

**SUPPLEMENT DATED 4 JANUARY 2018 TO THE BASE PROSPECTUS DATED 20
JUNE 2017**



CAIXABANK, S.A.

(Incorporated as a limited liability company (sociedad anónima) in the Kingdom of Spain)

EURO 10,000,000,000

Euro Medium Term Note Programme

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 20 June 2017 and the supplement thereto dated 31 July 2017 collectively, (the "**Base Prospectus**") prepared by CaixaBank, S.A. (the "**Issuer**") in connection with its Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to Euro 10,000,000,000 in aggregate principal amount of notes (the "**Notes**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the "**CBI**") in its capacity as competent authority under Directive 2003/71/EC, as amended including by Directive 2010/73/EU (the "**Prospectus Directive**"). The CBI only approves this Supplement as meeting the requirements imposed under Irish and European law pursuant to the Prospectus Directive.

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

IMPORTANT INFORMATION

The following information shall be inserted immediately above the section entitled "Important – EEA Retail Investors" on page 5 of the Base Prospectus:

"MIFID II product governance / target market – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules."

DOCUMENTS INCORPORATED BY REFERENCE

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus under the heading "*Documents Incorporated by Reference*" beginning on page 54 shall be supplemented by the addition of the following:

"an English language translation of CaixaBank's unaudited quarterly business activity and results report prepared under the management criteria for the three months ended 30 September 2017 ("**CaixaBank's Quarterly Report for 2017**") (available at: https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/171024_HR_IPP3Q17_en.pdf)"

FORM OF FINAL TERMS

The form of Final Terms set out under the heading "Form of Final Terms" beginning on page 59 of the Base Prospectus shall be amended by the insertion of the following text immediately below the text "Notes with a Denomination of €100,000 (or its equivalent in any other currency) or more":

"MIFID II product governance – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels."

DESCRIPTION OF THE ISSUER – RECENT DEVELOPMENTS

The information under the heading "*Description of the Issuer – Key events in 2014, 2015, 2016 and 2017*" on page 117 of the Base Prospectus shall be amended by the addition of the following information:

"Transparency Exercise of 2017 carried out throughout the European Union, at the request of the EBA (European Banking Authority)

On 24 November 2017 the Issuer published in its website information related to the 2017 annual Transparency Exercise carried out throughout the European Union, at the request of the EBA (European Banking Authority), on a consolidated basis of the Criteria Caixa, S.A., Sociedad Unipersonal which was the prudential consolidation perimeter on the reference dates of the exercise, December 2016 and June 2017.

Minimum capital requirements for CaixaBank Group in 2018 following the outcome of the Supervisory Review and Evaluation Process (SREP)

The Issuer has been notified of the decision of the European Central Bank (ECB) regarding minimum capital requirements for CaixaBank Group in 2018 following the outcome of the Supervisory Review and Evaluation Process (SREP). In addition, the Bank of Spain has also informed CaixaBank about the capital buffer applicable to Other Systemically Important Institutions (O-SII).

Both decisions remain unchanged with respect to the year 2017 on a fully loaded basis¹, 1.50% and 0.25% respectively, and require that CaixaBank Group maintains a phase-in Common Equity Tier 1 (CET1) ratio of 8.063%², which includes the minimum Pillar 1 requirement (4.50%), the ECB Pillar 2 requirement³ (1.50%), the Capital Conservation buffer (1.875%)⁴ and the O-SII buffer (0.187%)⁵. The minimum fully loaded CET1 ratio would therefore stand at 8.75%. Similarly, based on the minimum requirements of Pillar 1 applicable to Tier 1 (6%) and Total Capital (8%), the requirements would reach 9.563% phase-in / 10.25% fully loaded for Tier 1 and 11.563% phase-in / 12.25% fully loaded for Total Capital.

These solvency requirements compare to the following capital position of CaixaBank Group as of 30 September 2017:

	Capital position Sep'17		Minimum requirements							
	Phase-in	Fully loaded	Phase-in (2018)	of which Pillar 1	of which Pillar 2R	of which Buffers	Fully loaded	of which Pillar 1	of which Pillar 2R	of which Buffers
CET1	12.7%	11.7%	8.063%	4.5%	1.5%	2.063%	8.75%	4.5%	1.5%	2.75%
Tier 1	12.8%	12.3%	9.563%	6.0%	1.5%	2.063%	10.25%	6.0%	1.5%	2.75%
Total Capital	16.2%	15.8%	11.563%	8.0%	1.5%	2.063%	12.25%	8.0%	1.5%	2.75%

As a result of the ECB's decision, the phase-in CET1 threshold below which CaixaBank Group⁶ would be forced to limit 2018 distributions in the form of dividend payments, variable remuneration and interest to holders of Additional Tier 1 instruments, commonly referred to as the activation level of the maximum distributable amount (or MDA trigger), is set at 8.063%, to which the potential capital shortfalls of Additional Tier 1 or Tier 2 own funds should be added with respect to the minimum implicit levels of Pillar 1 of 1.5% and 2%, respectively⁷.

Taking into account the current capital levels of CaixaBank Group, these requirements do not imply any of the aforementioned limitations.

¹ However, the phase-in requirement increases due to the phasing-in of the third quarter of the combined buffer requirements

² All percentages of this significant event refer to the total amount of risk-weighted assets

³ Only applies at a consolidated level

⁴ The Capital Conservation buffer considers a linear implementation period of four years starting on 1 January 2016 and should reach 2.5% in 2019

⁵ The O-SII buffer considers a linear implementation period of four years starting on 1 January 2016 and should reach 0.25% in 2019

⁶ At an individual level, as of September 30, 2017, CaixaBank's CET1 phase-in ratio reaches 12.9%, which compares with a minimum requirement of 6.563% as of January 1, 2019, with the consolidated perimeter being more restrictive than the individual one

⁷ As of September 30, 2017, there is a 1.422% Additional Tier 1 shortfall compared to 1.5%

Agreements in connection with certain transactions regarding Banco BPI, S.A.

On 23 November 2017 several agreements in connection with certain transactions regarding Banco BPI, S.A. were subscribed:

CaixaBank Asset Management SGIIC, S.A.U. will acquire from Banco BPI, S.A. the entire share capital of the companies BPI Gestão de Activos, Sociedade Gestora de Fundos de Investimento, S.A. and BPI Global Investment Fund Management Company, S.A. for a price of 75 and 8 million euros respectively. On the other hand, VidaCaixa, S.A.U. de Seguros y Reaseguros will acquire from Banco BPI, S.A. the entire share capital of BPI Vida e Pensões, Companhia de Seguros, S.A. for a price of 135 million euros. In both cases, Banco BPI, S.A. will continue distributing the investment funds and the life insurance and pension products of the mentioned acquired companies.

Finally, CaixaBank, S.A. will acquire from Banco Português de Investimento, S.A. (a Banco BPI, S.A. subsidiary) its trading, research and corporate finance business. The price for the transaction will amount to the book value of the net operating assets transferred on the closing date, which it is estimated that will be approximately 4 million euros. CaixaBank S.A. will establish a branch in Portugal to carry out the acquired business.

The transactions are subject to obtaining the corresponding regulatory authorisations. The transactions will not have an impact on the consolidated balance sheet and results of CaixaBank nor on its capital ratios because they are intragroup transactions."

RISK FACTORS

The first paragraph appearing on page 16 of the Base Prospectus and included in the information under the heading "*Risk Factors – Factors That May Affect the Issuer's Ability to Fulfil its Obligations Under the Notes Issued Under the Programme – Risks relating to Group Operations - Unfavourable global economic conditions and, in particular, unfavourable economic conditions in Spain or Portugal or any deterioration in the European, Portuguese or Spanish financial*

system, could have a material adverse effect on the Group's business, financial condition and results of operations" shall be deleted in its entirety and replaced by the following information:

“An internal risk to the Spanish economy arises from political fragmentation and uncertainties arising from the political situation within Spain, which may slow the pace of reform and fiscal adjustments or result in changes to laws, regulations and policies or impact economic growth in Spain which could affect the Group's business, financial condition and results of operations. This applies not only to specific Spanish regions such as Catalonia, where considerable uncertainty exists regarding the outcome of political tensions between Spain’s central government and the regional government of Catalonia that, if unchecked, could start to weigh on business confidence and investment, and could weaken Spain’s current good growth prospects, but also to the central Spanish government where, after the June 2016 Spanish general election result, further instability cannot be ruled out during the legislature due to the forming of a minority government. As a result of such uncertainties arising from the political situation, the Bank of Spain, in an extremely adverse scenario, estimates that if the tensions increase more and last during 2018, the cumulative impact on growth could be of about 2.5 pps by 2019. Furthermore, there is consensus that, despite the expected improvement in the labour market, the unemployment rate will remain high in the months to come in Spain. The Spanish economy is particularly sensitive to economic conditions in the Eurozone, the main market for Spanish goods and services exports, so that an interruption in the recovery of the Eurozone might have an adverse effect on Spanish economic growth.”

GENERAL INFORMATION

The sixth paragraph of the "*General Information*" section on page 158 of the Base Prospectus is deleted and replaced by the following:

"Significant or Material Change

There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2016.

There has been no significant change in the financial position of the Group since 30 September 2017 and there has been no significant change in the financial or trading position of the Issuer since 30 September 2017."