

**SUPPLEMENT DATED 3 NOVEMBER 2020 TO THE BASE PROSPECTUS DATED  
23 APRIL 2020**



**CAIXABANK, S.A.**

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

**EURO 25,000,000,000**

**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 23 April 2020 and the supplements dated 5 May 2020 and 6 August 2020 (together, the "**Base Prospectus**") prepared by CaixaBank, S.A. (the "**Issuer**", the "**Bank**" or "**CaixaBank**") in connection with its Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to Euro 25,000,000,000 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 Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CBI only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CBI should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

## **IMPORTANT NOTICES**

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer the information contained in this Supplement is in accordance with the facts and makes 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 factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which may affect 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

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be supplemented and/or amended in the manner described below:

### RISK FACTORS

*The text below shall replace, in its entirety, the section headed "FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME" on page 15 of the Base Prospectus:*

#### **"FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME"**

Listed below are the risk factors which could be considered specific to the CaixaBank Group and relevant when adopting an informed investment decision.

The identification of such risk factors is based on the Group's corporate risk taxonomy (the "**Corporate Risk Taxonomy**"), a description of the material risks identified in the risk self-assessment process or Risk Assessment, which is at least reviewed on an annual basis.

The materialisation of any of the risks included in the Corporate Risk Taxonomy could have a negative effect on the business, economic results, financial position, the Bank's credit rating or even the image and reputation of the Group. Moreover, risks currently not considered relevant by the Issuer, or risks currently unknown to the Issuer, might also have such negative effects on the Group.

The Corporate Risk Taxonomy is organised into categories (risks specific to the financial activity, risks stemming from its business model and operational and reputational risks).

The materiality of these risks is not only conditioned by the exposure to them and by how efficiently they are controlled and managed. Certain external adverse events could also jeopardize the proper development of the Group's strategy and affect the materiality of several risks of the Corporate Risk Taxonomy simultaneously ("**Strategic Events**"). The Risk Assessment process is also the main source of identification of these Strategic Events.

Lastly, as a consequence of the announced merger with Bankia, S.A. ("**Bankia**") a specific risk factor has been included in this regard.

Based on the aforementioned internal process of risks and events identification and analysis, the content of this section is structured as follows:

- (A) Risk factors corresponding to Strategic Events which might affect the materiality of the risks contained in CaixaBank Group's Corporate Risk Taxonomy, particularly focused on the recent pandemic caused by the SARS-CoV-2 coronavirus ("**COVID-19**");
- (B) Risks contained in CaixaBank Group's Corporate Risk Taxonomy
- (C) Risk factor of the Issuer's credit rating; and

(D) Risk factor regarding the announced merger with Bankia."

*The text below shall replace, in its entirety, the risk factor headed "(A) RISK FACTORS CORRESPONDING TO STRATEGIC EVENTS WHICH MIGHT AFFECT THE MATERIALITY OF THE RISKS CONTAINED IN CAIXABANK GROUP'S CORPORATE RISK TAXONOMY" on page 16 of the Base Prospectus:*

**"(A) Risk factors corresponding to Strategic Events which might affect the materiality of the risks contained in CaixaBank Group's Corporate Risk Taxonomy, particularly focused on the recent pandemic caused by COVID-19**

The most relevant Strategic Events identified by the Group are as follows: (1) the uncertainties of the geopolitical and macroeconomic environment; (2) the persistence of an environment of low interest rates; (3) the arrival of new competitors with the possibility to disrupt; (4) cybersecurity events; (5) risks related to climate change; and (6) changes to the legal, regulatory or supervisory framework. In particular, the COVID-19 pandemic has materialised mainly in the Strategic Event associated with uncertainties of the geopolitical and macroeconomic environment.

The COVID-19 pandemic is having a significant effect on the economic activity of Spain and Portugal, among other countries, therefore it could have a damaging effect on the Group's financial position and risk profile.

The final impact of COVID-19 on each of the risks of the Corporate Risk Taxonomy is still unknown, as it will depend on future events and developments that are uncertain, including actions to contain or treat the disease and mitigate its impact on the economies of the affected countries, among them Spain and Portugal. As a result, the volatility of the financial markets has greatly increased and significant falls have been experienced. Likewise, the macroeconomic outlook has worsened considerably (see "*Description of the Issuer*" – "*Trend Information*"), these are however forward-looking scenarios that are still volatile at this point in time.

In this context, legislators, regulators and supervisors, on both a national and international level, have issued regulations, communications and guidelines. These are mainly aimed at ensuring that the efforts of financial institutions are focused on performing the critical economic functions they perform, and to ensure consistent application of regulatory frameworks.

Indeed, the Spanish Government passed, among others, Royal Decree-Laws (RDL) 6/2020, 8/2020 and 11/2020, on urgent extraordinary measures to address the economic and social impact of COVID-19: in the first of these, it is worth noting the additional four-year extension to the moratorium on evictions of vulnerable borrowers and the broadening of the concept of a vulnerable person; the second established extraordinary measures designed to allow a one-month moratorium on mortgage debts for the acquisition of primary housing held by persons facing extraordinary difficulties for payment and the extension of public guarantees of the Official Credit Institute for businesses and self-employed persons affected; and the third contained an extension of the moratorium established in RDL 8/2020 in terms of both time, from one to three months, and segments, including consumer loans, for example.

In addition to the above measures, the Spanish Government passed the Royal Decree-Law 25/2020, which established legislative moratoria for loans secured through a mortgage over real estate assets devoted to tourist activities owned by self-employed workers or legal entities and the Royal Decree-Law 26/2020, which established legislative moratoria for loans, leasing and renting transactions entered into with self-employed workers or legal entities for the acquisition, leasing or renting of buses and vehicles for public transport of persons and goods (as applicable). Both instruments entered into force on the day after their respective publication, i.e. on 3 July 2020 and 7 July 2020 respectively, and the moratoria set out therein expire on the same date that the other approved legislative moratoria.

The Portuguese Government also approved extraordinary measures of similar nature as the ones described above to address the economic and social impact of COVID-19, which are essentially contained in the *Decreto-lei 10-J/2020*.

In relation to the above described measures, on 30 September 2020 the moratorium requests approved by the Group amounted to €17,127 million, €15,498 million as of 30 June 2020, which include both the legal moratoria and the moratoria derived from sectorial agreements complementing the legal moratoria<sup>1</sup>. Moreover, as of 30 September 2020 the moratorium requests under analysis by the Group amounted to €109 million, €1,251 million as of 30 June 2020. It is worth to highlight that the possibility to request the granting of the legal and the sectorial moratoria expired on 29 September 2020. Furthermore, the total amount of government backed financing as of 30 September 2020 amounted to €12,442 million, €10,895 million as of 30 June 2020.

The "quick fix" to CRR (see "*Capital Requirements*"- "*Overview of applicable capital requirements*"), which entered into force on 28 June 2020, backs the European Commission's intention to provide a temporary and targeted relief in prudential rules for EU banks. This will support credit flows to companies and households and absorb losses, mitigating the economic consequences of the COVID-19 lock-down.

Notwithstanding the implementation of such measures, the Group's current assessment points to a significant increase in terms of credit risk. This might imply the need to materially increase the stock of provisions in order to address deterioration in credit portfolio quality, taking into account expected losses according to the IFRS9 standard, which has certain procyclical tendencies. In this sense, the main indicators and impacts observed by the Group during the first nine months of 2020 are described below:

On one hand, the Group recognised the changes in the macroeconomic scenarios and changed the weighting established for each scenario employed in the estimate of expected loss due to credit risk under IFRS9 accounting standard. For this purpose, internal economic projection scenarios based on the impact of the COVID-19 health crisis on the economy and different levels of severity have been used. The change in the macroeconomic scenario as a result of the impact of COVID-19 has led to the recognition of a provision for credit risk of €1,161 million as of 30 September 2020, €1,155 million at the end of June 2020. This provision has remained practically stable due to having applied the same method and maintaining the same weight of the updated macroeconomic scenarios. Combining scenarios allows reducing the uncertainty

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<sup>1</sup> In particular, CaixaBank has adhered to the sectorial agreement of the Spanish Confederation of Saving Banks (*Confederación Española de Cajas de Ahorro (CECA)*) dated 16 April 2020 in relation to the deferral of financing transactions involving clients affected by the COVID-19 crisis

of projections in the current context, although these provisions will be updated in coming quarters based on new available information. For further details on COVID-19 impact, refer to CaixaBank's unaudited quarterly business activity and results report prepared under management criteria for the nine months ended 30 September 2020.

After the reinforcement of the credit risk hedging during the first half of 2020, including the recognition of the provisions related to the COVID-19, the impairment losses on financial assets during the first nine months of 2020 amounted to €1,594 million (€1,334 million as of June 2020), compared to the €288 million losses recognised during the first half of 2019 (€204 million as of June 2019).

On the other hand, the non-performing loan ratio of the Group as of 30 September 2020 was reduced to 3.5%, as of June 2020, 10 basis points below as of 31 December 2019 given that, the balance of non-performing loans increased partially due to a lower recovery activity during the state of alarm (from €8,794 million as of 31 December 2019 to €9,220 million as of 30 June 2020 and to €9,078 as of 30 September 2020); however, the decrease in the quarter of €141 million with a drop in all risk segments stands out. Nevertheless, the loans to customers and other contingent liabilities increased during the first half of 2020 (from €244,262 million as of 31 December 2019 to €260,261 million as of 30 June 2020) and decreased slightly to €259,034 million as of 30 September 2020 mainly due to the negative seasonal effect typical of the third quarter on loans and advances corresponding to the advance of double payments made to pension holders.

While the gross loans and advances to customers increased by 6.4% in the year and by -0.4% during the third quarter of 2020, amounting to €241,877 million as of 30 September 2020 (€242,956 million as of 30 June 2020), it is worth highlighting the reduction in the granting of mortgage loans as a result of the situation of these recent months has accentuated the trend of household deleveraging (-2.5% during the first nine months of 2020 and -0.6% in the third quarter of 2020). However, to a lesser extent than the previous quarter.

The performance of consumer lending (-2.2% in the year) is the result of the contained consumption during the state of alarm, showing signs of recovery after lockdown easing, with a quarterly growth of 0.6%, -2.8% during the first half of 2020 and -3.7% during the second quarter of 2020.

Regarding the risk of impairment of other assets, and specifically in relation to equity investments, as of 30 September 2020 there are no indications that call into question the recoverable amount of the investments that exceed the accounting value, nor there is any recognised impairment over the investment portfolio which may affect the results of the Group. In relation to the standalone statement of profit and loss of CaixaBank, as of 30 June 2020 an impairment of €91 million of the value of the investment in CaixaBank's subsidiaries, joint ventures and associates was recognised (€55 million as of 30 June 2019). With regard to deferred tax assets, the analysis of the impairment tests and the sensitivity scenarios has not led to the need to recognize any impairment. For further details, refer to section 13 "Intangible Assets" and 19 "Tax Position" of the condensed interim consolidated financial statements of the Group for the six month period ending 30 June 2020.

With regard to the risks linked to the evolution of markets, including investment portfolios in debt instruments and investee undertakings, the materiality of the same could increase

significantly as a result of the high levels of volatility observed in global financial markets. In this regard, it is also worth highlighting the risk of significant falls in the price of shares or other instruments issued by CaixaBank.

In an operational context, both CaixaBank and the different Group companies have activated their respective Business Continuity Plans. The contingency plans envisaged for a pandemic scenario have been activated in order to safeguard business continuity and continue providing services to customers. In this way, the functionality of both the headquarters of the Group and its affiliates and of the network of commercial branches and digital channels has been maintained. However, the current situation has led to an increase in the use of alternatives to physical presence in banking transactions, such as the Group's websites and applications. This increase has been compounded by a new generalised teleworking environment and labour flexibility.

In relation to own funds, as detailed in section "*Description of the Issuer – Key events in 2018, 2019 and 2020 – COVID-19*", CaixaBank has also taken decisions to reinforce its solvency for as long as it has the capacity and flexibility to support the economy as a response to COVID-19; mainly the reduction of the dividend charged to the 2019 financial year, the amendment to the dividend policy and a reduction of the common equity tier 1 ("**CET1**") solvency ratio targets. Furthermore, the CEO and the rest of the Senior Management of CaixaBank took the decision to renounce to their bonus for the 2020 financial year.

Lastly, on 27 March 2020 the rating agency Fitch Ratings España, S.A.U. ("**Fitch**") revised to negative from stable its outlook for the operating environment of the Spanish banking sector as a result of COVID-19 and, as a consequence, also revised the outlook on CaixaBank's long-term issuer rating (BBB+) from stable to negative. In September 2020, Fitch has confirmed CaixaBank's ratings and maintained the negative outlook. On 26 March 2020, Moody's Investors Service España, S.A. ("**Moody's**") also changed the outlook on the Spanish banking sector from stable to negative without taking any action on CaixaBank's ratings at that time. In September, Moody's reviewed CaixaBank's ratings and maintained the stable outlook on its long-term issuer rating (Baa1). In a similar move, on 29 April 2020, S&P Global revised its economic risk trend for Spanish banks from stable to negative, without taking any action on CaixaBank's ratings. S&P Global reviewed CaixaBank's ratings in September and maintained the stable outlook on CaixaBank's long-term issuer rating (BBB+) to reflect that potential economic pressures would be balanced by the Bank's buffer of bail-inable debt instruments. All the rating confirmations from Fitch, Moody's and S&P Global issued in September take into account the rating agencies assessment of the impacts on CaixaBank's credit profile as a result of the recently announced potential merger by absorption of Bankia."

*The text below shall replace, in its entirety, the risk factor headed "(C) RISK FACTOR RELATED TO CAIXABANK'S CREDIT RATINGS" on page 25 of the Base Prospectus:*

**"(C) Risk factor of the Issuer's credit ratings**

The risks assumed by the Bank may have an adverse effect on the Bank's credit ratings. Moreover, any reduction in the Bank's credit rating could increase the Group's cost of funding, could limit its access to capital markets and adversely affect the Group's ability to sell or market some of its products, engage in business transactions (particularly longer-term) and derivatives

transactions. This, in turn, could reduce the Group's liquidity and have a material adverse effect on its net results and financial condition.

As at the date hereof, the Bank has been assigned the following credit ratings:

| Agency              | Review date       | Short-term rating | Long-term rating | Outlook  |
|---------------------|-------------------|-------------------|------------------|----------|
| Fitch               | 29 September 2020 | F2                | BBB+             | Negative |
| S&P Global          | 23 September 2020 | A-2               | BBB+             | Stable   |
| DBRS <sup>(1)</sup> | 30 March 2020     | R-1 (low)         | A                | Stable   |
| Moody's             | 22 September 2020 | P-2               | Baa1             | Stable   |

<sup>(1)</sup> DBRS Ratings GmbH

It should be emphasised that in the case of Fitch, the outlook on CaixaBank's long-term issuer rating was revised from stable to negative to reflect that the economic fallout from the COVID-19 crisis represents a medium-term risk to the operating environment of Spanish banks as well as to their stand-alone credit profiles."

*The following text is to be added before "FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME" on page 26 of the Base Prospectus:*

**"(D) Risk factor regarding the announced merger with Bankia**

On 18 September 2020, CaixaBank announced that its Board of Directors had approved the joint merger plan for the merger of Bankia (absorbed company) into CaixaBank (absorbing company).

The completion of the merger is not guaranteed as it still requires the approval of the shareholders' meetings of CaixaBank and Bankia and of different regulatory authorities. CaixaBank can give no assurances that the potential benefits identified when formulating the joint merger plan will materialise or that the Group will not be exposed to operational difficulties, additional expenditure and risks associated with the integration. See "*Description of the Issuer – Key events in 2018, 2019 and 2020 – Merger with Bankia*".

**DOCUMENTS INCORPORATED BY REFERENCE**

*The information set out below shall supplement the section of the Base Prospectus headed "Documents incorporated by reference" on page 42 of the Base Prospectus:*

"an English language translation of CaixaBank's unaudited quarterly business activity and results report prepared under management criteria for the nine months ended 30 September 2020 (available at: [https://www.ise.ie/debt\\_documents/Q3%20Results\\_08461a3f-4a7e-4088-9099-2f2e7fdf4214.PDF](https://www.ise.ie/debt_documents/Q3%20Results_08461a3f-4a7e-4088-9099-2f2e7fdf4214.PDF))."



## DESCRIPTION OF THE ISSUER

*The text below shall replace, in its entirety, the text headed "Agreement between CaixaBank Payments & Consumer S.A. and Global Payments Inc" which was added by the supplement dated 6 August 2020 before "Business Overview by segment" on page 180 of the Base Prospectus:*

### ***"Agreement between CaixaBank Payments & Consumer S.A. and Global Payments Inc.***

On 30 July 2020 CaixaBank's 100% owned subsidiary CaixaBank Payments & Consumer S.A. ("CPC") reached an agreement with Global Payments Inc. ("**Global Payments**") to sell a 29% stake in the share capital of Comercia Global Payments, Entidad de Pago, S.L. (the "**Company**"), a joint venture between CPC and Global Payments, for a cash consideration of €493 million (the "**Transaction**"), which implies a valuation of €1,700 million for 100% of the Company. As a result of the Transaction, CPC will maintain a 20% stake in the share capital of the Company and CaixaBank will maintain a presence and degree of significant influence in the Company's merchant acquiring business, while also realising a significant capital gain.

The current commercial agreement between the Company and CaixaBank will remain in place and be extended until 2040, in order to facilitate product innovation, accelerate the growth trajectory of the business and better serve the client network.

The Transaction will generate capital gains amounting to €420 million, net of tax, equal to 20 basis points of CET1 ratio (adjusted by dividend accrual).

The Transaction was materialised on 1 October 2020."

*The following text is to be added before "Business Overview by segment" on page 180 of the Base Prospectus:*

### ***"Merger with Bankia***

On 18 September 2020, CaixaBank announced that its Board of Directors had approved on 17 September 2020 the joint merger plan for the merger of Bankia (absorbed company) into CaixaBank (absorbing company) (the "**Merger**").

Based on the financial, tax and legal due diligence undertaken, and on the valuation of the shares of CaixaBank and Bankia carried out by their respective financial advisors, an exchange ratio of 0.6845 shares in CaixaBank for each share in Bankia has been agreed upon. The exchange will be effected with newly issued shares in CaixaBank.

The exchange of Bankia shares for CaixaBank shares will take place once: (A) the Merger has been agreed upon by the shareholders' meetings of both companies; (B) the conditions precedent have been met; (C) the document referred to in article 1, sections 4.g) and 5.f), respectively, of the Prospectus Regulation is available to the public (the "**Document according to the Prospectus Regulation**"); and (D) the notarial instrument of Merger has been registered with the Companies Register of Valencia.

The Merger plan is to be submitted for approval to the shareholders' meetings of CaixaBank and Bankia. On 27 October 2020 the Issuer published the announcement of the call of the

Issuer's extraordinary general meeting (the "**Extraordinary General Meeting**") in the city of Valencia on 2 December 2020 at 11:00 am CET at first call, or if the required quorum is not reached and the Extraordinary General Meeting cannot be held at first call, in the same place and at the same time on 3 December 2020. It is expected that the Extraordinary General Meeting will take place at second call, on 3 December 2020. The documentation related to the Extraordinary General Meeting as well as the Document according to the Prospectus Regulation (which includes pro forma financial information and the corresponding independent auditor report) are available on CaixaBank's website ([www.CaixaBank.com](http://www.CaixaBank.com)). Likewise, on 27 October 2020 Bankia published the announcement of the call of Bankia's extraordinary general meeting in the city of Valencia on 1 December 2020 at first call or on 2 December 2020 at second call.

The effectiveness of the Merger is subject to the following conditions precedent: authorisation from the Minister for Economic Affairs and Digital Transformation; authorisation from the National Commission on Markets and Competition; and authorisation or no objection, as appropriate, by the relevant supervisory authorities (in particular, the General Directorate of Insurances and Pension Funds, the CNMV, the Bank of Spain and the ECB).

Once the Merger has been approved and the required administrative authorisations have been obtained, CaixaBank will acquire, by universal succession, all the rights and obligations of Bankia. The Merger is expected to be completed during the first quarter of 2021.

Once the Merger has been executed, the interest in CaixaBank of CriteriaCaixa (and, indirectly, of la Caixa Banking Foundation) will be around 30%, of the shares representing its share capital, with FROB (through BFA Tenedora de Acciones, S.A.) acquiring a significant holding in CaixaBank of around 16%.

In accordance with Law 3/2009 of 3 April on structural changes to companies, the key documentation relating to the Merger (including the Merger plan) is available on CaixaBank's website ([www.CaixaBank.com](http://www.CaixaBank.com)).

#### ***Additional Tier 1 issue – October 2020***

On 1 October 2020 CaixaBank issued perpetual preferred securities contingently convertible into newly issued ordinary shares of CaixaBank (Additional Tier 1) with exclusion of pre-emption rights for a nominal value of €750 million. The preferred securities were issued at par value and their remuneration, which is discretionary and subject to certain conditions, was fixed at an annual 5.875% until 9 April 2028. Thereafter, it will be revised by applying a spread of 634.6 basis points above the 5-year EUR Mid Swap Rate. Such distributions will be payable quarterly in arrears.

The preferred securities are perpetual, although they may be redeemed in certain circumstances at CaixaBank's option, and, in any case, are to be converted into newly issued ordinary shares of CaixaBank if the common equity Tier 1 (CET1) ratio of CaixaBank or of the CaixaBank Group falls below 5.125%. CET1 ratios are calculated in accordance with CRR.

The conversion price of the preferred securities would be the higher of: (i) the average of the daily volume-weighted average prices of an ordinary share of CaixaBank on each of the five consecutive dealing days ending on the date on which the conversion event is announced, (ii)

€1.209 (the Floor Price), and (iii) the nominal value of an ordinary share of CaixaBank at the time of conversion (as of today, the nominal value of an ordinary share is €1).

The preferred securities were offered exclusively to professional investors and eligible counterparties, expressly excluding retail investors and was admitted to trading on AIAF Mercado de Rentas Fijas.

The preferred securities shall be included as Additional Tier 1 of CaixaBank and CaixaBank Group in accordance with the applicable solvency regulation.

The directors' report and the auditors' report required pursuant to article 511 of the Spanish Companies Act are on display at CaixaBank's corporate website ([www.caixabank.com](http://www.caixabank.com)).

### ***Deconsolidation conditions between Criteria Caixa and CaixaBank***

On 26 May 2016, CriteriaCaixa published its intention to proceed with the prudential deconsolidation of CaixaBank and announced the conditions for deconsolidation set by the ECB.

On 26 September 2017, CaixaBank published the Decision issued by the Governing Council of the ECB confirming that the deconsolidation process had been effectively completed. Since then, CriteriaCaixa's proprietary directors have duly abstained from taking part in deliberations and voting on motions to appoint independent directors through co-option and on proposals for the appointment of independent directors to the annual general meeting. Furthermore, in the annual general meeting, CriteriaCaixa has not opposed the appointment of any independent directors proposed by CaixaBank's Board of Directors.

The ECB, in response to a request received from CriteriaCaixa and CaixaBank, reported on 5 October 2020 that it has no objection to the previous deconsolidation condition being rescinded following the merger between CaixaBank and Bankia, as long as, once the merger is completed, the remaining deconsolidation conditions continue to be met and CriteriaCaixa's stake in CaixaBank share capital stays at 31% or below.

In accordance with the above, on 9 October 2020 CaixaBank informed that it would initiate the formal procedures to submit to its annual general meeting the amendment of its bylaws in order to render said condition ineffective."

## **MANAGEMENT OF THE ISSUER**

*The following text is to be added as new third, fourth and fifth paragraphs on page 194 of the Base Prospectus:*

"Notwithstanding the current composition of the Board of Directors, the Merger plan contains certain provisions on CaixaBank's corporate governance structure and system following the Merger, including a proposal for a partial renewal of the Board of Directors and its envisaged implementation.

Given that they are not expected to be part of the Board of Directors resulting from the Merger, Ms. Carmen Moragues Josa, who had been appointed to cover the vacancy that would be left by Fundación CajaCanarias, and Mr. Francisco Javier García Sanz, who had been appointed to fill the vacancy generated by the resignation of Mr. Marcelino Armenter Vidal, will not accept their position. Fundación CajaCanarias will step down from its position when the Merger is completed and the proposed renewal of the Board of Directors implemented.

More information on the proposed composition subject to approval by the shareholders' meeting and to the completion of the Merger is available at CaixaBank's corporate website ([www.caixabank.com](http://www.caixabank.com))."

## CREDIT RATINGS

*The text below shall replace, in its entirety, the section headed "Credit ratings" on page 205 of the Base Prospectus:*

"As at the date hereof, the Bank has been assigned the following credit ratings:

| Agency              | Review date       | Short-term rating | Long-term rating | Outlook  |
|---------------------|-------------------|-------------------|------------------|----------|
| Fitch               | 29 September 2020 | F2                | BBB+             | Negative |
| S&P Global          | 23 September 2020 | A-2               | BBB+             | Stable   |
| DBRS <sup>(1)</sup> | 30 March 2020     | R-1 (low)         | A                | Stable   |
| Moody's             | 22 September 2020 | P-2               | Baa1             | Stable   |

<sup>(1)</sup> DBRS Ratings GmbH

## CAPITAL REQUIREMENTS

*The following text shall replace the text which was added by the supplement dated 5 May 2020 to section headed "Overview of applicable capital requirements" after the seventh paragraph of such section on page 209 of the Base Prospectus:*

"In addition to the recent statements on using flexibility within accounting and prudential rules, such as those made by the Basel Committee of Banking Supervision, the European Banking Authority ("EBA") and the ECB, amongst others, the European Commission proposed a few targeted "quick fix" amendments to the EU's banking prudential rules in order to maximise the ability of banks to lend and absorb losses related to COVID-19. On 28 June 2020, Regulation 2020/873 of the European Parliament and of the Council of 24 June amending CRR and CRR II as regards certain adjustments in response to the COVID-19 entered into force setting out exceptional temporary measures to alleviate the immediate impact of COVID-19-related developments, by adapting the timeline of the application of international accounting standards on banks' capital, by treating more favourably public guarantees granted during this crisis, by

postponing the date of application of the leverage ratio buffer\*, by modifying the way of excluding certain exposures from the calculation of the leverage ratio, by setting a temporary prudential filter to mitigate the considerable negative impact of the volatility in central government debt markets during the COVID-19 pandemic on institutions, by advancing the date of application of several agreed measures that incentivise banks to finance employees, SMEs and infrastructure projects and by aligning the minimum coverage requirements for NPLs that benefit from public guarantees with those that benefit from guarantees granted by official export credit agencies.

\* *CaixaBank is as of the date hereof an O-SII bank. Therefore, the leverage ratio buffer is not applicable to the CaixaBank Group.*"

## **GENERAL INFORMATION**

*The section headed "Significant or Material Change" of the "General Information" section on page 232 of the Base Prospectus is deleted and replaced by the following:*

### **"Significant or Material Change**

Save as disclosed in the Base Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2019.

Save as disclosed in the Base Prospectus, there has been no significant change in the financial performance or position of the Group since 30 September 2020."