

## CAIXABANK S.A. AUDIT AND CONTROL COMMITTEE

### 2017 ANNUAL MONITORING REPORT ON COMPLIANCE WITH THE INTERNAL RELATIONS PROTOCOL (THE "REPORT")

#### 1. Introduction

Article 43 of the Law on Savings Banks and Banking Foundations stipulates that any banking foundation with a share equal to or greater than 30% of a credit institution's capital, or a lesser holding enabling it to exercise control of the said credit institution in accordance with any of the terms of Article 42 of the Commercial Code, must draw up a protocol for managing the financial holding in the corresponding credit institution. Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona "la Caixa" (hereinafter, "**Fundación Bancaria "la Caixa"**"), as the indirect owner of a holding in the share capital of CaixaBank that exceeds this percentage, approved a Protocol for management of the financial holding on 18 February 2016<sup>1</sup> which involved adapting the protocol approved by the Board of Trustees on 24 July 2014 to the content of Bank of Spain Circular 6/2015, of 17 November, section 2.3 of which indicated that Fundación Bancaria "la Caixa" would sign an internal protocol with CaixaBank replacing the previous protocol and establishing the framework for the relationship between Fundación Bancaria "la Caixa" and Criteria Caixa, S.A., Sociedad Unipersonal (hereinafter, "**Criteria**"), on the one hand, and CaixaBank, on the other hand, this internal relations protocol being signed on 19 December 2016.

On 26 September 2017, the Governing Council of the European Central Bank adopted a resolution whereby Criteria was no longer subject to its oversight and the new group subject to oversight was that headed by CaixaBank, S.A. (hereinafter, "**CaixaBank**"). Criteria was thus no longer considered a Mixed Financial Holding Company as it complied with the conditions established by the European Central Bank's Supervisory Board for Criteria's prudential deconsolidation from CaixaBank, which were basically the reduction of Criteria's voting and financial rights to a percentage not exceeding 40%, protection of CaixaBank's relevant governing bodies with regard to Criteria's influence on CaixaBank and limitation of CaixaBank's financing of the Fundación Bancaria "la Caixa"/Criteria Group and vice-versa.

On 18 May 2017, the Board of Trustees of Fundación Bancaria "la Caixa" approved a new Protocol for management of the financial holding (hereinafter, the "**Management Protocol**") in order to adapt its content to the commitments that must be assumed by Fundación Bancaria "la Caixa" directly and via Criteria, to comply with the deconsolidation conditions established by the European Central Bank. On 25 May 2017 Criteria's Board of Directors adhered to all aspects of this Protocol, which was also approved by the Bank of Spain on agreement by its Executive Committee at its meeting of 23 June 2017.

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<sup>1</sup> Clause 3.2 was amended on 31 March 2016.

In accordance with the stipulations of the Management Protocol, a new Internal Relations Protocol was signed on 22 February 2018 by Fundación Bancaria "la Caixa" and Criteria, on the one hand, and CaixaBank, on the other hand, substituting the protocol of 19 December 2016 (hereinafter, the "**Relations Protocol**").

## **2. Purpose of the Report**

In accordance with Clause 7.2 (ii) of the Relations Protocol, the purpose of this Report is to describe the work done by the CaixaBank Audit and Control Committee (the "**Committee**") during the financial year 2017 with regard to this Relations Protocol. The purpose of this is to ensure suitable coordination and transparency of the CaixaBank's relationship with Criteria and Fundación Bancaria "la Caixa".

## **3. Transactions and Services**

The Committee has intervened in several types of transactions requiring its involvement, in accordance with the Relations Protocol, adopting prior or subsequent resolutions in each case, as applicable. Relationships of little relevance in accordance with the parameters of the Relations Protocol have been excluded and it has not been formally made aware of the same. This section includes a summary of the most important resolutions adopted by the Committee.

### **3.1. Significant resolutions reported on favourably by the Committee before their implementation**

- (i) Resolution dated 31 December 2017 on the agreement concerning the service for the management of some of CaixaBank's investee companies by Criteria.

### **3.2. Reporting to the Committee on non-financial services provided and non-financial transactions for amounts under €5m and therefore not requiring prior authorisation, after their provision**

In 2018 the contracting of various non-financial services provided between Criteria and Fundación Bancaria "la Caixa" and CaixaBank in 2017 was reported, as described in Clause 3.1 of the Relations Protocol.

### **3.3. Services which due to their characteristics have not been previously approved or subsequently reported to the Committee**

On the basis of the criteria established in the Relations Protocol, no authorisation or specific reporting is required to contract any type of financial services that meet all three of the following characteristics: (a) they are carried out by virtue of contracts with standardised conditions and are applied en masse to a large number of clients, (b) they are carried out at prices or for fees generally established by the supplier of the goods or service in question, and (c) their amount does not exceed 1% of CaixaBank's individual annual income.

Consequently, some transactions conducted by CaixaBank in 2017 were not reported to the Committee, such as the habitual financial business transactions between the companies of the two Groups, for example. This is without prejudice to their having been in accordance with the provisions of the Relations Protocol and therefore having been carried out under market conditions.

#### **4. Information Flows**

All the information submitted to Criteria and Fundación Bancaria "la Caixa" by CaixaBank has been drawn up in accordance with the provisions of the Relations Protocol and the Management Protocol, in order for them to be able to carry out their management planning and control functions and fulfil their obligations as supervised entities. These legal obligations include drawing up their financial statements, complying with their regular reporting and supervisory obligations with regard to the European Central Bank, the Bank of Spain, the Spanish Securities Market Commission and other supervisory authorities, analysing and monitoring of tax aspects deriving from the fact that they belong to the same tax group, complying with Fundación Bancaria "la Caixa"'s obligation to draw up the financial plan, analysing compliance with the prudential deconsolidation conditions and CaixaBank's monitoring of the risk concentration limit with regard to the associate companies of the Fundación Bancaria "la Caixa" Group.

#### **5. Update of the list of companies in the CaixaBank Group and the Fundación Bancaria "la Caixa" Group at 31 December 2017 under the terms established in the Relations Protocol and the Management Protocol**

Within the framework of the corporate transactions conducted by the CaixaBank Group and the Fundación Bancaria "la Caixa" Group, some companies have entered or left the respective scopes of consolidation as a result of acquisitions, transfers, mergers, demergers, dissolutions or other corporate restructuring operations. Other companies have modified and/or adapted their corporate name.

The updated list of CaixaBank Group companies at 31 December 2017 is thus attached hereto as **Annex 1**, and the list of Fundación Bancaria "la Caixa" Group companies at 31 December 2017 as **Annex 2**. Both **Annex 1** and **Annex 2** have been drawn up in accordance with the definition of a Group established in Article 42 of the Commercial Code.

Moreover, companies controlled jointly by the CaixaBank Group and an external shareholder and considered either a joint business or, where applicable, an associate company for accounting purposes, have been excluded from the Directory.

Barcelona, 25 October 2018

## Annex 1

### CAIXABANK GROUP COMPANIES

at 31 December 2017

Company name	Holding (%) at 31/12/2017
Acuigroup Mare Mar, SL	100
Aris Rosen, SAU	100
Arquitrabe activos, SL	100
Banco BPI Cayman, Ltd	84.51
Banco BPI, SA	84.51
Banco Português de Investimento, S.A.	84.51
Biodiesel Processing, SL	100
Bodega Sarría, SA	100
BPI (Suisse), S.A.	84.51
BPI, Incorporated	84.51
BPI - Global Investment Fund Management Company, SA	84.51
BPI Capital Africa (Proprietary) Limited	84.51
BPI Gestao de Activos - Sociedade Gestora de Fundos de Investimento Mobiliarios, SA	84.51
BPI Madeira, SGPS, Unipessoal	84.51
BPI Private Equity - Sociedade de Capital de Risco, S.A.	84.51
BPI Vida e Pensões - Companhia de Seguros, SA	100
BuildingCenter, SAU	100
Caixa Capital Biomed, SCR de Régimen Simplificado	90.91
Caixa Capital Fondos, SCR de Régimen Simplificado, SAU	100
Caixa Capital Micro, SCR de Régimen Simplificado, SAU	100
Caixa Capital TIC SCR de Régimen Simplificado, SA	80.64
Caixa Corp, SA	100
Caixa Emprendedor XXI, SA	100
CaixaBank Asset Management, SGIIC, SAU	100
CaixaBank Brasil Escritório de representação, LTDA	100
Caixabank Business Intelligence	100
CaixaBank Consumer Finance, EFC, SAU	100
CaixaBank Digital Business, SA	100
CaixaBank Electronic Money, EDE, SL	88.45
CaixaBank Equipment Finance, SAU	100
CaixaBank Facilities Management, SA	100
CaixaBank Payments 1 EFC, SA	100
CaixaBank Titulización, S.G.F.T., S.A.	100
CaixaConsulting, SA	100
CaixaJove, SA	100
CaixaJunior, SA	100

CaixaRecord, SA	100
CaixaSenior, SA	100
Caja San Fernando Finance, SA	100
Cartera de Participaciones SVN, SA	100
Cestainmob, SL	100
Corporación Hipotecaria Mutua, EFC, SA	100
Credifimo - Unión de crédito para la financiación mobiliaria e inmobiliaria, EFC, SA	100
Estugest, SA	100
GDS-CUSA, SA	100
GDS-Grupo de Servicios I, SA	100
GrupCaixa Card, SA	100
Grupo Aluminios de precisión, SL	100
Grupo riberebro integral, SL	60
Habitat 2018	55.60
HipoteCaixa 2, SL	100
Hiscan Patrimonio, SAU	100
Holret, SAU	100
InterCaixa, SA	100
Inversiones corporativas digitales, SL	100
Inversiones Inmobiliarias Teguse Resort, SL	60
Inversiones Valencia Capital, SA	100
Inversiones vitivinícolas, SL	100
Líderes de empresa Siglo XXI, SL	100
MediCaixa, SA	100
Negocio de Finanzas e Inversiones II, SL	100
Nuevo Micro Bank , SAU	100
Premiat Comunidad Online, SL	100
PromoCaixa, SA	100
Puerto Triana, SA	100
RentCaixa I, SA	100
Sercapgu, SL	100
Silc Inmobles, SA	100
Silk Aplicaciones, SL	100
Sociedad de gestión hotelera de Barcelona	100
Sociedad tenedora de participaciones de proyectos de energías renovables	100
Telefónica Consumer Finance, EFC, SA	50
TotCaixa, SA	100
VidaCaixa Mediació, Sociedad de Agencia de Seguros Vinculada, SAU	100
Vida-Caixa, SA de Seguros y Reaseguros Sociedad Unipersonal	100
Web Gestión 1, S.A.	100
Web Gestión 2, S.A.	100
Web Gestión 3, S.A.	100
Web Gestión 4, S.A.	100
Web Gestión 7, S.A.	100

## Annex 2

### FUNDACIÓN BANCARIA "LA CAIXA" GROUP COMPANIES

at 31 December 2017

Name	Holding (%) at 31.12.2017
Arrendamiento Inmo Critería Caixa, SLU	100
Caixa Assistance, SA	100
Caixa Capital Micro II, SA	56.8
Caixa Capital Risc, SGECR, SA	100
Caixa Capital TIC II, FCR de Régimen Simplificado, SA	53.5
Caixa Invierte Biomed II FCR de Régimen Simplificado, SA	45.3
Caixa Invierte Industria SCR de Régimen Simplificado, SA	46.6
Caixa Invierte Start, SA	41.7
Caixa Podium I, SA	100
Caixa Titol, SA	100
Club Caixa I, SA	100
Critería Caixa, SAU	100
Critería Venture Capital, SA	100
Els Arbres de la tardor, SLU	100
Inmo Critería Caixa, SAU	100
GrupCaixa, SA	100
Inversiones Autopistas, SL	55.54
Lumine Travel, SAU	100
Mediterranea Beach & Golf Community, SA	100
Saba Infraestructuras, SA	50.1
Servihabitat Alquiler II, SLU	100
Servihabitat Alquiler, SL	100