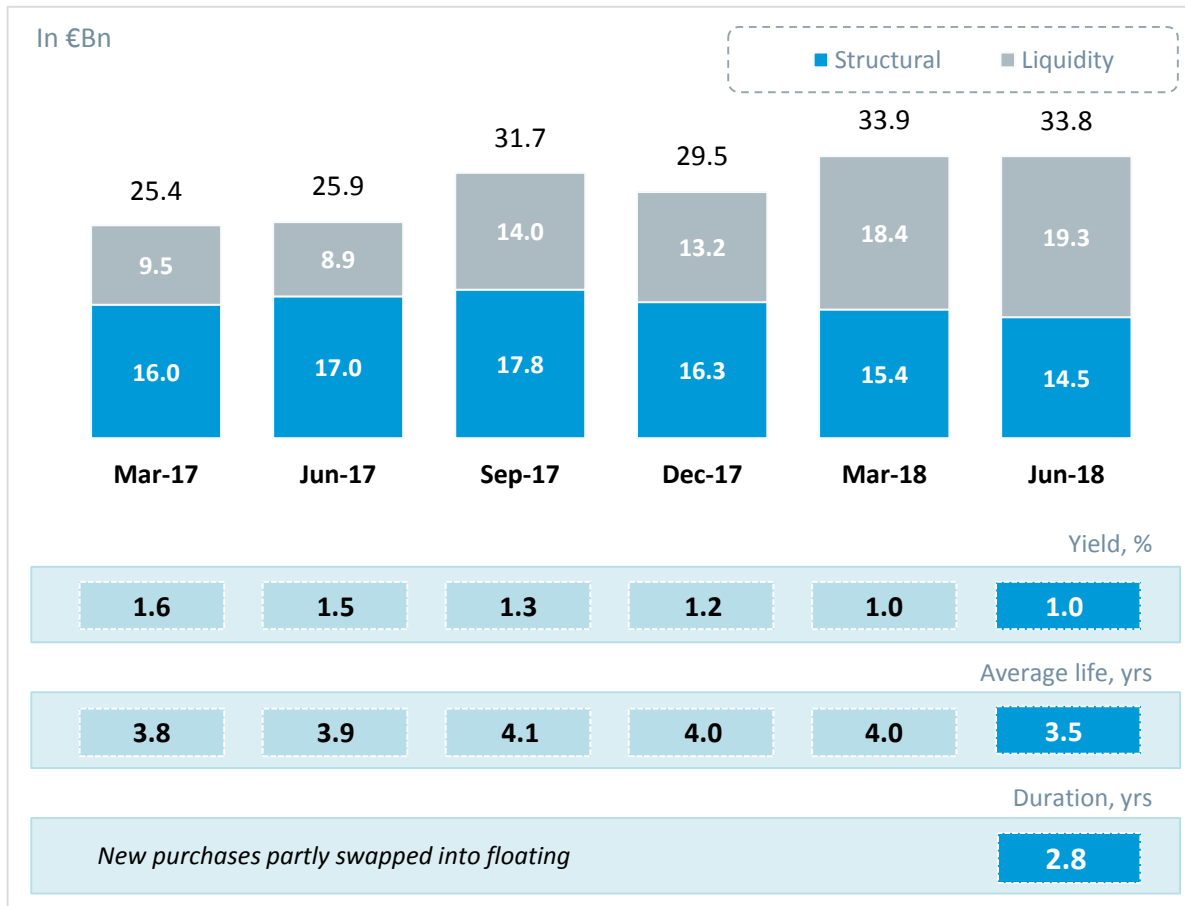
### Loan book

Breakdown, in €Bn

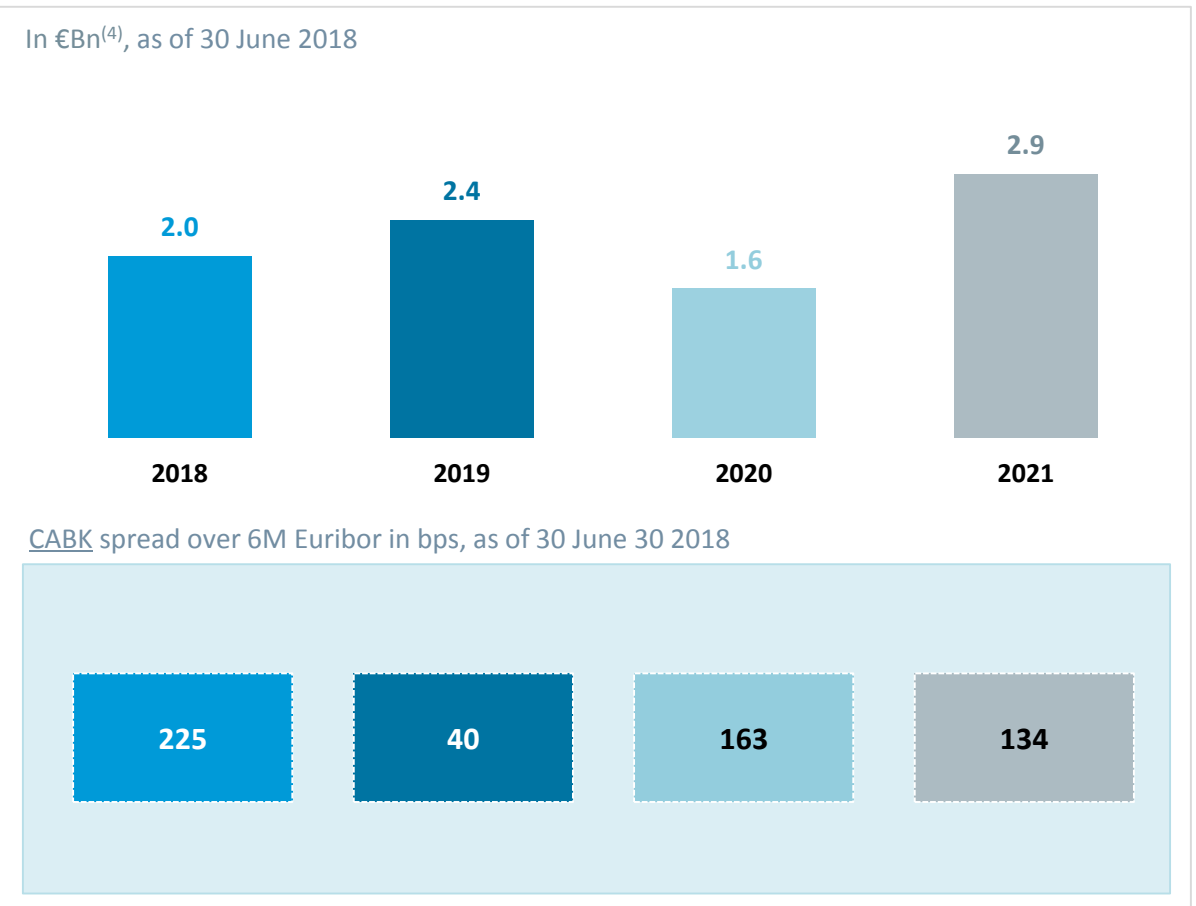
	30 <sup>th</sup> June 2018	% qoq	% ytd
<b>I. Loans to individuals</b>	<b>117.0</b>	<b>1.4</b>	<b>0.9</b>
Residential mortgages	82.0	(0.6)	(1.3)
Other loans to individuals	35.1	6.4	6.6
<b>II. Loans to businesses</b>	<b>73.7</b>	<b>1.0</b>	<b>(1.0)</b>
Corporates and SMEs	67.1	1.2	(0.8)
Real Estate developers	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>	Baa2	P-2	positive	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 17<sup>th</sup> April 2018

(2) As of 6<sup>th</sup> April 2018

(3) As of 3<sup>rd</sup> July 2018

(4) As of 12<sup>th</sup> April 2018

(5) As of 17<sup>th</sup> April 2018

(6) As of 27<sup>th</sup> March 2018

(7) As of 16<sup>th</sup> 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.

## Glossary (I/IV)

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
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)
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>

## Glossary (II/IV)

Term	Definition
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>
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>

## Glossary (III/IV)

Term	Definition
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>
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
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

## Glossary (IV/IV)

Term	Definition
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; (-) 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) 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 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)
Trading income	Gains/(losses) on financial assets and liabilities and others. Includes the following line items: <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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