

Barcelona, April 27, 2016

**Re.: Response to the information request dated April 19, 2016 on the occasion of the Ordinary General Meeting of CaixaBank, S.A. convened on first call on April 28, 2016**

Dear Ms. XXX:

In connection with the response to your written request for information dated April 19, 2016, we wish to express, first and foremost, the following:

The swap transaction referred to in the Material Fact reported to the markets by CaixaBank, S.A. ("**CaixaBank**"), last December 3, 2015, is not subject to any of the items on the agenda of the Ordinary General Meeting of CaixaBank convened on first call on April 28, 2016 and, consequently, does not fit the exercise of right to information regarding the operation based on Article 197 of the Capital Companies Act, to the extent that such provision contemplates the exercise of the right of information relating exclusively to the items on the agenda of the General Meeting.

In line with the above, for the issues relating to said swap transaction for which certain information is requested, we understand that they can be placed only on the exercise of the right to information based on Article 520.1 of the Capital Companies Act, i.e., *"regarding publicly available information that the Company has provided to the Nacional Securities Market Committee since the holding of the last General Meeting."*

Moreover and in relation to the above, it should also be clarified in advance that the swap transaction is legally independent of the proposed capital reduction by amortization of shares, as referred to in item 6 of the agenda of the General Meeting of CaixaBank, and in that sense, from a legal standpoint, it should be stated that the above capital reduction proposal is *"a result of the swap transaction,"* as stated in the information request letter. These are two separate, legally distinct issues, notwithstanding the Material Fact of December 3, 2015, in which the Board of Directors of CaixaBank reports to the markets, for information purposes, its intention to bring to the organization's next General Meeting the capital reduction by amortization of the treasury stock acquired under the swap.

Therefore, the response to your written request for information concerning the swap transaction should be understood as performed pursuant to Article 520.1 of the Capital Companies Act and not

in connection with item 6 on the agenda of the General Meeting relating to the proposed capital reduction through amortization of shares, a proposal which has its own purposes, unrelated to the swap transaction.

Second, your information letter requests the documentation concerning the “Strategic Investment Agreement signed between BEA and CaixaBank, reported to CNMV by Material Fact of June 22, 2009,” the “Resolution of the Company’s Board of Directors approving the swap transaction of December 3, 2015,” the “Report of the Board of Directors for justification of the approval of the swap transaction management and, failing that, Report of the Ad-Hoc Committee addressed to the Audit and Control Committee,” the “Fairness Opinions issued by Citibank and UBS regarding GFI and BEA price valuation,” the “Clifford Chance Report on the legality of the operation,” and the “Agreements lifting the restrictions set out in the aforementioned Strategic Investment Agreement signed between BEA and CaixaBank.”

Regarding that, we state the following:

- First, note that the information on the swap transaction contained in the Material Fact of December 3, 2015, contains the detailed essential information on the swap transaction, proving the shareholders and markets in general with accurate, comprehensive information on the terms of the transaction (delimitation of provisions and considerations of the swap; endpoint of the shares of Grupo Financiero Inbursa, S.A.B. de C.V. (“**GFI**”) and the Bank of East Asia, Limited (“**BEA**”); impact of the operation on the organization’s fully loaded CET1 ratio following the release in capital consumption; suspensive conditions and process followed for approval of the transaction by absolute abstention of proprietary directors of Criteria Caixa, S.A.U. (“**Criteria**”) (and D. Arthur K. C. Li D., among others)
- Notwithstanding Article 520.1 of the Capital Companies Act, it provides for the shareholders’ right to request “*clarifications*” deemed necessary regarding information available to the public through the National Securities Market Committee.
- This right, similar to the legally provided shareholders’ general right to information, is essentially interpreted by our doctrine and jurisprudence as a “right to formulate questions,” which should receive a timely response, but does not generate the right to obtain a copy of internal documents that the Board of Directors has been taken into account to set its intention and make its decisions, and cases in which the corporate legislation requires companies, under the right to information, to deliver documents or allow examination thereof, are rare, the shareholder not being legally acknowledged as entitled to perform a documentary investigation or inspection.
- Finally, one cannot fail to note in relation to the previous one, the enhanced measures of transparency and publicity that the corporate and securities markets regulation imposes, specifically to quoted companies, which reduces the space for the legitimate exercise of the individual right to information of the partner until the point of making individual access to unpublished information unnecessary, especially when as in this case, the information transmitted through the aforementioned Relevant Fact contains all the essential aspects of it.

Based on the foregoing, we will give a written notice to the clarifying questions requested in its request for information, thus giving full effect to the right of shareholders to information, response, without any need to, Therefore, make the delivery of documents Requested in the letter rightful, and Also the social interest in preserving booking confidential internal documents without undermining the right to information.

Next, we proceed to answer questions and clarifications on those requesting information in written

**Why hasn't the Board of Directors of CaixaBank submitted the exchange transaction for deliberation and approval by the General Meeting of Shareholders of the Company, especially when shares of BEA, object of transmission, are an asset that the company itself lists as being "Strategic"?**

The exchange transaction has not been submitted for deliberation and approval by the General Meeting of Shareholders due to the fact its approval is a contest corresponding to the Board of Directors of CaixaBank.

In this sense, the issues under Articles 160 f) and 511 bis of the Capital Companies Act correspond to the competence of the general board relating to the transfer or disposal of assets or essential activities, which is a qualification that in no case is attributed to stakes of CaixaBank in BEA and GFI.

Starting from the generic allocation in the capital companies, from the competition management to managing board, the "essential" character that determines in an exceptional basis that the attribution of jurisdiction to the general meeting, regarding the performance of operations of assets transfer, concurs only in circumstances in which it is indisputable that through assets, or transmitted or acquired activities, essentially the activities through which it was effectively developing its corporate purpose, might be considered expanded or substantially reduced, or cannot continue doing the activity that it was developing according to its social object (assumptions that amount to an implicit or actual social purpose modification), or that may potentially be equivalent to a settlement of the company, or that involve legal structural or patrimonial modification thereof, with an essential significance to the interests and rights of the partners.

None of these circumstances are present in the transfer of stakes of CaixaBank in BEA and GFI through the swap agreement, nor the presumption contained in art. 160 f) of the Capital Companies Act whereby the rating could be attributed essentially to an asset, when the amount of the transaction exceeds twenty-five percent of the value of the assets listed in the latest approved balance sheet. In this respect, the set value assigned to the stakes in BEA and GFI, and therefore the amount of the exchange transaction, was 2,651 million euros, clearly lower than twenty-five percent of the assets of CaixaBank contained in its final amount approved (over 300,000 million euros), both in the consolidated and individual balance sheet.

In turn, the assets transferred by CaixaBank are specified in minority stakes in two banks (17.24% in the case of BEA and 9.01% for GFI) that are absolutely essential to the continuation of the full and normal development by CaixaBank of its corporate purpose, especially when the exchange transaction allows it to maintain the business relationship and banking partner that CaixaBank has

both with BEA and GFI, despite still being its shareholder and, thereby, to continue performing in these markets. Additionally, it should be recalled that the 2015-2018 Strategic Plan placed as a priority objective of CaixaBank, the divestiture of minority stakes, in order to reduce its weight in the capital consumption by the CaixaBank group.

In short, under any point of view it can be considered that the stakes in BEA and GFI constitute essential assets of CaixaBank, in the sense that this concept must be legally interpreted in relation to the distribution of powers between the governing bodies and, by it, the competence to decide its transmission through an exchange transaction by the Board of Directors of CaixaBank.

**Why has the Board of Directors of CaixaBank remained silent on the removal of restrictions in the case of OPA and has not communicated it as a significant event to CNMV, in the same manner that it did communicate the 2009 Strategic Investment Agreement to CNMV?**

CaixaBank did not issue a Relevant statement to report on the elimination of restrictions in the case of OPA, regarding the Strategic Investment Agreement signed between CaixaBank and BEA in June 2009, as this modification was not relevant to CaixaBank; among other reasons, it was due to the fact that the elimination did not affect the stake value in BEA, for the purposes of the exchange and because following the operation, CaixaBank will no longer be the head of that stake.

The elimination of restrictions in the case of OPA was reported by BEA in Hong Kong, as this is the market where its shares are quoted, which is affected by this modification.

**Clarification on whether members of the Board of Directors of CaixaBank (including members of the Commission created ad hoc and the ones from the Audit and Control Commission) knew (and in case of knowing them, when) the negotiations which should be being carried out between CaixaBank itself, Criteria and BEA to remove some restrictions referred to in the Strategic Investment Agreement.**

The members of the Board of Directors of CaixaBank, including members of the Commission of Independent Directors created ad hoc for the analysis of the exchange transaction and the ones from the Audit and Control Commission, knew in advance the approval of the operation in which amendments to agreements were being negotiated with BEA which, among other issues, could imply the elimination of certain restrictions established under the Strategic Investment Agreement.

**If UBS and Citibank – the two independent firms that advised CaixaBank on the Transaction through the realization of the corresponding fairness opinions – were aware (and in the event that they were, when) of the negotiations to eliminate restrictions and if, in your favorable opinion regarding the assessment made for the shares of BEA, the elimination of restrictions in case of a takeover bid was considered.**

UBS and Citi arranged all the necessary information for the purposes of developing its respective fairness opinions prior to their issuance, including the possible removal of restrictions in case of a takeover bid for the Strategic Investment Agreement with BEA. This circumstance had no impact on the assessment made by said banks, which, as reported in the Material Fact issued by CaixaBank on

December 3, 2015, concluded that the consideration CaixaBank should receive from Criteria under the swap transaction is reasonable from a financial standpoint for CaixaBank.

**If any member of the Board of Directors has had relevant information during the transaction negotiation that should have been reported to the ad-hoc Committee, the Audit and Control Committee and/or the independent experts to allow the issuance of an opinion with all the evidence to assess the operation.**

No.

**If, given the removal of the restrictions of the Strategic Investment Agreement, you have not considered that the assessment given to the equity shares under the swap transaction required an update.**

During the analysis and assessment of the swap transaction, we took into account a possible amendment to the Strategic Investment Agreement with BEA, including a possible removal of the restriction in the event of a takeover bid, and concluded that this circumstance does not affect the assessment of the equity interest in BEA. Both UBS and Citi, which provided this information, concluded in their fairness opinions that the consideration to be received by CaixaBank under the swap transaction was reasonable from a financial standpoint to CaixaBank. Therefore, no update is required regarding the assessment given to the equity interest in BEA under the swap.

**If the Company has reported the European Central Bank (whose authorization is a condition precedent to the closing of the swap transaction) regarding lifting some of the restrictions of the Strategic Investment Agreement.**

CaixaBank has informed the European Central Bank of the amendment to the Strategic Investment Agreement, namely the removal of restrictions in the event of a takeover bid.

**Reasons for the acquisition of the Company's treasury stake and measures to promote equal opportunities, in particular through the launch of a takeover bid under Article 12 of the Royal Decree on Takeover Bids.**

The agreement proposal submitted to the Ordinary General Meeting relating to item 13 of the agenda proposes authorization for CaixaBank to acquire treasury stakes under the applicable regulations and, in particular, under the provisions of Article 146 of the Capital Companies Act, nullifying, in the unused part, the authorization hitherto in force, approved at the Ordinary General Meeting of April 19, 2012, for a period of 5 years.

Given that the authorization period approved at the Ordinary General Meeting of April 19, 2012 was likely to expire prior to the next Ordinary General Meeting to be held in the next fiscal year and, for the purposes of ensuring adequate coverage to the Board, this authorization proposal has been submitted to the Ordinary General Meeting, in terms substantially coincident with the agreement terms already approved in 2012.

In summary, this agreement proposal is not intended to acquire treasury stakes but rather to be a general authorization to the board so that it may acquire treasury stakes thereunder. Thus, the Board of Directors or, in the event of approval of the proposal, the person or persons that may be appointed, as applicable, to proceed with the acquisition of treasury stakes, according to the regulatory framework applicable at each time. Additionally and for clarification purposes, this agreement proposal is not part of any agreement for capital reduction and, therefore, is intended for the case referred to in Article 12 of Royal Decree 1066/2007 of July 27, on the regime of takeover bids for securities.

**Methods of acquisition, maximum number of units or shares to be acquired, minimum and maximum equivalent value, and duration of the authorization.**

The questions asked by you at this point are adequately detailed in the content of the duly published agreement proposal, to which I refer in order to avoid unnecessary repetition. In any case, I remain at your disposal to clarify any issues regarding details that might arise in this respect.