Information Memorandum dated 20 December 2018

CAIXABANK, S.A.

(incorporated as a limited liability company (sociedad anónima) in Spain)

€2,000,000,000
EURO-COMMERCIAL PAPER PROGRAMME

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for euro-commercial paper notes issued during the twelve months after the date of this document under the €2,000,000,000 Euro-Commercial Paper Programme (the **Programme**) described in this document (the **Notes**) to be admitted to the official list of Euronext Dublin (the **Official List**) and trading on its regulated market (the **Main Securities Market**). The Main Securities Market is a regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**).

There are certain risks related to any issue of Notes under the Programme, which potential investors should ensure they fully understand (see "*Risk Factors*" on pages 13 to 51 (inclusive) of this document).

This Programme will be rated by Moody's Investors Service España, S.A. (**Moody's**) and S&P Global Ratings Europe Limited (**S&P**).

Potential investors should note the statements on pages 136 to 144 (inclusive) regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by Law 10/2014 of 26th June, on regulation, supervision and solvency of credit institutions (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*) (as amended, **Law 10/2014**), and on the Issuer relating to the Notes. In particular, payments on the Notes may be subject to Spanish withholding tax if certain information is not received by the Issuer in a timely manner.

Arranger

Barclays

Dealers

Barclays
CaixaBank
Crédit Agricole CIB
Goldman Sachs International
NATIXIS
Société Générale Corporate & Investment Banking

BNP PARIBAS
Citigroup
Credit Suisse
ING
NatWest Markets
UBS Investment Bank

IMPORTANT NOTICE

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the **Information Memorandum**) contains summary information provided by CaixaBank, S.A. (the **Issuer**, the **Bank** or **CaixaBank**) in connection with a euro-commercial paper programme (the **Programme**) under which the Issuer may issue and have outstanding at any time euro-commercial paper notes (the **Notes**) up to a maximum aggregate amount of €2,000,000,000 or its equivalent in alternative currencies. CaixaBank and its subsidiaries comprise the CaixaBank Group (the **CaixaBank Group** or the **Group**). Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S (**Regulation S**) of the United States Securities Act of 1933, as amended (the **Securities Act**). The Issuer has, pursuant to a dealer agreement dated 20 December 2018 (the **Dealer Agreement**), appointed Barclays Bank PLC as arranger for the Programme (the **Arranger**), appointed Barclays Bank PLC, BNP Paribas, CaixaBank, S.A., Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Goldman Sachs International, ING Bank N.V., NATIXIS, NatWest Markets Plc, Société Générale and UBS Limited as dealers for the Notes (the **Dealers**) and authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on their behalf to purchasers or potential purchasers of the Notes.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (REGULATION S)) (U.S. PERSONS) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Information Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Information Memorandum. Any representation to the contrary is unlawful.

The Issuer accepts responsibility for the information contained in this Information Memorandum and declares that, having taken all reasonable care to ensure that such is the case, the information contained in the Information Memorandum is, to the best of the knowledge of the Issuer, in accordance with the facts and does not omit anything likely to affect the import of such information.

Notice of the aggregate nominal amount of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each issue of Notes will be set out in final terms (each the **Final Terms**) which will be attached to or endorsed on the relevant Note (see "*Forms of the Notes*"). Each Final Terms will be supplemental to and must be read in conjunction with the full terms and conditions of the Notes. Copies of each Final Terms containing details of each particular issue of Notes will be available from the specified office set out below of the Issuing and Paying Agent (as defined below).

This Information Memorandum comprises listing particulars for the purposes of giving information with regard to the issue of the Notes under the Programme. References throughout this document to this Information Memorandum shall be deemed to read "Listing Particulars" for such purpose.

Application has been made to Euronext Dublin for Notes to be admitted to the Official List and to trading on Euronext Dublin's regulated market. The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer. References in this Information Memorandum to the Notes being "listed" shall be construed accordingly. No Notes may be issued pursuant to the Programme on an unlisted basis.

The Issuer has confirmed to the Arranger and the Dealers that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading. Any statements of intention, opinion, belief or expectation contained in the Information Memorandum are honestly and reasonably made by the Issuer and, in relation to each issue of Notes agreed as contemplated in the Dealer Agreement to be issued and subscribed, the Information Memorandum, together with the relevant Final Terms, contains all the information which is material in the context of the issue of such Notes.

Neither the Arranger nor the Dealers accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

No person is authorised by the Issuer to give any information or to make any representation not contained in the Information Memorandum and any information or representation not contained therein must not be relied upon as having been authorised.

Neither the Arranger nor any Dealer has independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by the Arranger or the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained or incorporated by reference in the Information Memorandum or in or from any accompanying or subsequent material or presentation.

This Information Memorandum contains references to the ratings of the Programme. Where a tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by Moody's or S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, modification or withdrawal at any time by the relevant rating agency.

The information contained in the Information Memorandum or Final Terms or any other information provided by the Issuer in connection with the Programme is not intended to provide the basis of any credit, taxation or other evaluation is not and should not be construed as a recommendation by the Arranger, the Dealers or the Issuer that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum or any Final Terms or any other information supplied in connection with the Programme.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor undertakes to advise any recipient of the

Information Memorandum of any information or change in such information coming to the Arranger's or any Dealer's attention.

Neither the Arranger nor any of the Dealers accepts any liability in relation to this Information Memorandum or any Final Terms or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute (nor will any Final Terms constitute, or be intended to constitute) an offer or invitation to any person to purchase Notes.

The distribution of this Information Memorandum and any Final Terms and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum, any Final Terms or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes and the Issuer set out under "*Subscription and Sale*" below.

A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received in connection with the issue or sale of any Notes will only be made in circumstances in which Section 21(1) of the FSMA does not (or would not, if the Issuer were not an "authorised" person) apply to the Issuer.

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.

SPANISH TAX RULES

Article 44 of Royal Decree 1065/2007 of 27th July, as amended by Royal Decree 1145/2011 of 29th July (as so amended, **RD 1065/2007**), sets out the reporting obligations applicable to preference shares and debt instruments (including debt instruments issued at a discount for a period equal to or less than twelve months) issued under the First Additional Provision of Law 10/2014. The procedures described in this Information Memorandum for the provision of information required by Spanish law and regulation is a summary only. None of the Issuer, the Arranger or the Dealers assumes any responsibility therefor.

No comment is made, and no advice is given by the Issuer, the Arranger or any Dealer in respect of taxation matters relating to the Notes and each investor is advised to contact its own professional adviser.

BENCHMARK REGULATION

Amounts payable under the Notes may be calculated or otherwise determined by reference to a reference rate or an index or a combination of indices and amounts payable on the Notes may in certain circumstances be determined in part by reference to such reference rates or indices. Any such index may constitute a benchmark for the purposes of the Benchmark Regulation (Regulation (EU) 2016/1011) (the **Benchmark Regulation**). If any such reference rate or index does constitute such a benchmark the applicable Final Terms will indicate whether or not the benchmark is provided and administered by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to article 36 of the Benchmark Regulation. Not every reference rate or index will fall within the scope of the Benchmark Regulation. Furthermore, the transitional provisions in Article 51 of the Benchmark Regulation may apply such that the administrator of a particular benchmark may not currently be required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence) at the date of the applicable Final Terms.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE

Unless otherwise stated in the Final Terms in respect of any Notes, solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes issued or to be issued under the Programme are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) of Singapore and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

INTERPRETATION

In the Information Memorandum, references to:

- **Euros, EUR** and **€** are to the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time;
- references to **Sterling** and **£** are to pounds sterling;
- references to **U.S. Dollars** and **U.S.$** are to United States dollars;
- references to **JPY** and **¥** are to Japanese Yen;
- references to **CHF** are to Swiss francs;
- references to **AUD** are to Australian dollars;
- references to **CAD** are to Canadian dollars;
- references to **NZD** are to New Zealand dollars;
- references to **HKD** are to Hong Kong dollars;
- references to **NOK** are to Norwegian Kroner;
- references to **SEK** are to Swedish Kronor; and
- references to **DKK** are to Danish Kroner.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

Certain numerical information in this Information Memorandum may not sum due to rounding. In addition, information regarding period-to-period changes is based on numbers which have not been rounded.

All references to any financial information in this Information Memorandum are to the consolidated financial information of the Group, unless otherwise stated.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are being published simultaneously with this Information Memorandum and have been filed with Euronext Dublin, are incorporated by reference in, and form part of, this Information Memorandum:

(a) an English language translation of CaixaBank's audited consolidated financial statements prepared in accordance with IFRS–EU (including the independent auditor's report thereon) for the financial year ended 31 December 2016 (the **2016 Consolidated Financial Statements**) together with CaixaBank's management report in respect of the 2016 Consolidated Financial Statements (**CaixaBank Group Management Report for 2016**) (available at https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/MEMGRUPCAIXABANK2016WEBING.pdf);

(b) an English language translation of CaixaBank's audited consolidated financial statements prepared in accordance with the IFRS–EU (including the independent auditor's report thereon) for the financial year ended 31 December 2017 (the **2017 Consolidated Financial Statements**) together with CaixaBank's management report in respect of the 2017 Consolidated Financial Statements (**CaixaBank Group Management Report for 2017**) (available at https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/MEMGRUPCAIXABANK31122017-CNMV-ING.pdf); and

(c) an English language translation of CaixaBank's condensed interim consolidated financial statements and interim management report, together with the consolidated management accounts and the auditors' limited review report, for the six month period ending 30 June 2018 (available at: https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/MEMGRUPCAIXABANK_30062018_WEB_ING.pdf);

(d) an English language translation of CaixaBank's unaudited quarterly business activity and results report prepared under the management criteria for the nine months ended 30 September 2018 (available at: https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/InformeFinanciero3T18_ENG.pdf).

Any statement contained in a document incorporated by reference herein or contained in any supplementary information memorandum or in any document which is incorporated by reference therein shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede earlier statements contained in this Information Memorandum or in a document which is incorporated by reference in this Information Memorandum. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Information Memorandum.

Except as provided above, no other information, including information on the websites of the Issuer, is incorporated by reference into this Information Memorandum.

KEY FEATURES OF THE PROGRAMME

Issuer:	CaixaBank, S.A.
Risk factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*" below.
Arranger:	Barclays Bank PLC
Dealers:	Barclays Bank PLC, BNP Paribas, CaixaBank, S.A., Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Goldman Sachs International, ING Bank N.V., NATIXIS, NatWest Markets Plc, Société Générale and UBS Limited
Issuing and Paying Agent:	The Bank of New York Mellon, London Branch
Programme Amount:	The aggregate principal amount of the Notes outstanding at any time will not exceed €2,000,000,000 or its equivalent in other currencies subject to applicable legal and regulatory requirements. The maximum amount of the Programme may be increased from time to time in accordance with the Dealer Agreement.
Currencies:	Notes may be denominated in Euros, Sterling, U.S. Dollars, JPY, CHF, AUD, CAD, NZD, HKD, NOK, SEK, DKK and such other currencies as may be agreed between the Issuer and the relevant Dealer(s) from time to time and subject to compliance with any applicable legal and regulatory requirements.
Denomination of the Notes:	Global Notes shall be issued (and interests therein exchanged for Definitive Notes, if applicable) in the following minimum denominations (or integral multiples thereof): (a) USD500,000; (b) €500,000; (c) £100,000; (d) ¥100,000,000; (e) CHF500,000; (f) AUD1,000,000; (g) CAD500,000; (h) HKD 2,000,000; (i) NZD1,000,000;

(j) NOK1,000,000;

(k) SEK1,000,000; and

(l) DKK1,000,000,

or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the relevant Dealer from time to time, subject in each case to compliance with all applicable legal and regulatory requirements and provided that the equivalent of that denomination in Sterling as at the Issue Date is not less than £100,000.

Maturity of Notes: Not less than one day or more than 364 days from and including the date of issue, to (but excluding) the maturity date, subject to compliance with any applicable legal and regulatory requirements.

Redemption for taxation reasons: The Notes cannot be redeemed prior to their stated maturity other than for taxation reasons. The terms of any such redemption will be indicated in the terms of the Notes and the relevant Final Terms.

Issue Price: The Issue Price of each issue of interest bearing Notes (and, in the case of discount Notes, the discount rate) will be as set out in the relevant Final Terms.

Status of the Notes: The payment obligations of the Issuer under the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer. In accordance with Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (the **Insolvency Law**) and Additional Provision 14.2 of Law 11/2015, but subject to any applicable legal and statutory exceptions and subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon insolvency (*concurso de acreedores*) of the Issuer the payment obligations of the Issuer under the Notes in respect of principal (unless they qualify as subordinated claims (*créditos subordinados*) under article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future) will rank (a) *pari passu* among themselves and with any Senior Preferred Obligations and (b) senior to (i) Senior Non Preferred Obligations and (ii) any claims against the Issuer qualifying as subordinated claims (*créditos subordinados*) under article 92 of the Insolvency Law.

Law 11/2015 means Law 11/2015 of 18 June on recovery and resolution of credit institutions and investment firms, as amended from time to time;

Senior Preferred Obligations means any obligations of the Issuer with respect to any ordinary claims (*créditos ordinarios*) against the Issuer, other than the Senior Non Preferred Obligations; and

Senior Non Preferred Obligations means any obligation of the Issuer with respect to any non preferred ordinary claims (*créditos ordinarios no preferentes*) against the Issuer referred to under Additional Provision 14.2 of Law 11/2015 and any other obligations which, by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with

	the Senior Non Preferred Obligations.
Taxation:	All payments under the Notes will be made without deduction or withholding for or on account any present or future Spanish taxes, except as stated in the Notes and as stated under the heading "*Taxation – Taxation in the Kingdom of Spain*".
Tax disclosure requirements:	Under Law 10/2014 and Royal Decree 1065/2007, as amended, the Issuer shall receive certain information in respect of the Notes as described under "*Taxation – Taxation in the Kingdom of Spain. Disclosure obligations in connection with payments on the Notes*". The Issuer and the Issuing and Paying Agent have entered into an agency agreement dated 20 December 2018 (the **Agency Agreement**) where they have arranged certain procedures to facilitate the collection of information concerning the Notes. If the Issuing and Paying Agent fails to provide to the Issuer the information described under "*Taxation – Taxation in the Kingdom of Spain. Disclosure obligations in connection with payments on the Notes*", the Issuer may be required to withhold tax and may pay income in respect of such principal amount net of the Spanish withholding tax applicable to such payments (as at the date of the Information Memorandum, 19 per cent.). The Issuer shall apply such additional amounts as required under the terms of the Notes as described under "*Taxation*" below. None of the Issuer, the Arranger, the Dealers, Euroclear SA/NV (**Euroclear**) or Clearstream Banking S.A. (**Clearstream, Luxembourg**) assumes any responsibility therefor or for any other taxation matters.
Form of the Notes:	The Notes will be in bearer form. Each issue of Notes will initially be represented by one or more global notes (each a **Global Note** and together the **Global Notes**). Each Global Note which is not intended to be issued in new global note form (a **Classic Global Note** or **CGN**), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Global Note which is intended to be issued in new global note form (a **New Global Note** or **NGN**), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Global Notes may be exchanged in whole (but not in part) for Definitive Notes in the limited circumstances set out in the Global Notes (see "*Certain Information in Respect of the Notes – Form of the Notes*").
Listing and Trading:	Each issue of Notes may be admitted to the Official List and admitted to trading on the regulated market of Euronext Dublin and/or listed, traded and/or quoted on any other listing authority, stock exchange and/or quotation system as the Issuer may decide. The Issuer shall be responsible for any fees incurred therewith. The Issuer shall notify the relevant Dealer of any change of listing venue in accordance with the Dealer Agreement. No Notes may be issued on an unlisted basis.
Delivery:	The Notes will be available in London for delivery to Euroclear or

	Clearstream, Luxembourg or to any other recognised clearing system in which the Notes may from time to time be held. Account holders will, in respect of Global Notes, have the benefit of a deed of covenant dated 20 December 2018 (the **Deed of Covenant**).
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law, except the provisions relating to the status of the Notes, the capacity of the Issuer and the relevant corporate resolutions and the provisions relating to the exercise and effect of the Spanish Bail-in Power and the acknowledgement of the same, which are governed by Spanish law.
Selling Restrictions:	Offers and sales of Notes are subject to all applicable selling restrictions, details of which are set out under "*Subscription and Sale*" below.
Use of Proceeds:	The net proceeds of the issue of the Notes will be used for the general funding purposes of the Issuer.
Ratings:	The Programme will be assigned ratings by and Notes issued under the Programme will be assigned ratings by Moody's Investors Service Ltd. and Standard & Poor's Credit Market Services Europe Limited. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the relevant rating agency.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Information Memorandum a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER 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 environment, could have a material adverse effect on the Group's business, financial condition and results of operations

The performance of the Spanish economy has been positive since 2014. Gross Domestic Product (**GDP**) growth was 1.4% in 2014, 3.6% in 2015, 3.2% in 2016 and 3% in 2017 (Source: *National Statistics Institute of Spain. For 2014 Press Note 30 January 2018 and for 2015-2017 Press Note 6 September 2018*). This constitutes three consecutive years of growth of at least 3%, a rate of expansion above that of many other advanced economies. Regarding the projections for 2018, the International Monetary Fund expects output growth of 2.7% (Source: *International Monetary Fund, World Economic Outlook, October 2018*), a similar rate as that noted by Bank of Spain (2.6% Source: "Economic Bulletin 3/2018, Quarterly report on the Spanish economy, September 2018"). Domestic demand is expected to be supported by a number of factors, including robust employment growth, loose credit conditions, improved sentiment and an easing of the pace of fiscal consolidation, while strong growth in the euro area should continue to support export demand. In all, growth is expected to become more balanced as some temporary factors, such as low oil prices, dissipate. The Spanish economy has made progress in reducing its economic and financial imbalances and implementing important structural reforms. Current account surpluses (reducing external debt), the adjustment in the real estate sector, sustained wage moderation (improving competitiveness) and advanced deleveraging of the private sector have contributed to improving the Spanish economy. Similarly, the public sector deficit has continued to decline. Starting from a peak reached in 2009 of 11%, in 2017 the public deficit stood at 3.1% and latest estimates suggest it will decline to 2.7% in 2018 (thus meeting the European Commission target) (Source: *European Commission, Autumn 2018 Economic Forecast*). Consistent with this, public debt is expected to decline from 98.1% of GDP in 2017, to 97.1% in 2018 and 96% in 2019. While these levels are elevated, they are not far from the euro area average of 86.8% of GDP in 2017 (Source: *Eurostat, Statistics Explained, Government finance statistics*). The Spanish banking system is accelerating the pace of new lending as a result of increased demand and improved financial conditions. After the clean-up and restructuring efforts of the past years, the main challenge now is to achieve sustainable profitability levels through a combination of higher revenues

from increased business volumes, lower funding costs, additional capacity adjustments and a lower cost-of-risk.

Between 2014 and 2016, Portugal experienced a moderate recovery: output grew by 0.9% in 2014, 1.8% in 2015 and 1.9% in 2016 (Source: *National Statistics Institute of Portugal. For 2014 and 2015 Press Notes, 14 February 2018 and for 2016 Press Notes 21 September 2018*). However, the economy has gained momentum in 2017 with growth of 2.8%. For 2018, the Bank of Portugal forecasts GDP growth of 2.3% (Source: *Bank of Portugal, Economic Projections, 11 October 2018*). Both domestic and external demand is expected to contribute to output growth, although the lion's share is expected to be attributable to domestic demand. Domestic demand is expected to be supported by improved labour market conditions, reduced uncertainty and easier financing conditions, while external demand is expected to benefit from improved competitiveness, strong growth of its main trading partners and the positive performance of the tourism sector. Over the past few years, the Portuguese economy has reduced its economic imbalances and has implemented several structural reforms. In addition, public finances have improved considerably: the fiscal deficit has decreased from 11.2% of GDP in 2010 to 0.9%[1] in 2017 (Source: *National Statistics Institute of Portugal, Press Release, 12 April 2018*), below the current European Commission target of 1.4 %. Public debt, instead, which in 2017 stood at 124.8% of GDP, remains high (Source: *Bank of Portugal, Press Release, 1 February 2018*)[2], and further fiscal consolidation efforts will be needed in the coming years to reduce it. The private sector deleveraging process is well advanced but unfinished. Finally, the Portuguese banking sector has improved its solvency, and its restructuring process is ongoing. However, important challenges remain, as credit volumes remain subdued in a context of the ongoing deleveraging of the private sector, the stock of non-performing loans (**NPLs**) remains high, and the average profitability of the sector is low.

The economic recovery of the Eurozone gained momentum in 2017 but growth has recently slowed down. While annual GDP growth averaged 1.8% between 2014 and 2016 and reached a peak of 2.5% in 2017, later it softened and averaged 2.1% during the first three quarters of 2018 (Source: Eurostat, News Release 27/2018, 14 February 2018. Eurostat, News Release 174/2018, 14 November 2018). The recovery has been sustained on the back of improved sentiment, a decline in uncertainty, particularly following the French and German elections, loose monetary policy conditions, falling unemployment and stronger global growth. However, the increase in uncertainty at the global level due to the rising trade tensions between the US and China and the impact that the normalisation of monetary policy by the US Federal Reserve has had on markets has dented growth. Moreover, growth has become more synchronised across euro area member states. For 2018, the European Commission expects growth of 2.1% as the aforementioned factors continue to support activity (Source: European Commission, European Economic Forecast, Autumn 2018).

The future is, by definition, uncertain. As such, several factors could derail the output growth projections of the European, Spanish and Portuguese economies and, ultimately, affect the environment in which the Group operates. At the European level, the main internal risk is that of a breakdown of the *Brexit* negotiations that would culminate in a disorderly exit of the UK from the EU. Such event would be likely to have negative effects on both the UK and the EU through real and financial channels. While the direct exposure of the European economy to the UK through these channels appears to be relatively small, the impact of a disorderly exit could be greater due to a potentially adverse impact on consumer and business confidence. In addition, pockets of risks remain in certain areas. For instance, while the Italian banking system appears to have avoided a major crisis after the latest government bailout, the sector remains overburdened with a large stock of NPLs and low profitability which acts as a drag on the wider economy. The political situation in Italy after the results of the 4 March 2018 elections (as further described in "*The outcome of the UK referendum on membership of the EU and the uncertain future relationship of the UK with the EU, as well as*

[1] Without including the effect of the recapitalization process of Caixa Geral de Depósitos (CGD)

[2] Debt figure according to the Maastricht definition.

political uncertainty in other Eurozone countries, including Italy, could have a material adverse effect on the business, financial condition and results of operations of the Bank and its Group" below) has increased uncertainty as well as put the Italian banking system under increased pressure. In addition, the elections to the European Parliament scheduled for May 2019 is another factor contributing to the political uncertainty in the EU. External risks to the economic environment include any escalation of commercial tensions between the USA and China, a greater slowdown in emerging economies, another episode of financial volatility, for instance due to tensions deriving from rapid growth of corporate debt in China or due to a sudden correction of the US stock market, or heightened geopolitical risks, including those surrounding North Korea and the Middle East.

An internal risk to the Spanish economy could arise from political fragmentation and uncertainty surrounding 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 due to political tension 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 positive growth prospects and also the central Spanish government, where, after the successful result of the June 2018 no confidence vote, further instability cannot be ruled out due to the forming of a new 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 approximately 2.5% by 2019.

Beyond political factors, there is a consensus that, despite the sustained improvement in the labour market, the unemployment rate will remain high in the months to come. As the Spanish economy is particularly sensitive to economic conditions in the Eurozone, which is the main market for Spanish goods and services exports, a marked economic slowdown of the recovery in the Eurozone could also have a negative impact on the Spanish economy.

A risk to the Portuguese economy also arises from political fragmentation, as the minority government needs the support of two other parties, which may slow or impede the pace of reform and fiscal adjustments or result in changes to laws, regulations and policies. In addition, the upcoming general elections due in October 2019 may introduce another source of uncertainty. Public debt remains a cause for concern as it is very high and limits the room for manoeuvre of the government in the event of future negative shocks. Finally, while the restructuring of the banking sector is under way, the sector as a whole remains burdened with a large stock of NPLs and reduced profitability.

While the economic outlook for Portugal, Spain and the Eurozone remains one of robust growth, if any of the risks listed above were to materialise, the economic situation could deteriorate and adversely affect the Group's business, financial condition and results of operation.

The Group's business could be affected if its capital is not effectively managed (capital adequacy risk)

Effective management of the Group's capital position is important to its ability to operate its business and to pursue its business strategy. In response to the 2008 financial crisis, a number of changes to the regulatory capital framework have been adopted or are being considered. For example, the regulation governing capital requirements according to Regulation (EU) 575/2013, of 26 June, of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (**CRR)** and, together with the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (the **CRD IV Directive**), any regulatory capital rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, which are applicable to

CaixaBank or to the Group, including, without limitation, Law 10/2014, of 26 June, on organisation, supervision and solvency of credit entities (**Law 10/2014**), Royal Decree 84/2015, of 13 February, implementing Law 10/2014 (**RD 84/2015**), Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002, on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/22/EEC, and Directives 98/78/EC and 2000/12/EC of the European Parliament and of the Council (the **Directive 2002/87/EC**), as amended from time to time and any other regulation, circular or guidelines implementing CRD IV through which the EU is implementing the Basel III capital reforms.

As these and other changes are implemented or future changes are considered or adopted that limit the Group's ability to manage its balance sheet and capital resources effectively or to access funding on commercially acceptable terms, the Group may experience a material adverse effect on its financial condition and regulatory capital position.

Debt and equity investors, analysts and other market professionals may also require higher capital buffers than those required under current or proposed future regulations due to, among other things, the continued general uncertainty involving the financial services industry and the uncertain global economic conditions. Any such market perception, or any concern regarding compliance with future capital adequacy requirements, could increase the Group's borrowing costs, limit its access to capital markets or result in a downgrade in its credit ratings, which could have a material adverse effect on its business, financial condition and results of operations.

The financial problems faced by the Group's customers could adversely affect the Group

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Group's businesses.

Any prolonged period of market turmoil and economic recession, especially in Spain, could materially and adversely affect the liquidity, businesses and/or financial conditions of the Group's borrowers, which could in turn increase the Group's own NPL ratios, devalue the Group's loan and other financial assets and result in decreased demand for borrowings in general. In the context of the uneven global recovery from the recent market turmoil and economic recession, and the possibility of continued economic contraction in continental Europe combined with continued high unemployment and low consumer spending, the value of assets collateralising the Group's secured loans, including homes and other real estate, could decline significantly, possibly resulting in the impairment of the value of the Group's loan assets. In addition, the Group's customers may further significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect the Group's fee and commission income.

Any of the conditions described above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's exposure to the Spanish real estate market makes it more vulnerable to adverse developments in the Spanish market

The Group is exposed to the Spanish real estate market, and the deterioration of Spanish real estate prices could have a material adverse effect on the Group's business, financial condition and results of operations. Spanish real estate assets secure many of the Group's outstanding loans, and the Group holds a significant amount of Spanish real estate assets on its balance sheet, including real estate received in lieu of payment for certain underlying loans. Furthermore, the Group has restructured and extended the maturity of certain of the loans it has made relating to real estate, and the capacity of such borrowers to repay such restructured loans may be materially adversely affected by declining real estate prices.

Prior to 2008, demand for housing and mortgage financing in Spain increased significantly driven by, among other factors, economic growth and historically low interest rates in the Eurozone. During late 2007, however, the housing market began to adjust in Spain as a result of excess supply and higher interest rates. From 2008 until 2014, as economic growth stagnated in Spain, housing demand and prices declined leading to a persistent oversupply, while mortgage defaults increased.

Since 2015 the Spanish real estate market has shown signs of recovery as housing prices are stabilising after deflating for six years and sales are increasing owing to pent-up demand, the improvement in employment rates and easier credit conditions. An expected recovery in demand for housing is expected to increase sales, which is expected to lead to a gradual reduction of excess supply and potential increase in real estate prices. However, the unequal geographical distribution of the current housing stock is expected to drive distinct price dynamics and construction activity among different regions, leading to an unequal recovery. Despite the upturn in the Spanish real estate market, its recovery is in its early stages. As a consequence, deterioration in economic conditions could have a material adverse impact on the Group's mortgage default rates, which in turn could have a material adverse effect on its business, financial condition and results of operations.

The Group has lending exposure to risks in the property development and construction sector, with loans for property construction and/or development amounting to €7,146 million (3.2% of the Group's total gross loans and receivables according to management criteria) as of 30 June 2018, €7,101 million (3.2% of the Group's total gross loans and receivables according to management criteria) as of 31 December 2017 and €8,024 million (3.9% of the Group's total gross loans and receivables according to management criteria) as of 31 December 2016. NPL ratio on loans to real-estate developers as of 30 June 2018 decreased further to 17.4% (21.7% as of 31 December 2017 and 30.4% as of 31 December 2016) and provisions for this exposure amounted to approximately €619 million as of 30 June 2018 (€681 million as of 31 December 2017 and €1,062 million as of 31 December 2016), 50% of coverage of real estate development risk as of 30 June 2018 and 44% of coverage of real estate development risk as of both 31 December 2017 and 31 December 2016.

Additionally, as of 30 June 2018, the Group portfolio of foreclosed real estate assets available for sale stood at €5,553 million net (€311 million real estate assets in the process of foreclosure are not considered since the Bank does not have the possession of the asset), €5,878 million net as of 31 December 2017 (€473 million real estate assets in the process of foreclosure are not considered for the same reason indicated above), and €6,256 million net as of 31 December 2016 (€556 million real estate assets not considered for the same reason indicated above). The Group's real estate assets held for rent stood at €2,806 million net as of 30 June 2018 (€3,030 million net as of 31 December 2017 and €3,078 million net as of 31 December 2016).

Declines in property prices decrease the value of the real estate collateral securing the Group's mortgage loans and adversely affects the credit quality of property developers to whom the Group has lent. Therefore, any defaults by borrowers in the property construction or development sector, as well as any downturn in the Spanish real estate market, could have a material adverse effect on the Group's business, financial condition and results of operations.

Despite the Group's risk management policies, procedures and methods, the Group may nonetheless be exposed to unidentified or unanticipated risks

The Group's risk management techniques and strategies may not be fully effective in mitigating the Group's risk exposure in all economic market environments or against all types of risk, including risks that the Group fails to identify or anticipate. Some of the Group's qualitative tools and metrics for managing risk are based upon the Group's use of observed historical market behaviour. The Group applies statistical and other tools to these observations to aim to quantify its risk exposures. These qualitative tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the Group did not anticipate or correctly evaluate in its statistical models.

This would limit the Group's ability to manage its risks and could result in the Group's losses being significantly greater than the historical measures indicate. In addition, the Group's quantified modelling does not take all risks into account. The Group's more qualitative approach to managing those risks could prove insufficient, exposing it to material unanticipated losses. If existing or potential customers believe the Group's risk management is inadequate, they could take their business elsewhere. This could harm the Group's reputation as well as its revenues and profits, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The financial industry is increasingly dependent on information technology systems, which may fail, may not be adequate for the tasks at hand or may no longer be available

Banks and their activities are increasingly dependent on highly sophisticated information technology (**IT**) systems. IT systems are vulnerable to a number of problems, such as software or hardware malfunctions, computer viruses, hacking and physical damage to vital IT centres. IT systems need regular upgrading and banks, including the Issuer, may not be able to implement necessary upgrades on a timely basis or upgrades may fail to function as planned. Furthermore, failure to protect financial industry operations from cyber-attacks could result in the loss or compromise of customer data or other sensitive information. These threats are increasingly sophisticated and there can be no assurance that banks will be able to prevent all breaches and other attacks on its IT systems. In addition to costs that may be incurred as a result of any failure of IT systems, banks, including the Issuer, could face fines from bank regulators if they fail to comply with applicable banking or reporting regulations.

The Group is exposed to risks faced by other financial institutions

The Group routinely transacts with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Defaults by, and even rumours or questions about the solvency of, certain financial institutions and the financial services industry generally have led to market-wide liquidity problems and could lead to losses or defaults by other institutions. These liquidity concerns have had, and may continue to have, an unsettling effect on inter-institutional financial transactions in general. Many of the routine transactions the Group enters into expose it to significant credit risk in the event of default by one of the Group's significant counterparties. Despite the risk control measures the Group has in place, a default by a significant financial counterparty, or liquidity problems in the financial services industry in general, could have a material adverse effect on the Group's business, financial condition and results of operations.

Market risks associated with fluctuations in bond and equity prices and other market factors are inherent in the Group's business. Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and leading to material losses

The Group is exposed to market risk as a consequence of its trading activities in financial markets and through the asset and liability management of the Group's overall financial position, including the Group's trading portfolio and other equity investments (as for example, the Group's stakes in Repsol, S.A. (**Repsol**) (see *Description of the Issuer— Key Events in 2015, 2016, 2017 and 2018—Agreement to sell the stake in Repsol*), Telefónica, S.A. (**Telefónica**) and Erste Group Bank, A.G. (**Erste Group Bank**)). The performance of financial markets may cause changes in the value of the Group's investment, available for sale and trading portfolios. In some of the Group's business, protracted adverse market movements, particularly asset price decline, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the Group cannot close out deteriorating positions in a timely way. This may especially be the case for assets of the Group for which there are less liquid markets. Further, the value of certain financial instruments (such as derivatives not traded on stock exchanges or other public trading markets), are recorded at fair value, which is determined by using financial models other than publicly quoted prices that incorporates assumptions, judgements and estimations that are inherently uncertain and which may

change over time or may ultimately be inaccurate. Consequently, failure to obtain correct valuations for such assets may result in unforeseen losses for the Group in the case of any asset devaluations. Furthermore, monitoring the deterioration of prices of assets like these is difficult and could lead to losses that the Group does not anticipate.

Any of these factors could require the Group to recognise further write-downs or realise impairment charges, which may have a material adverse effect on the Group's business, regulatory position, financial condition and results of operations.

Volatility in the equity markets due to recent economic uncertainty has had a particularly adverse impact on the financial sector. Continued volatility such as that experienced recently may affect the value of the Group's investments in entities in this sector and, depending on their fair value and future recovery expectations could become a permanent impairment which would be subject to write-offs against the Group's results and cause volatility in capital ratios, which in turn may have a material adverse effect on the Group's business, financial condition and results of operations.

Increased competition in the countries where the Group operates may adversely affect the Group's growth prospects and operations

The markets in which the Group operates are highly competitive. Financial sector reforms in these markets (mainly in Spain) have increased competition among both local and foreign financial institutions, and this trend is likely to continue. In addition, the trend towards consolidation in the banking industry has created larger and stronger banks with which it must now compete, some of which have recently received public capital. This trend is expected to continue as the Bank of Spain continues to impose measures aimed at restructuring the Spanish financial sector, including requirements that smaller, non-viable regional banks consolidate into larger, more solvent and competitive entities, and reducing overcapacity.

The Group also faces competition from non-bank competitors, such as department stores (for some credit products), automotive finance corporations, leasing companies, factoring companies, mutual funds, pension funds, insurance companies, and public debt. In addition, the Group faces competition from shadow banking entities that operate outside the regulated banking system. Furthermore, "crowdfunding" and other social media developments in finance are expected to become more popular as technology further continues to connect society. The Group cannot be certain that this competition will not adversely affect its competitive position and for example those objectives set out under CaixaBank's most recent internal review of its strategic plan. In this regard, it is worth noting that targets should not be treated as guarantees of performance as there is no assurance that the objectives of the Group can or will be achieved and they should not be seen as an indication of the Group's expected or actual results or returns.

If the Group is unable to provide competitive product and service offerings, it may fail to attract new customers and/or retain existing customers, experience decreases in its interest, fee and commission income, and/or lose market share, the occurrence of any of which could have a material adverse effect on its business, financial condition and results of operations.

Changes in interest rates may negatively affect the Group's business

The Group's results of operations depend upon the level of its net interest income, which is the difference between interest income from loans and other interest-earning assets and interest expense paid to its depositors and other creditors on interest-bearing liabilities. Interest rates are highly sensitive to many factors beyond the Issuer's control, including fiscal and monetary policies of governments and central banks and regulation of the financial sectors in the markets in which it operates, as well as domestic and international economic and political conditions and other factors.

Changes in market interest rates may affect the spread between interest rates charged on interest-earning assets and interest rates paid on interest-bearing liabilities and subsequently affect the Group's results of operations. An increase in interest rates, for instance, could cause the Group's interest expense on deposits to increase more significantly and quickly than its interest income from loans, resulting in a reduction in its net interest income as often its liabilities will re-price more quickly than its assets. Further, an increase in interest rates could result in a reduction in the demand for loans and the Group's ability to originate loans, and also contribute to an increase in credit default rates among the Group's customers. Conversely, a decrease in the general level of interest rates could adversely affect the Group through, among other things, increased pre-payments on its loan and mortgage portfolio, lower net interest income from deposits, reduced demand for deposits and increased competition for deposits and loans to clients. Fluctuations in interest rates may therefore have a material adverse effect on the Group's business, financial condition and results of operations.

Operational risk is inherent in the Group's business

Operational risk includes the risk of loss arising from inadequate or failed internal processes, personnel and internal systems or from unforeseen external events, including legal risk. The Group's businesses depend on the ability to process a large number of transactions efficiently and accurately and require it to record and process a large number of transactions and handle large amounts of money accurately on a daily basis. Losses can result from inadequate personnel, inadequate or failed internal control processes and systems, the failure of due application of necessary compliance measures or from external events that interrupt normal business operations. The Group also faces the risk that the design of its controls and procedures prove to be inadequate or are circumvented. Despite the risk management measures put in place by the Group, there can be no assurance that the Group will not suffer material losses from operational risk in the future, which may have a material adverse effect on its business, financial condition and results of operation.

Credit, market and liquidity risks may have an adverse effect on the Bank's credit ratings and the Group's cost of funds. Any reduction in the Bank's credit rating could increase the Group's cost of funding and adversely affect the Group's interest margins

The Issuer is rated by various credit rating agencies (see "*Description of the Issuer – Credit ratings*").

The credit ratings of the Issuer are an assessment by rating agencies of its ability to pay its obligations when due. Credit ratings affect the cost and other terms upon which the Group is able to obtain funding. Rating agencies regularly evaluate the Group and the ratings of the Issuer's long-term debt are based on a number of factors, including the Group's financial strength as well as conditions affecting the financial services industry generally.

Credit ratings are subject to the evaluation of the financial strength of a company in accordance with the methodology applied by rating agencies. In addition, as the Issuer's rating is affected by the sovereign rating of Spain, which is the maximum level achievable by the Issuer, any reduction in the sovereign credit rating of Spain may have a consequential effect on the credit rating of the Issuer.

Any downgrade in the Issuer's ratings could increase its borrowing costs, and require it to post additional collateral or take other actions under some of its derivative contracts, and could limit its access to capital markets and adversely affect the Group's commercial business. For example, a ratings downgrade could adversely affect the Group's ability to sell or market certain of its products, engage in business transactions (particularly longer-term) and derivatives transactions and retain its customers, particularly customers who need a minimum rating threshold in order to invest. This, in turn, could reduce the Group's liquidity and have a material adverse effect on its business, financial condition and results of operation.

In light of the difficulties in the financial services industry and the financial markets, there can be no assurance that the rating agencies will maintain their current ratings or outlooks. The Group's failure to maintain favourable ratings and outlooks could increase the cost of its funding and adversely affect the Group's interest margins, which may have a material adverse effect on its business, financial condition and results of operation.

The Group has a continuous demand for liquidity to fund its business activities. The Group may suffer during periods of market-wide or firm-specific liquidity constraints, and liquidity may not be available to it even if its underlying business remains strong (liquidity risk)

Liquidity risk comprises uncertainties in relation to the Group's ability, under adverse conditions, to access funding necessary in a timely manner to cover the Group's obligations to customers as they become due, to meet the maturity of the Group's liabilities and to satisfy capital requirements. It includes both the risk of unexpected increases in the cost of funding and the risk of not being able to structure the maturity dates of the Group's liabilities reasonably in line with the Group's assets.

Liquidity and funding continues to remain a key area of focus for the Group and the industry as a whole. Should the Group, due to exceptional circumstances, be unable to continue to source sustainable funding, its ability to fund its financial obligations could be affected.

The Group's main source of liquidity and funding is its customer deposit base, as well as on-going access to wholesale lending markets, including senior unsecured and subordinated bonds, interbank deposits, mortgage and public sector covered bonds and short-term commercial paper. CaixaBank's financial position could be adversely affected if access to liquidity and funding is limited or becomes more expensive for a prolonged period of time. Under extreme and unforeseen circumstances, such as the closure of financial markets and uncertainty as to the ability of a significant number of firms to ensure they can meet their liabilities as they fall due, the Group's ability to meet its financial obligations as they fall due or to fulfil its commitments to lend could be affected through reduced access to liquidity (including government and central bank facilities). In such extreme circumstances the Group may not be in a position to continue to operate without additional funding support, which it may be unable to access.

Central banks have taken extraordinary measures to provide adequate amounts of liquidity during the past few years, with the aim of contributing to the stability of the financial system. If current central bank facilities were rapidly removed or significantly reduced, this could have an adverse effect on the Group's ability to access liquidity and on its funding costs.

The Group cannot assure that in the event of a sudden or unexpected shortage of funds in the banking system it will be able to maintain levels of funding without incurring high funding costs, a reduction in the term of funding instruments or the liquidation of certain assets. These factors may have a material adverse effect on the Group's regulatory position, including its ability to meet its regulatory minimum liquidity requirements. These risks can be exacerbated by operational factors such as an over-reliance on a particular source of funding or changes in credit ratings, as well as market-wide phenomena such as market dislocation, regulatory change or major disasters.

Additionally, corporate and institutional counterparties may seek to reduce aggregate credit exposures to the Group (or to all banks), which could increase the Group's cost of funding and restrict its access to liquidity. The funding structure employed by the Group may also prove to be inefficient, thus giving rise to a level of funding cost where the cumulative costs are not sustainable over the longer term. The funding needs of the Group may increase and such increases may be material to the Group's business, financial condition or and results of operation.

Withdrawals of deposits or other sources of liquidity may make it more difficult or costly for the Group to fund its business on favourable terms

Historically, one of the Group's major sources of funds has been savings and demand deposits. Large-denomination time deposits may, under some circumstances, such as during periods of significant interest rate-based competition for these types of deposits, be a less stable source of deposits than savings and demand deposits. The level of wholesale and retail deposits may also fluctuate due to other factors outside the Group's control, such as a loss of confidence (including as a result of political initiatives, including bail-in and/or confiscation and/or taxation of creditors' funds) or competition from investment funds or other products. Furthermore, there can be no assurance that, in the event of a sudden or unexpected withdrawal of deposits or shortage of funds in the banking systems or money markets in which the Group operates, the Group will be able to maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of its assets. In addition, if public sources of liquidity, such as the European Central Bank (**ECB**) extraordinary measures adopted in response to the financial crisis since 2008, are removed from the market, there can be no assurance that the Group will be able to maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of its assets or taking additional deleverage measures, which could have a material adverse effect on its business, financial condition and results of operations.

Since CaixaBank needs to comply with evolving liquidity regulatory requirements, it may need to implement changes in business practices that could affect the profitability of its business activities

The liquidity coverage ratio (**LCR**) is the short-term indicator which expresses the ratio between the amount of available assets readily monetisable (cash and the readily liquidable securities held by CaixaBank) and the net cash imbalance accumulated over a 30-day liquidity stress period. It is a quantitative liquidity standard developed by the Basel Committee on Banking Supervision (**BCBS**) and provided for in CRR to ensure that those banking organisations to which this standard is to apply (including CaixaBank) have sufficient high-quality liquid assets to cover expected net cash outflows over a 30-day liquidity stress period. The final standard was announced in January 2013 by the BCBS and since January 2015 has been progressively phased in. Since 1 January 2018, the banks to which this standard applies (including CaixaBank) must comply with 100% of the applicable LCR requirement. CaixaBank's consolidated LCR stood at 218%, 202% and 160% as at 30 June 2018, 31 December 2017 and 31 December 2016, respectively. The average LCR over the twelve months from June 2017 to June 2018 was 199%.

The BCBS's net stable funding ratio (**NSFR**) is the 12-month structural liquidity indicator which corresponds to the ratio between the available amount of stable funding and the statutory amount of stable funding. It has been developed to provide a sustainable maturity structure of assets and liabilities such that banks maintain a stable funding profile in relation to their on and off-balance sheet activities that reduces the likelihood that disruptions to a bank's regular sources of funding will erode its liquidity position in a way that could increase the risk of its failure. The BCBS contemplated in the Basel III *phase-in* arrangements document that the NSFR, including any revisions, would be implemented by member countries as a minimum standard by 1 January 2019, with no phase-in scheduled. Both the LCR and NSFR are used by CaixaBank to assess the liquidity profile of the Group. On 23 November 2016, the European Commission published, among other things, a proposal for a European Directive amending CRR, where the EC proposes to implement the BCBS standard on NSFR introducing some adjustments that take into account European specificities. CaixaBank's NSFR ratio remained above 100% in 2017.

Various elements of the LCR and the NSFR, as they are implemented by national banking regulators and complied with by the Group, may cause changes that affect the profitability of business activities and require changes to certain business practices, which could expose the Group to additional costs (including increased compliance costs) or have a material adverse effect on the Group's business,

financial condition or results of operations. These changes may also cause the Group to invest significant management attention and resources to implement any necessary changes.

The Group's business could also be significantly affected by a failure to monitor concentration and spread of risks

The principal banking business conducted by the Issuer consists of retail banking including, amongst other things, retail financial services such as taking customer deposits and customer lending, as well as the provision of insurance services, securities transactions and foreign exchange transactions. This part of the Issuer's business, in addition to the Issuer's investments to expand and develop it, are subject to certain inherent risks in the financial sector which in turn depend on a series of macroeconomic variables beyond the Issuer's control.

The risks arising from the Group's business in this respect are typically classified as: (i) credit risk (which includes sovereign risk, counterparty risk due to treasury positions and risk associated with the investment portfolio), (ii) market risk, (iii) interest rate risk in the banking book, (iv) actuarial risk, (v) eligible own funds risk, (vi) funding and liquidity risk, (vii) legal/regulatory risk, (viii) conduct and compliance risk, (ix) technological risk, (x) operating processes and external events risk, (xi) reliability of financial reporting risk and (xii) reputational risk.

Although the Group monitors its risk concentration by geographic area and by business activity, a failure to monitor and adequately remedy any significant imbalances in the spread of the Group's risk concentration could adversely affect the Group's operations in an affected particular geographical region or business sector, or both.

Credit Risk

The Group is exposed to the creditworthiness of its customers and counterparties. Credit risk can be defined as possible losses which may be generated by a potential default in whole or in part of obligations by a counterparty or debtor (including, but not limited to, the insolvency of a counterparty or debtor). Credit risk is the most significant risk item on the Group's balance sheet and, primarily, such risks are of concern in respect of the Group's business activities in the banking, insurance, treasury and investee portfolio sectors. In recent years, the main items in the consolidated assets of the Group that are subject to credit risk have been fluctuating. The movements thereof have been affected by the integration of Banca Cívica, S.A. (**Banca Cívica**), Banco de Valencia, S.A. (**Banco de Valencia**) and Barclays Bank S.A.U. on the Group's balance sheet in 2012, 2013 and 2015 respectively, and the deleveraging process in connection therewith, and, more recently, by the integration of Banco BPI, S.A. (**Banco BPI**).

Payment defaults by clients and other counterparties may arise from events and circumstances that are unforeseeable or difficult to predict or detect. Market turmoil and economic weakness, especially in Spain, could have a material adverse effect on the liquidity, business and financial conditions of the Group's clients, which could in turn impair its loan portfolio. Adverse changes in the credit quality of CaixaBank's borrowers and counterparties could affect the recoverability and value of CaixaBank's assets and require an increase in provisions for bad and doubtful debts and other provisions. In addition, collateral and security provided to the Group may be insufficient to cover the exposure or the obligations of others to the Group. Accordingly, any of the foregoing could have a material adverse effect on the Group's business, financial condition and results of operations.

A weakening in customers' and counterparties' creditworthiness could impact the Group's capital adequacy. The regulatory capital levels the Group is required to maintain are calculated as a percentage of its risk-weighted assets (**RWA**), in accordance with the CRD IV Directive and CRR. The RWA consist of the Group's balance sheet, off-balance sheet and other market and operational risk positions, measured and risk-weighted according to regulatory criteria, and are driven, among

other things, by the risk profile of its assets, which include its lending portfolio. If the creditworthiness of a customer or a counterparty declines, the Group would lower their rating, which would presumably result in an increase in its RWA, which potentially could deteriorate the Group's capital adequacy ratios and limit its lending or investments in other operations. Furthermore, the creditworthiness of a customer or a counterparty resulting in a default it would have an impact in the expected losses of the Group and cause an increase in its relevant provisions.

Sovereign Risk

As a Spanish financial institution with a nationwide footprint and the substantial majority of the Group's gross operating income derived from Spain, any decline in Spain's credit ratings could adversely affect the value of certain respective securities held by the Group in its various portfolios and could also adversely impact the extent to which the Group can use Spanish government bonds it holds as collateral for ECB refinancing and, indirectly, for refinancing with other securities, should it choose to do so. Likewise, any permanent reduction in the value of Spanish government bonds would adversely affect its ability to access liquidity, raise capital and meet minimum regulatory capital requirements. As such, a downgrade or series of downgrades in the sovereign rating of Spain and any resulting reduction in the value of Spanish government bonds may have a material adverse effect on the Group's business, financial condition and results of operations. Furthermore, any downgrades of Spain's ratings may increase the risk of a downgrade of the Group's credit ratings by the rating agencies. See "*–Credit, market and liquidity risks may have an adverse effect on the Bank's credit ratings and the Group's cost of funds. Any reduction in the Bank's credit rating could increase the Group's cost of funding and adversely affect the Group's interest margins*".

Likewise following the integration of Banco BPI (see "*Acquisitions and Disposals during 2014-2016 – Banco BPI Takeover Bid*" for additional information), the Group would be adversely affected by a negative development in the credit ratings and value of the Portuguese sovereign bonds, resulting in a material adverse effect on Banco BPI's business, financial condition and results of operations. Additionally, any downgrade of the rating of the Republic of Portugal may increase the risk of a downgrade of Banco BPI's credit ratings.

For more information on the Group's exposure to sovereign debt, see Note 3.3.5 to the 2017 Consolidated Financial Statements and Notes 8 and 9 of the condensed interim consolidated financial statements as at and for the six month period ending 30 June 2018.

Market Risk

The Group is exposed to market risk as a consequence of its trading activities in financial markets and through the asset and liability management of its overall financial position, including the Group's trading portfolio. Therefore, the Group is exposed to losses arising from adverse movements in levels and volatility of interest rates, foreign exchange rates, and commodity and equity prices. The Group uses a number of qualitative tools, metrics and models which may fail to predict future risk exposures and, to the extent they do, such predictions may be inaccurate. If the Group were to suffer substantial losses due to any such market volatility, it would adversely affect the Group's business, financial condition and results of operations.

Actuarial Risk

Actuarial risk is associated with the insurance business within the Group's existing business lines and types of insurance. Actuarial risk reflects the risk arising from the execution of life and other insurance contracts, considering events covered and the processes used in the conduct of business, and distinguishing mortality, longevity, disability and morbidity risk. Management of this risk depends on actuarial management policies relating to subscription, pricing and accident rates.

A solvency framework for insurance and reinsurance companies operating in the EU, referred to as "Solvency II" entered into force on 1 January 2016.

The establishment of this solvency framework started with the adoption of the European Directive 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance of 25 November 2009, as amended by Directive 2013/58/EU of 11 December and by Directive 2014/51/EU of 16 April (the **Solvency II Directive**).

The Solvency II Directive has been implemented in Spain through Law 20/2015, of 14 July, on the regulation, supervision and solvency of insurance and reinsurance undertakings and Royal Decree 1060/2015, of 20 November, on the regulation, supervision and solvency of insurance and reinsurance undertakings.

The insurance business has a significant role within the Group. The changes introduced by this regulation may have an impact on the capital and liquidity requirements of the insurance business of the Group. Given the recent entry into force of the Solvency II regime and how regulators (including the Directorate General of Insurance and Pension Funds (*Dirección General de Seguros y Fondos de Pensiones* or the **DGSFP**)) will interpret it, it is difficult to calculate its precise impact of such regime on the Group. As the Group implements the new regulation it might affect how the Group performs its insurance business activities and also have a material adverse effect on the Group's business, financial condition and results of operations.

The position and control of the Insurance Group's risks are monitored regularly by the management, investment and global risks committee of VidaCaixa S.A.U. de Seguros y Reaseguros (**VidaCaixa**) and CaixaBank's global risks committee and ALCO. This involves calculation and analysis of the sufficiency of technical provisions, analysis of the sufficiency of expenses, and analysis of products and operations.

Pursuant to Solvency II, in 2017 the first quantitative annual reporting templates were submitted to the DGSFP and the first own risk and solvency assessment report of VidaCaixa was also published.

Adverse regulatory developments or changes in government policy relating to any of the foregoing or other matters could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to substantial regulation, and regulatory and governmental oversight. Adverse regulatory developments or changes in government policy could have a material adverse effect on its business, results of operations and financial condition (regulatory risk)

The financial services industry is among the most highly regulated industries in the world. In response to the global financial crisis and the European sovereign debt crisis, governments, regulatory authorities and others have made and continue to make proposals to reform the regulatory framework for the financial services industry to enhance its resilience against future crises. The Group's operations are subject to ongoing regulation and associated regulatory risks, including the effects of changes in laws, regulations, policies and interpretations, in Spain, the EU and the other markets in which it operates. This is particularly the case in the current market environment, which is witnessing increased levels of government and regulatory intervention in the banking sector which is expected to continue for the foreseeable future. This creates significant uncertainty for the Bank and the financial industry in general. The wide range of recent actions and current proposals includes, among other things, provisions for more stringent regulatory capital and liquidity standards, restrictions on compensation practices, special bank levies and financial transaction taxes, recovery and resolution powers to intervene in a crisis including "bail-in" of creditors, separation of certain businesses from deposit taking, stress testing and capital planning regimes, heightened reporting requirements and reforms of derivatives, other financial instruments, investment products and market infrastructures. As

a result, the Group may be subject to an increasing incidence or amount of liability or regulatory sanctions and may be required to make greater expenditures and devote additional resources to address potential liability.

In addition, the new institutional structure in Europe for supervision, with the creation of the single supervisory mechanism (the **SSM**), and for resolution, with the new single resolution mechanism (**SRM**), could lead to additional changes in the near future. The specific effects of a number of new laws and regulations remain uncertain because the drafting and implementation of these laws and regulations are still ongoing. In addition, since some of these laws and regulations have been recently adopted, the manner in which they are applied to the operations of financial institutions is still evolving. No assurance can be given that laws or regulations will be enforced or interpreted in a manner that will not have a material adverse effect on the Group's business, financial condition and results of operations. In addition, regulatory scrutiny under existing laws and regulations has become more intense.

Furthermore, regulatory authorities have substantial discretion in how to regulate banks, and this discretion, and the means available to the regulators, have been steadily increasing during recent years. Regulation may be imposed on an ad hoc basis by governments and regulators in response to a crisis, and these may especially affect financial institutions such as the Bank.

The Group is subject to the supervision and/or regulation of the Bank of Spain (*Banco de España*), the ECB, the Single Resolution Board (the **SRB**), the Spanish Securities Exchange Commission (*Comisión Nacional del Mercado de Valores*) (the **CNMV**) and the DGSPF which are the main regulators of the operations of the Group. The operations of the Group outside of Spain are subject to direct oversight by the local regulators in those jurisdictions. In addition, many of the operations of the Group are dependent upon licenses issued by financial authorities.

Following the deconsolidation of the Issuer from the CriteriaCaixa Group (as defined below) in September 2017, CaixaBank together with its subsidiary VidaCaixa forms a financial conglomerate and, as such, is subject to the additional supervision envisaged in the Directive 2002/87/EC. CaixaBank is the parent company of this financial conglomerate.

Moreover, the regulators of the Group, as part of their supervisory function, periodically review the Group's allowances for loan losses. Those regulators may require the Group to increase such allowances, to recognise further losses or to increase the regulatory risk-weighting of assets, or may increase its combined buffer requirement or increase "Pillar 2" capital requirements. Any such measures, as required by these regulatory agencies, whose views may differ from those of the management of the Group, could have an adverse effect on its earnings and financial condition, including on the Issuer's Common Equity Tier 1 (**CET1**) ratio and on its ability to pay distributions.

As further described below (see "*Risks relating to the Issuer arising from applicable legislation and regulation*"), the regulations which most significantly affect the Group, or which could most significantly affect the Group in the future, include regulations relating to capital and provisions requirements, which have become increasingly strict in the past few years, steps taken towards achieving a fiscal and banking union in the EU. These risks are discussed in further detail below. In addition, the Group is subject to substantial regulation relating to other matters such as liquidity. The Issuer considers that future liquidity standards could require maintaining a greater proportion of its assets in highly-liquid but lower-yielding financial instruments, which would negatively affect the Issuer's net interest margin. In addition, the Group is also subject to other regulations, such as those related to anti-money laundering, privacy protection and transparency and fairness in customer relations.

Any required changes to the Bank's business operations resulting from the legislation and regulations applicable to such business (e.g. those deriving from the recent general data protection regulation)

could result in significant loss of revenue, limit the Bank's ability to pursue business opportunities in which the Bank might otherwise consider engaging, affect the value of assets that the Bank holds, require the Bank to increase its prices and therefore reduce demand for its products, impose additional costs on the Bank or otherwise adversely affect the Bank's businesses.

Among others, the Group's results may be adversely affected by the changes to the classification and measurement of financial assets arising from IFRS 9 Financial Instruments, which require, among others, the development of an impairment methodology for calculating the expected credit losses on the Bank's financial assets and commitments to extend credit, instead of incurred losses. This methodology could imply more volatility in profit and loss when estimating the value of existing exposures arising from macroeconomic variations. The adoption of IFRS 9 is effective and applicable to any financial statements issued since 1 January 2018. The initial impact on the financial statements of the Group of the entry into force of IFRS 9 was an increase of €798 million in credit loss provisions and a net impact on reserves of negative €538 million. The net capital impact was a decrease of 15 basis points in terms of the fully loaded CET1 ratio.

As regard IFRS 15, this standard establishes a model for recognising ordinary income other than income from financial instruments, based on identifying the obligations under each contract, determining the price thereof, assigning this to the obligations identified, and lastly, recognising income when control of the assets is transferred (in the widest sense, including the provision of services). Although this may entail certain changes in the timing of revenue recognition, it has not had any material impact as a result of its first time adoption.

In addition, the results of the Group could be adversely affected by the implementation of IFRS 16 in 2019 and IFRS 17 in 2021 (or 2022, in case the one-year deferral of IFRS 17 proposed in the IASB meeting of November 2018 is finally approved in the due process of the amendment of the standard). The Group is currently analysing the effect of these standards and cannot anticipate as of the date of this Information Memorandum how these will impact the Group's business, financial condition and results of operations.

Adverse regulatory developments or changes in government policy relating to any of the foregoing or other matters could have a material adverse effect on the Group's business, financial condition and results of operations. Furthermore, regulatory fragmentation, with some countries implementing new and more stringent standards or regulation, could adversely affect the Group's ability to compete with financial institutions based in other jurisdictions which do not need to comply with such new standards or regulation and the Group may face higher compliance costs.

The Group is exposed to risk of loss from legal and regulatory claims

The Group is and in the future may be involved in various claims, disputes, legal proceedings and governmental investigations in jurisdictions where the Group is active. These types of claims and proceedings may expose the Group, as the case may be, to monetary damages, direct or indirect costs or financial loss, civil and criminal penalties, loss of licenses or authorisations, or loss of reputation (reputational risk), as well as the potential regulatory restrictions on the Group's businesses, all of which could have a material adverse effect on the Group's business, financial condition and results of operations.

CaixaBank Group maintains provisions covering the obligations that may arise from such ongoing lawsuits, which totalled €459 million as of 30 June 2018, €344 million as of 31 December 2016 and €504 million as of 31 December 2017. These provisions mainly relate to different litigations which individual value is not material. However, given the nature of these obligations, the expected timing of these economic outflows, if any, is uncertain.

Additionally, there is an ongoing legal procedure to exercise a class action, subject to cassation, regarding the application of interest rate floor clauses on certain mortgages provided by CaixaBank. On 7 April 2016, a ruling was passed in the aforementioned proceedings declaring such interest rate floor clauses, contained in the general conditions of signed mortgage contracts with customers, null and void due to a lack of transparency, and by which banks must (i) eliminate the abovementioned clauses of the contracts, (ii) cease using them in a non-transparent way, and (iii) reimburse affected consumers for amounts that they overpaid under clauses declared void from the date of publication of the judgment of the Supreme Court on 9 May 2013, together with any interests in accordance with applicable law.

On 13 July 2016, the Advocate General of the EU issued its opinion prior to the judgment handed down by the Court of Justice of the European Union (**CJEU**), which was favourable to the Spanish Supreme Court's decision to limit repayments to 9 May 2013 (the doctrine applied by Mercantile Court 11). Nevertheless, on 21 December 2016 the judgment handed down by the CJEU did not endorse the opinion issued by the Advocate General, in contrast to the usual procedure, and it upheld full retroactive reimbursement in relation to floor clauses.

The ruling was subject to appeal, and the Court of Appeal of Madrid, Section 28, issued a ruling on 12 November 2018 declaring, according to the judgment issued by the CJEU on 21 December 2016, that banks must reimburse all the amounts overpaid to the date the mortgage was granted, without applying the limitation of the date of the publication of the judgment issued by the Supreme Court on 9 May 2013. The ruling of the Court of Appeal is now being analysed and it may be subject to cassation by various parties.

For the Group, the full retroactive reimbursement in relation to floor clauses means a total exposure of approximately €1,250 million, including all concepts (cancelled transactions, non-performing transactions and legal interest).

In 2015 the Group removed these interest rate floor clauses and proceeded to record a provision of €515 million for the expected cost of returning the amounts received from May 2013 until such removal. However, after the judgment of the CJEU above mentioned, given the uncertainty surrounding the outcome and drawing on the views of an independent expert, CaixaBank recognised an additional provision of €110 million at year-end 2016 to cover any reasonably expected payouts. The provisions therefore amounted to €625 million as of 31 December 2016.

In 2017, in accordance with the provisions of Royal Decree-Law 1/2017, of 20 January, on urgent consumer protection measures in connection with floor clauses, the Group implemented a code of best practices, creating a specialised department or service to swiftly handle claims filed in relation to this Royal Decree-Law, and thereby attend and provide responses to its customers within three months. The established procedure has been activated. Claims are still being reviewed and customers are being informed of the decisions made and disbursements are made when applicable. From the total amount used from the provision, at 31 December 2017 €241 million of disbursements are related to claims of Royal Decree-Law 1/2017.

The Group faces risks related to its acquisitions and divestitures

The Group's mergers and acquisitions activity involves divesting its interests in some businesses and strengthening other business areas through acquisitions. The Group may not complete these transactions in a timely manner, on a cost-effective basis or at all.

The Group has made significant acquisitions in recent years, including Banca Cívica, Banco de Valencia, Barclays Bank, S.A.U. and, more recently, the tender offer of Banco BPI's shares, which was accepted by 39.01% of Banco BPI's share capital, as a result of which the stake of CaixaBank in Banco BPI has increased from 45.5% to 84.51% of the issued share capital after the end of the

acceptance period of the offer on 7 February 2017. In May 2018, CaixaBank announced an agreement to acquire shares representing 8.425% of BPI from the Allianz Group. As at 30 June 2018, CaixaBank's stake in BPI stood at 94.20% (See "*Description of the Issuer— Key Events 2015, 2016, 2017 and 2018—Acquisition of shares in Banco BPI*"). Upon the completion of these acquisitions, in certain cases all of the rights and obligations of the acquired businesses were assumed by the Group, and the Group may subsequently uncover information that was not known to the Group and which may give rise to significant new contingencies or to contingencies in excess of the projections made by the Group. Any losses incurred by the Group as a result of the occurrence of any contingencies relating to the Group's past or future acquisitions for which the Group is not otherwise compensated could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, transactions such as these are inherently risky because of the difficulties of integrating people, operations and technologies that may arise. There can be no assurance that any of the businesses that the Group acquires can be successfully integrated or that they will perform well once integrated. Acquisitions may also lead to potential write-downs due to unforeseen business developments that may adversely affect the Group's results of operations.

The Group's results of operations could also be negatively affected by acquisition or divestiture-related charges, amortisation of expenses related to intangibles and charges for impairment of long-term assets. The Group may be subject to litigation in connection with, or as a result of, acquisitions or divestitures, including claims from terminated employees, customers or third parties, and the Group may be liable for future or existing litigation and claims related to the acquired business or divestiture because either the Group is not indemnified for such claims or the indemnification is insufficient. These effects could cause the Group to incur significant expenses and could materially adversely affect its business, financial condition and results of operations. In January 2018, Angola National Bank changed its currency mechanism that regulated parity between the local currency, the kwanza, and the US dollar. Consequently, an orderly and gradual process of devaluation of the kwanza against the US dollar took place. The net patrimonial impact of this devaluation in the financial statements of BPI as at 30 June 2018, for the maintained book value in Banco de Fomento Angola, S.A. (**BFA**), amounted to €89 million in results and € -203 million in 'Other comprehensive income'.

The outcome of the UK referendum on membership of the EU and the uncertain future relationship of the UK with the EU, as well as political uncertainty in other Eurozone countries, including Italy, could have a material adverse effect on the business, financial condition and results of operations of the Bank and its Group

On 23 June 2016, the UK held a non-binding referendum (the **UK EU Referendum**) on its membership in the EU, in which a majority voted for the UK to leave the EU. Immediately following the result, the UK and global stock and foreign exchange markets commenced a period of significant volatility, including a steep depreciation of the pound sterling (depreciation which however was soon reverted), in addition to which there is now prevailing uncertainty relating to the process, timing and negotiation of the UK's exit from, and future relationship with, the EU.

On 29 March 2017, the UK delivered the official notice of its intention to withdraw from the EU to the European Council president under article 50 of the Treaty of the EU. As from that moment, a two-year period of negotiation has set out to determine terms under which the UK will leave the EU (with a particular focus on the rights of UK and EU citizens currently living in the EU and the UK, respectively, the payments that the UK will have to disburse to the EU for the future financial obligations acquired by the UK while being a member of the EU and the issue regarding the border between the Republic of Ireland and Northern Ireland). Both regions have also been negotiating to establish the new terms of the UK's relationship with the EU after the UK exits the EU on the 29 March 2019. As of the time of writing, the outcome of such negotiations and the resulting terms of the UK's future economic, trading and legal relationships remain highly uncertain.

While the longer term effects of the UK EU Referendum are difficult to predict, these are likely to include further financial instability and slower economic growth as well as higher unemployment and inflation, mostly in the UK, but also in continental Europe and the global economy, at least in the short to medium term. For instance, the UK could lose access to the single EU market and to the global trade deals negotiated by the EU on behalf of its members. A decline in trade could affect the attractiveness of the UK as a global investment centre and, as a result, could have a detrimental impact on UK growth. In particular, London's role as a global financial centre may also decline, particularly if financial institutions shift their operations to continental Europe and the EU financial services passport is not maintained. Among the significant global implications of the UK EU Referendum is the increased uncertainty concerning a potentially more persistent and widespread imposition by central banks of negative interest rate policies. The Bank of Japan, the ECB and several other monetary authorities in Europe have already introduced negative interest rates to address deflationary concerns and to prevent appreciation of their respective currencies.

The UK EU Referendum has also given rise to calls for certain regions within the UK to preserve their place in the EU by separating from the UK, as well as the potential for other EU member states to consider withdrawal. For example, the outcome of the UK EU Referendum was not supported by the majority of voters in Scotland, who voted in favour of remaining in the EU. This has revived the political debate on a second referendum on Scottish independence, creating further uncertainty as to whether such a referendum may be held and as to how the Scottish parliamentary process may impact the negotiations relating to the UK's exit from the EU and its future economic, trading and legal relationship with the EU. As mentioned above, it has also encouraged anti-EU and populist parties in other member states, raising the potential for other countries to seek to conduct referenda with respect to their continuing membership of the EU. In Italy, the elections of 4 March 2018 delivered a government led by euro-sceptic parties (Five Star Movement and Northern League). The Italian government, in its latest draft budget plan, has increased substantially the projected deficit for 2019. This plan has been rejected by the European Commission and has triggered a risk-off episode that has led to a marked increase of the Italian sovereign risk premium.

Following the results of the UK EU Referendum and the Italian elections, the risk of further instability in the Eurozone cannot be excluded. The increase in the political influence of Eurosceptic political parties in these countries have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets.

Asset valuations, currency exchange rates and credit ratings may be especially subject to increased market volatility. The major credit rating agencies have downgraded and changed their outlook to negative on the UK's sovereign credit rating following the UK EU Referendum.

The UK political developments described above, along with any further changes in government structure and policies, may lead to further market volatility and changes to the fiscal, monetary and regulatory landscape to which the Group is subject and could have a negative adverse effect on its financing availability and terms and, more generally, on its business, financial condition and results of operations.

Risks relating to the Issuer arising from applicable legislation and regulation

The Issuer is not able to determine the impact that the following legislation and regulations and that any additional regulations may have. There can be no assurance that the implementation of these requirements will not adversely affect the Issuer's ability to pay dividends, or require the Issuer to issue additional securities that qualify as regulatory capital or eligible liabilities for compliance with MREL, to liquidate assets, to deleverage its business or to take any other actions, any of which may have adverse effects on the business, financial condition, results of operations and prospects of the

Issuer. Furthermore, increased capital requirements may negatively affect the Issuer's return on equity and other financial performance indicators.

In addition, there can be no assurance that additional capital or provision requirements will not be adopted by the authorities of the jurisdictions where the Issuer operates and, as some of the banking laws and regulations have been recently adopted, the manner in which those laws and related regulations are applied to the operations of financial institutions is still evolving. Failure to comply with existing or new legislation regarding capital or provision requirements could have a material adverse effect on the business, financial condition, results of operations and prospects of the Issuer.

Increasingly onerous capital requirements constitute one of the Issuer's main regulatory challenges

As a Spanish credit institution, the Bank is subject to the CRD IV Directive that replaced Directives 2006/48 and 2006/49 through which the EU began implementing the Basel III capital reforms with effect from 1 January 2014, with certain requirements in the process of being phased in during upcoming years. The core regulation regarding the solvency of credit entities is the CRR which is complemented by several binding regulatory technical standards, all of which are directly applicable in all EU member states, without the need for national implementation measures. Solvency requirements are applied to CaixaBank, on both an individual and consolidated basis and also to Banco BPI on both an individual and sub-consolidated basis.

The implementation of the CRD IV Directive in Spain has largely taken place through Royal Decree-Law 14/2013, of 29 November, on urgent measures to adapt Spanish law to EU regulations on the subject of supervision and solvency of financial entities (the **RD-L 14/2013**), Law 10/2014, RD 84/2015 and Bank of Spain Circulars 2/2014, of 31 January and 2/2016, of 2 February, to credit entities, on supervision and solvency, which completes the adaptation of Spanish law to CRR and the CRD IV Directive (the **Bank of Spain Circular 2/2016**).

Under CRD IV, the Bank is required, on an individual and consolidated basis, to hold a minimum amount of regulatory capital of 8% of RWA of which at least 4.5% must be CET1 capital and at least 6% must be Tier 1 capital (together, the minimum "Pillar 1" capital requirements).

Moreover, Article 104 of CRD IV Directive, as implemented by Article 68 of Law 10/2014 also contemplates that in addition to the "Pillar 1" capital requirements, the supervisory authorities may require further capital to cover other risks, including those not considered to be fully captured by the "Pillar 1" minimum "own funds" requirements under CRD IV or to address macro-prudential considerations. This may result in the imposition of further CET1, Tier 1 and total capital requirements on the Issuer and/or the Group pursuant to this "Pillar 2" framework. Any failure by the Bank and/or the Group to maintain its "Pillar 1" minimum regulatory capital ratios and any additional "Pillar 2" capital requirements could result in administrative actions or sanctions, which, in turn, may have a material adverse impact on the Group's results of operations.

Following the introduction of the SSM by means of the Council Regulation (EU) No 1024/2013, of 15 October conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (the **SSM Regulation**), the ECB is in charge of assessing additional "Pillar 2" capital requirements to be complied with by each of the European banking institutions now subject to the SSM, such as the Issuer and its Group. The ECB is required under the SSM Regulation to carry out, at least on an annual basis, a supervisory review and evaluation process (the **SREP**) assessments under the CRD IV of the additional "Pillar 2" capital requirements and accordingly requirements may change from year to year. Although CaixaBank and the Group currently meet "Pillar 2" capital requirements, there can be no assurance that the Issuer and/or the Group, as applicable, will be able to comply with any such additional own funds requirements as updated in the future.

The European Banking Authority (the **EBA**) published its guidelines on 19 December 2014 addressed to the European competent supervisors on common procedures and methodologies for the SREP, which contained guidelines for a common approach to determining the amount and composition of additional "Pillar 2" capital requirements to be implemented from 1 January 2016. Under these guidelines, supervisors should set a composition requirement for the "Pillar 2" capital requirements to cover certain specified risks of at least 56% CET1 capital and at least 75% Tier 1 capital. The guidelines also contemplate that competent supervisors should not set additional own funds requirements in respect of risks which are already covered by capital buffer requirements and/or additional macro prudential requirements.

In addition to the minimum "Pillar 1" and "Pillar 2" capital requirements, credit institutions must comply with the "combined buffer requirement" as set out in the CRD IV Directive. The "combined buffer requirement" has introduced five new capital buffers to be satisfied with additional CET1: (i) the capital conservation buffer for unexpected losses, of up to 2.5% of RWA on a fully loaded basis; (ii) the global systemically important institutions (***G-SIB***) buffer, of between 1% and 3.5% of RWA on a fully loaded basis; (iii) the institution-specific counter-cyclical capital buffer, which may be as much as 2.5% of RWA (or higher pursuant to the Bank of Spain) on a fully loaded basis; (iv) the other systemically important institutions (***O-SII***) buffer, which may be as much as 2% of RWA on a fully loaded basis; and (v) the systemic risk buffer to prevent systemic or macro prudential risks, of at least 1% of RWA (to be set by the Bank of Spain) on a fully loaded basis.

The Bank has not been classified as *G-SIB* by the Financial Stability Board (***FSB***) nor by any competent authority so, unless otherwise indicated by the *FSB* or by the Bank of Spain in the future, it is not required to maintain the *G-SIB* buffer. According to the note published by the Bank of Spain on 24 November 2017, the Bank is considered an *O-SII* and accordingly, during 2018 it will be required to maintain a phase-in *O-SII* buffer of 0.1875% and a full *O-SII* buffer of 0.25% in 2019. This buffer is applicable to the Bank on both an individual and a consolidated basis. In addition, the Bank of Spain agreed on 28 September 2018 to maintain the countercyclical capital buffer applicable to credit exposures in Spain at 0% for the last quarter of 2018 (percentages will be revised each quarter). On 28 September 2018, the Bank of Portugal also published that the countercyclical buffer for credit exposures in Portugal was to be maintained at 0% for the last quarter of 2018.

Some or all of the other buffers may also apply to the Bank and/or the Group from time to time as determined by the Bank of Spain, the ECB or any other competent authority.

As set out in the "Opinion of the European Banking Authority on the interaction of Pillar 1, Pillar 2 and combined buffer requirements and restrictions on distributions" published on 16 December 2015 (the **December 2015 EBA Opinion**), competent authorities should ensure that the CET1 capital to be taken into account in determining the CET1 capital available to meet the "combined buffer requirement" for the purposes of the Maximum Distributable Amount (as defined below) calculation is limited to the amount not used to meet the "Pillar 1" and "Pillar 2" own funds requirements of the institution, and accordingly, the "combined buffer requirement" is in addition to the minimum Pillar 1 capital requirement and to the additional Pillar 2 capital requirement, and therefore it would be the first layer of capital to be eroded pursuant to the applicable stacking order. The Proposal (as defined below) amending CRR published on 23 November 2016 and the final guidelines on the common procedures and methodologies for the SREP and supervisor stress testing published by the EBA on 19 July 2018 (the **EBA Guidelines**) also clarify the stacking order of Pillar 1 capital requirements, Pillar 2 capital requirements (**P2R**) and combined buffer requirements in the same way.

Any failure by the Bank and/or the Group to maintain the combined buffer requirements on top of Pillar 1 capital requirements and P2R, may result in the imposition of restrictions or prohibitions on Discretionary Payments (as defined below) by the Issuer, including dividend payments, and the possible cancellation of distributions relating to Additional Tier 1 capital instruments (in whole or in part).

According to Article 48 of Law 10/2014, Article 73 of RD 84/2015 and Rule 24 of Bank of Spain Circular 2/2016, those entities failing to meet the "combined buffer requirement" or making a distribution in connection with CET1 capital to an extent that would decrease its CET1 capital to a level where the "combined buffer requirement" is no longer met will be subject to restrictions on (i) distributions relating to CET1 capital, (ii) payments in respect of variable remuneration or discretionary pension revenues and (iii) distributions relating to Additional Tier 1 capital instruments (**Discretionary Payments**), until the maximum distributable amount calculated according to CRD IV (*i.e.*, the firm's "distributable profits", calculated in accordance with CRD IV, multiplied by a factor dependent on the extent of the shortfall in CET1 capital) (the **Maximum Distributable Amount)** has been calculated and communicated to the Bank of Spain and thereafter, any such distributions or payments will be subject to such Maximum Distributable Amount for entities (a) not meeting the "combined buffer requirement" or (b) in relation to which the Bank of Spain has adopted any of the measures set forth in Article 68.2 of Law 10/2014 aimed at strengthening own funds or limiting or prohibiting the distribution of dividends.

As communicated by the EBA on 1 July 2016, in addition to Pillar 1 capital requirements and P2R and combined buffer requirements, the supervisor can also set a Pillar 2 Guidance. Thus, SREP decisions of 2016 onwards differentiate between P2R and "Pillar 2" guidance (**P2G**). Banks are expected to meet the P2G, which is set on top of the level of binding capital (Pillar 1 and P2R) requirements and on top of the capital buffer requirements. If a bank does not meet its P2G, this will not result in automatic action of the supervisor and will not be used to determine the Maximum Distributable Amount trigger, but will be used in fine-tuned measures based on the individual situation of the relevant bank. In order to assess the final measures taken, the SSM will assess every case of a bank not meeting its P2G. The EBA Guidelines confirm this stacking order of own funds requirements and P2G.

In December 2017, the Bank has received the decisions of the ECB regarding minimum capital requirements for the Group following the outcomes of the most recent SREP. These decisions state that the Group is to maintain a CET1 ratio of 8.063% over the total amount of RWA during 2018, which includes the minimum Pillar 1 requirement (4.50% of RWAs), the ECB P2R (1.50% of RWAs), the capital conservation buffer (1.875% of RWAs) and the *O-SII* buffer (0.1875% of RWAs). The minimum fully loaded CET1 ratio would therefore stand at 8.75% of RWAs. The minimum Tier 1 and Total Capital ratios would consequently reach 9.563% of RWAs and 11.563% of RWAs, respectively, on a phase-in basis and 10.25% of RWAs and 12.25%, of RWAs respectively, on a fully loaded basis, based on the 6% of RWAs and 8% of RWAs Pillar 1 minimum requirements at a Tier 1 and total capital level, respectively. Pursuant to CaixaBank's previous internal review of its strategic plan, a target CET1 ratio of around 12% of RWAs and an additional transitional 1 basis point capital buffer on top so as to absorb foreseeable regulatory impacts on the solvency levels was set.

The following tables show the solvency requirements compared to the capital position of the Group on a consolidated basis as of 30 June 2018 and 30 September 2018:

	30 June 2018		**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.....	11.6%	11.4%	8.063%	4.50%	1.50%	2.063%	8.75%	4.50%	1.50%	2.75%
Tier 1.....	13.1%	12.9%	9.563%	6.00%	1.50%	2.063%	10.25%	6.00%	1.50%	2.75%
Total	16.0%	15.7%	11.563%	8.00%	1.50%	2.063%	12.25%	8.00%	1.50%	2.75%

Capital .....

Note:
(1) All percentages refer to the total amount of RWAs.

	30 Sep 2018		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	11.6%	11.4%	8.063%	4.50%	1.50%	2.063%	8.75%	4.50%	1.50%	2.75%
Tier 1	13.1%	12.9%	9.563%	6.00%	1.50%	2.063%	10.25%	6.00%	1.50%	2.75%
Total Capital	**15.3%**	**15.1%**	**11.563%**	**8.00%**	**1.50%**	**2.063%**	**12.25%**	**8.00%**	**1.50%**	**2.75%**

Note:
(1) All percentages refer to the total amount of RWAs.

As a result of ECB's decision, the phase-in CET1 threshold below which the Group would be forced to limit 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 Maximum Distributable Amount trigger), is set at 8.063% of RWAs as for 2018 without taking into account any potential shortfalls in the 1.5% of RWAs Additional Tier 1 and 2% of RWAs Tier 2 "Pillar 1" buckets. As of 31 December 2017, the Group had a Tier 2 capital level above 2% of RWAs and would achieve the 1.5% of RWAs minimum requirement for Additional Tier 1 instruments, taking into account the issuance of March 2018.

The ECB has not imposed P2R on the Bank, on an individual basis. Capital buffers are applicable at the same amount on both an individual and sub-consolidated basis.

In addition to CRD IV arrangement which requires maintenance of certain capital buffers before any dividend is paid, the ECB communicated updated recommendations on dividend distribution and remuneration policies to be adopted in 2018 for the financial year 2017. The ECB expects banks to adopt a prudent, forward-looking stance when deciding on their remuneration and dividend distribution policies so that they can fulfil all their capital requirements, including the outcome of the SREP.

In addition to the above, the CRR also includes a requirement for credit institutions to calculate a leverage ratio, report it to their supervisors and to disclose it publicly from 1 January 2015 onwards. More precisely, Article 429 of the CRR requires institutions to calculate their leverage ratio in accordance with the methodology laid down in that article. At its meeting of 12 January 2014, the oversight body of the BCBS endorsed the definition of the leverage ratio set forth in the CRD IV. Such definition of the leverage ratio was introduced in the EU via Commission Delegated Regulation 2015/62 in January 2015. On 11 January 2016, the BCBS issued a press release informing the public about the agreement reached by its oversight body, the Group of Governors and Heads of Supervision (**GHOS**) setting an indicative benchmark consisting of 3% of leverage exposures, which must be met with Tier 1 capital. The CRR does not currently contain a requirement for institutions to have a capital requirement based on the leverage ratio though the European Commission's Proposals (as defined below) amending the CRR contain a binding 3% Tier 1 capital leverage ratio requirement. Full implementation of the leverage ratio as a Pillar 1 measure is currently under consultation as part of the Proposals.

Any failure by the Bank and/or the Group to comply with its regulatory capital requirements could also result in the imposition of further P2Rs and the adoption of any early intervention or, ultimately, resolution measures by resolution authorities pursuant to Law 11/2015, of 18 June, on the Recovery and Resolution of Credit Institutions and Investment Firms (**Law 11/2015**) as amended by Royal Decree-Law 11/2017 (**RDL 11/2017**), which, together with Royal Decree 1012/2015, of 6 November, implementing Law 11/2015 (**RD 1012/2015**) has implemented Directive 2014/59/EU, of 15 May, establishing a framework for the recovery and resolution of credit institutions and investment firms (the **BRRD**) into Spanish law, which could have a material adverse effect on the Group's business and operations.

In addition to the minimum capital requirements under CRD IV, the BRRD regime prescribes that banks shall hold a minimum level of capital and eligible liabilities in relation to total liabilities and own funds (known as **MREL**). The level of capital and eligible liabilities required under MREL will be set by the resolution authority for each bank (and/or group) based on the resolution plan and other criteria. From 1 January 2016 the resolution authority for CaixaBank is the SRB and it is subject to the authority of the SRB for the purposes of determination of its MREL requirement. Eligible liabilities will be determined by resolution authorities (including if applicable the SRB) and may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by a non-EU law, they must be able to be written down or converted under that law (including through contractual provisions). The MREL requirement came into force on 1 January 2016 but no formal requirements have been communicated yet by the resolution authority and therefore, the quantum, the requirements to qualify as eligible liabilities and the compliance calendar remain all as open questions.

On 9 November 2015 the *FSB* published its final Total Loss-Absorbing Capacity (**TLAC**) Principles and Term Sheet, proposing that *G-SIB*s maintain significant minimum amounts of liabilities that are subordinated (by law, contract or structurally) to certain prior ranking liabilities, such as guaranteed insured deposits, and which forms a new standard for *G-SIB*s. The TLAC Principles and Term Sheet contains a set of principles on loss absorbing and recapitalisation capacity of *G-SIB*s in resolution and a term sheet for the implementation of these principles in the form of an internationally agreed standard. The *FSB* will undertake a review of the technical implementation of the TLAC Principles and Term Sheet by the end of 2019. The TLAC Principles and Term Sheet requires a minimum TLAC to be determined individually for each *G-SIB* at the greater of (a) 16% of RWA as of 1 January 2019 and 18% as of 1 January 2022, and (b) 6% of the Basel III Tier 1 leverage ratio exposures as of 1 January 2019, and 6.75% as of 1 January 2022. Under the FSB TLAC standard, capital buffers stack on top of TLAC.

Although the Bank has not been classified as a *G-SIB* by the *FSB*, it cannot be disregarded that this may change in the future or that TLAC requirements are finally extended to non-*G-SIB*s which could create additional minimum capital requirements for the Issuer and/or the Group.

On 23 November 2016, the European Commission published among other a proposal for a European Directive amending CRR, the CRD IV Directive and the BRRD and a proposal for a European Regulation amending Regulation (EU) No. 806/2014 effective from 1 January 2015 (the **SRM Regulation**).

Additionally, the European Commission proposed an amending directive to facilitate the creation of a new asset class of "non preferred" senior debt (the aforementioned proposals, together, the **Proposals**). The Proposals cover multiple areas, including the Pillar 2 framework, the leverage ratio, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of "non preferred" senior debt that should only be bailed-in after junior ranking instruments but before other senior liabilities, changes to the definitions of Tier 2 and Additional Tier 1 instruments, the MREL framework and the integration of the TLAC standard into EU legislation as mentioned above. The Proposals also cover a harmonised national insolvency

ranking of unsecured debt instruments to facilitate the issuance by credit institutions of such "non preferred" senior debt. The Proposals are being considered by the European Parliament and the Council of the EU and therefore remain subject to change. The final package of new legislation may not include all elements of the Proposals and new or amended elements may be introduced through the course of the legislative process. Until all the Proposals are in final form and are finally implemented into the relevant legislation, it is uncertain how the Proposals will affect the Issuer or the holders of the Notes.

Notwithstanding, the Proposals regarding the harmonised national insolvency ranking of unsecured debt instruments and the recognition of the "non preferred" senior debt has been implemented in the EU through the Directive (EU) 2017/2399 amending the BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy which was published in the Official Journal of the EU on 27 December 2017. It has to be transposed into national law by the Member States by 29 December 2018, provided that the relevant Member States has not been previously legislated in the sense of such Directive. In Spain, the new class of "non preferred" senior debt and its insolvency ranking were introduced earlier through the RDL 11/2017.

Specifically, one of the main objectives of the Proposals to amend the BRRD and the SRM Regulation is to implement the TLAC standard and to integrate the TLAC requirement into the general MREL rules (**TLAC/MREL Requirements**) thereby avoiding duplication from the application of two parallel requirements. Although TLAC and MREL pursue the same regulatory objective, there are, nevertheless, some differences between them in the way they are constructed. The European Commission is proposing to integrate the TLAC standard into the existing MREL rules and to ensure that both requirements are met with largely similar instruments, with the exception of the subordination requirement, which will be institution-specific and determined by the resolution authority.

The European Commission's Proposals require the introduction of some adjustments to the existing MREL rules ensuring technical consistency with the structure of any requirements for *G-SIIs*.

Any failure by an institution to meet the applicable minimum TLAC/MREL Requirements is intended to be treated similarly as a failure to meet minimum regulatory capital requirements, where resolution authorities must ensure that they intervene and place an institution into resolution sufficiently early if it is deemed to be failing or likely to fail and there is no reasonable prospect of recovery and, in particular, could result in the imposition of restrictions on Discretionary Payments.

In addition, on 7 December 2017, the GHOS published the finalisation of the Basel III post-crisis regulatory reform agenda. This review of the regulatory framework covers credit, operational and credit valuation adjustment (**CVA**) risks, introduces a floor to the consumption of capital by internal ratings-based methods (**IRB**) and the revision of the calculation of the leverage ratio. The main features of the reform are: (i) a revised standard method for credit risk, which will improve the soundness and sensitivity to risk of the current method; (ii) modifications to the IRB methods for credit risk, including input floors to ensure a minimum level of conservatism in model parameters and limitations to its use for portfolios with low levels of non-compliance; (iii) regarding the CVA risk, and in connexion with the above, the removal of any internally modelled method and the inclusion of a standardised and basic method; (iv) regarding the operations risk, the revision of the standard method, which will replace the current standard methods and the advanced measurement approaches (AMA); (v) the introduction of a leverage ratio buffer for *G-SIB*s; and (vi) regarding capital consumption, it establishes a minimum limit on the aggregate results (output floor), which prevents the RWA of the banks generated by internal models from being lower than the 72.5% of the RWA that are calculated with the standard methods of the Basel III framework.

The GHOS have extended the implementation of the revised minimum capital requirements for market risk until January 2022, to coincide with the implementation of the reviews of credit, operational and CVA risks.

There is uncertainty with regards to how and when they will be implemented in the EU.

In light of the above, it would be reasonable not to disregard that new and more demanding additional capital requirements may be applied in the future.

Basel III implementation differs across jurisdictions in terms of timing and the applicable rules. The lack of uniformity in implemented rules may lead to an uneven playing field and to competition distortions. Moreover, a lack of regulatory coordination, with some countries bringing forward the application of Basel III requirements or increasing such requirements, could adversely affect a bank with global operations such as the Issuer and could undermine its profitability (see "*The Group is subject to substantial regulation, and regulatory and governmental oversight. Adverse regulatory developments or changes in government policy could have a material adverse effect on its business, results of operations and financial condition*"). In order to address this, the ECB has issued Regulation (EU) 2016/445 of the ECB of 14 March 2016 on the exercise of options and discretions available in Union law (**Regulation 2016/445**). There can be no assurance that new additional regulations will not be introduced that could have an impact on capital position.

Finally, there can be no assurance that the implementation of these new capital requirements, standards or recommendations will not adversely affect the Bank's ability to make Discretionary Payments as set out above, or require it to issue additional securities that qualify as regulatory capital or eligible liabilities for compliance with MREL, to liquidate assets, to curtail business or to take any other actions, any of which may have adverse effects on the Bank's business, financial condition and results of operations. Furthermore, increased capital requirements may negatively affect the Bank's return on equity and other financial performance indicators.

Deferred Tax Assets

In addition to introducing new capital requirements, the CRD IV Directive provides that deferred tax assets (**DTAs**) that rely on the future profitability of a financial institution must be deducted from its regulatory capital (specifically its core capital or CET1 capital) for prudential reasons, as there is generally no guarantee that DTAs will retain their value in the event of the financial institution facing difficulties.

This new deduction introduced by CRD IV has a significant impact on Spanish banks due to the particularly restrictive nature of certain aspects of Spanish tax law. For example, in some EU countries when a bank reports a loss, the tax authorities refund a portion of taxes paid in previous years, but in Spain the bank must earn profits in subsequent years in order for this set-off to take place. Additionally, Spanish tax law does not recognise as tax-deductible certain amounts recorded as costs in the accounts of a bank, unlike the tax legislation of other EU countries.

Due to these differences and the impact of the requirements of CRD IV on DTAs, the Spanish regulator implemented certain amendments to Law 27/2014, of 27 November, on corporate income tax (the **Corporate Income Tax Law**) through RD-L 14/2013, which also provided for a transitional regime for DTAs generated before 1 January 2014. These amendments enabled certain DTAs to be treated as a direct claim against the Spanish tax authorities if a Spanish bank was unable to reverse the relevant differences within 18 years or if it is liquidated, becomes insolvent or incurs accounting losses. This, therefore, allowed a Spanish bank not to deduct such DTAs from its regulatory capital. The transitional regime provided for a period in which only a percentage (which increases yearly) of the applicable DTAs would have to be deducted. This transitional regime was also included in Corporate Income Tax Law.

However, the European Commission initiated a preliminary state aid investigation in relation to the Spanish DTAs regime. Such investigation is now resolved to the extent that the European Commission, the Bank of Spain and the Spanish Ministries of Treasury and Economy agreed a commitment to amend the applicable law in order to reinforce the compatibility of the regime with European Law. In general terms, the amendment passed requires payment of a special tax charge in order for the conversion of the DTAs into a current asset to be enforceable.

The Royal Decree-Law 3/2016 of 2 December 2016 (**RD-L 3/2016**) has implemented a number of amendments to the Corporate Income Tax Law, in force for tax periods beginning on 1 January 2016. The main amendments introduced therein are the following:

- limitation on the use of the DTAs treated as a direct claim and carried forward tax losses up to 25% (provided a certain amount of net operating income);

- new limit on the use of the double taxation deduction up to 50% of the tax liability (*cuota íntegra*), in case the net operating income exceeds €20 million;

- the impairment of the value of stakes held which were considered deductible for tax purposes in tax periods prior to 1 January 2013 should have to be recaptured on the following five tax periods at least on a proportionate basis; and

- as from 2017, losses generated upon the transfer of shares, provided the transfer complies with the relevant requirements to apply the Spanish participation exemption on capital gains, will not be considered as deductible for tax purposes. It applies to tax periods beginning in the year 2017.

In any case, there could be a risk that the Corporate Income Tax Law will be modified in the future and any changes to the DTAs regime could have a material adverse effect on its business, financial condition and results of operations.

Steps taken towards achieving an EU fiscal and banking union

The project of achieving a European banking union was launched in the summer of 2012. Its main goal is to resume progress towards the European single market for financial services by restoring confidence in the European banking sector and ensuring the proper functioning of monetary policy in the Eurozone.

Banking union is expected to be achieved through new harmonised banking rules (the single rulebook) and a new institutional framework with stronger systems for both banking supervision and resolution that will be managed at the European level. Its two main pillars are the SSM and the SRM.

The SSM (comprised by both the ECB and the national competent authorities) will help to make the banking sector more transparent, unified and safe. The SSM Regulation was passed in October 2013 with effect from 3 November 2013. On 4 November 2014, the ECB assumed its new supervisory responsibilities within the SSM, in particular the direct supervision of the 120 largest European banks (including the Issuer). In preparation for this step, between November 2013 and October 2014 the ECB conducted, together with national supervisors, a comprehensive assessment of 130 banks, which together hold more than 80% of Eurozone banking assets. The exercise consisted of three elements: (i) a supervisory risk assessment, which assessed the main balance sheet risks including liquidity, funding and leverage; (ii) an asset quality review, which focused on credit and market risks; and (iii) a stress test to examine the need to strengthen capital or take other corrective measures. On 26 October 2014, the ECB announced the results of the comprehensive assessment.

On 24 February 2016, the EBA announced new methodology and macroeconomic scenarios for the 2016 EU-wide stress test which covered over 70% of the EU banking sector (51 banks) and assessed EU banks' ability to meet relevant supervisory capital ratios during an adverse economic shock. Similar to the 2014 stress test, the 2016 EU-wide stress test was primarily focused on the assessment of the impact of risk drivers on the solvency of banks. On 29 July 2016, the EBA published the results of the stress test, in which CaixaBank, as part of Criteria Group, took part. In an internal exercise, the methodology was applied in an adverse macroeconomic scenario to CaixaBank, resulting in a CET1 ratio of above 9.8% in December 2018 (phase-in) and 8.5% (fully loaded), applying the capital regulations applicable from 2023. The European authorities took into account the whole CriteriaCaixa Group, including, in addition to the Group, the industrial stakes and real estate assets of Criteria, based on the highest prudential consolidation level at 31 December 2015. Under this scope, the CriteriaCaixa Group would have a phase-in CET1 ratio of 9.0% at the end of the adverse scenario (2018) and a fully loaded ratio of 7.8%. Taking into account the swap agreement between CaixaBank and CriteriaCaixa, completed in the first half of 2016, CaixaBank's CET1 ratio at the end of the adverse scenario (2018) would have strengthened to 10.1% (phase-in) and 9.1% (fully loaded) due to the release of deductions deriving from the financial investments transferred to CriteriaCaixa. This amounts to a capital depletion in the adverse scenario of 2.82% (phase-in) and 2.48% (fully loaded).

In 2017, EBA performed its regular annual transparency exercise and on 31 January 2018 it launched 2018 EU wide stress test exercise covering 70% of the EU banking sector. The Group is participating directly for the first time, after the deconsolidation of CriteriaCaixa Group in September 2017. On 14 December 2018 CaixaBank published on its corporate website (www.caixabank.com) information regarding the EBA's regular annual transparency exercise of 2018 carried out throughout the EU. The information published on the website is related to data from December 2017 and June 2018. The Issuer cannot provide assurance that it will not be subject to recommendations from future EU-wide stress test or similar regulatory exercises which could have an impact on its current asset valuation policies, the classification of some of its exposures or cause other relevant effects.

The CaixaBank Group reported on 2 November 2018 that it took part in the EU-wide stress test, which was coordinated by the European Banking Authority and supervised by the ECB. For information on the stress test, please refer to "*Description of the Issuer—Key events in 2015, 2016, 2017 and 2018—Results of the 2018 EU-wide stress test*" below.

The SSM has represented a significant change in the approach to bank supervision at a European and global level, even if it has not resulted nor is it expected to result in any radical change in bank supervisory practices in the short term. The SSM has resulted in the direct supervision by the ECB of the largest financial institutions, among them the Bank, and indirect supervision of around 3,500 financial institutions. The SSM is one of the largest authorities in the world in terms of assets under supervision. The SSM is working to establish a new supervisory culture importing the best practices from the 19 national supervisory authorities that are part of the SSM. Several steps have already been taken in this regard such as the recent publication of the Supervisory Guidelines and the approval of Regulation (EU) No. 468/2014 of the ECB of 16 April 2014, establishing the framework for cooperation within the SSM between the ECB and the national competent authorities and with national designated authorities, Regulation 2016/445 and a set of guidelines on the application of CRR's national options and discretions. In addition, the SSM represents an extra cost for the financial institutions that will fund it through payment of supervisory fees.

The other main pillar of the EU banking union is the SRM, the main purpose of which is to ensure a prompt and coherent resolution of failing banks in Europe at minimum cost. The SRM Regulation establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the SRM and a Single Resolution Fund (as defined below). This Regulation complements the SSM which established a centralised power of resolution entrusted to the SRB and to the national resolution authorities as an integral part of the process of harmonisation of

the resolution regime provided for by the BRRD. The SRB began operation on 1 January 2015 and fully assumed its resolution powers on 1 January 2016. From that date a single resolution fund (the **Single Resolution Fund**) has also been in place, funded by contributions from European banks.

The Single Resolution Fund is intended to reach a total amount of €55 billion by 2024 and to be used as a separate backstop only after an 8% total liabilities and own funds (or 20% RWA in certain cases) have already been bailed-in (in line with the BRRD).

By allowing for the consistent application of EU banking rules through the SSM and the SRM, the agreed banking union is expected to help resume momentum towards economic and monetary union. In order to complete such union a single deposit guarantee scheme is still needed which may require a change to the existing European treaties. This is the subject of continued negotiation by European leaders to ensure further progress is made in European fiscal, economic and political integration.

Regulations adopted towards achieving a banking and/or fiscal union in the EU and decisions adopted by the ECB in its capacity as the Issuer's main supervisory authority may have a material impact on the Issuer's business, financial condition and results of operations. In particular, the BRRD and Directive 2014/49/EU on deposit guarantee schemes (implemented into Spanish law through Law 11/2015 and RD 1012/2015). A minimum 8% bail-in of a bank's total liabilities and own funds (or, where applicable, 20% of RWA) will be required as a precondition for access to any direct recapitalisation by the European Stability Mechanism (ESM), as agreed by the Eurozone members in December 2014. Additionally, on 24 November 2015, the European Commission has proposed a draft regulation to amend Regulation the SRM Regulation, in order to establish a European deposit insurance scheme for bank deposits.

There can be no assurance that regulatory developments related to the EU fiscal and banking union, and initiatives undertaken at EU level, will not have a material adverse effect on the Issuer's business, financial condition and results of operations.

Other regulatory reforms adopted or proposed in the context of the financial crisis may have a material adverse effect on the Bank's and/or the Group's business, financial condition and results of operations

On 16 August 2012, Regulation (EU) No 648/2012 on over-the-counter (**OTC**) derivatives, central counterparties and trade repositories entered into force (**EMIR**). EMIR introduced a number of requirements, including clearing obligations for certain classes of OTC derivatives, exchange of initial and variation margin and various reporting and disclosure obligations. Some of the elements of EMIR may lead to changes which may negatively impact the Group's profit margins, require it to adjust its business practices or increase its costs (including compliance costs).

The new Markets in Financial Instruments legislation (which comprises Regulation (EU) No 600/2014 (**MiFIR**) and MiFID II), introduces a trading obligation for those OTC derivatives which are subject to mandatory clearing and which are sufficiently standardised. Additionally, it includes other requirements such as enhancing the investor protection regime and governance and reporting obligations. It also extends transparency requirements to OTC operations in non-equity instruments. MiFID II was recently transposed to the Spanish legislation by means of Royal Decree Law 21/2017, of 29 December and by Royal Decree Law 14/2018, of 28 September. Therefore, there is still uncertainty as to whether the implementation of these new obligations and requirements, and any further development under Spanish law, will have material adverse effects on the Group's business, financial condition and results of operations.

Contributions for assisting in the future recovery and resolution of the Spanish banking sector may have a material adverse effect on the Bank's business, financial condition and results of operations

Law 11/2015 and RD 1012/2015 have established a requirement for banks, including the Bank, to make at least an annual contribution to the National Resolution Fund (*Fondo de Resolución Nacional*) in addition to the annual contribution to be made to the Deposit Guarantee Fund (*Fondo de Garantía de Depósitos*) by member institutions. The total amount of contributions to be made to the National Resolution Fund by all Spanish banking entities must equal 1% of the aggregate amount of all deposits guaranteed by the Deposit Guarantee Fund by 31 December 2024. The contribution is adjusted to the risk profile of each institution in accordance with the criteria set out in RD 1012/2015 and in the Commission Delegated Regulation (EU) 2015/63 of 21 October 2014 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to ex ante contributions to resolution financing arrangements. In addition, the *Fondo de Reestructuración Ordenada Bancaria* (the **FROB**) may request extraordinary contributions. Law 11/2015 has also established an additional charge (*tasa*) which shall be used to further fund the activities of the FROB as resolution authority, which charge (*tasa*) shall equal 2.5% of the above annual contribution to be made to the National Resolution Fund. The Bank may need to make contributions to the EU Single Resolution Fund, once the National Resolution Fund has been integrated into it, and will have to pay supervisory fees to the SSM. Any levies, taxes or funding requirements imposed on the Bank in any of the jurisdictions where it operates could have a material adverse effect on the Bank′s business, financial condition and results of operations.

Compliance with anti-money laundering and anti-terrorism financing rules involves significant cost and effort

The Group is subject to rules and regulations regarding money laundering and the financing of terrorism which have become increasingly complex and detailed, require improved systems and sophisticated monitoring and compliance personnel and have become the subject of enhanced government supervision. Although the Group believes that its current policies and procedures are sufficient to comply with applicable rules and regulations, it cannot guarantee that the Group-wide anti-money laundering and anti-terrorism financing policies and procedures completely prevent situations of money laundering or terrorism financing. Any of such events may have severe consequences, including sanctions, fines and notably reputational consequences, which could have a material adverse effect on the Group's business, financial condition and results of operations.

RISKS RELATED TO EARLY INTERVENTION AND RESOLUTION

The Notes may be subject to the exercise of the Spanish Bail-in-Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 and the SRM Regulation could materially affect the rights of the Noteholders under, and the value of, any Notes

The BRRD (which was implemented in Spain through Law 11/2015 and RD 1012/2015) and the SRM Regulation are designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in unsound or failing credit institutions or investment firms (each an **institution**) so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. The BRRD further provides that any extraordinary public financial support through additional financial stabilisation tools is only to be used by a Member State as a last resort, after having assessed and exploited the resolution tools set out below to the maximum extent possible whilst maintaining financial stability.

In accordance with Article 20 of Law 11/2015, an institution will be considered as failing or likely to fail in any of the following circumstances: (i) it is, or is likely in the near future to be, in significant breach of its solvency or any other requirements necessary for maintaining its authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances). Any such determination that an institution is failing or likely to fail may depend on a number of factors which may be outside of that institution's control.

As provided in the BRRD, Law 11/2015 contains four resolution tools and powers which may be used alone or in combination where the FROB, the SRB or, as the case may be and according to Law 11/2015, the Bank of Spain or the CNMV or any other entity with the authority to exercise any such tools and powers from time to time (each, a **Relevant Spanish Resolution Authority**) as appropriate considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe and (c) a resolution action is in the public interest. The four resolution tools are (i) sale of business, which enables resolution authorities to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) bridge institution, which enables resolution authorities to transfer all or part of the business of the institution to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation, which enables resolution authorities to transfer certain categories of assets to one or more asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in, which gives the Relevant Spanish Resolution Authority the right to exercise the Spanish Bail-in Power (as defined below). Any exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority may include the write down (including to zero) and/or conversion into equity or other securities or obligations (which equity, securities and obligations could also be subject to any future application of the Spanish Bail-in Power) of certain unsecured debt claims of an institution including the Notes.

The **Spanish Bail-in Power** is any write-down, conversion, transfer, modification or suspension power existing from time to time under, and exercised in compliance with any laws, regulations, rules or requirements in effect in Spain, relating to the resolution of credit entities and/or the transposition of the BRRD, as amended from time to time, including but not limited to (i) Law 11/2015, as amended from time to time; (ii) RD 1012/2015, as amended from time to time; (iii) the SRM Regulation, as amended from time to time; and (iv) any other instruments, rules or standards made in connection with either (i), (ii) or (iii), pursuant to which, among other things, any obligation of an institution subject to the Spanish Bail-in Power can be reduced (which may result in the reduction of

the relevant claim to zero), cancelled, modified, transferred or converted into shares, other securities, or other obligations of such institution or any other person (or suspended for a temporary period).

In accordance with Article 48 of Law 11/2015 (and subject to any exclusions that may be applied by the Relevant Spanish Resolution Authority under Article 43 of Law 11/2015), in the case of any application of the Spanish Bail-in Power, the sequence of any resulting write-down or conversion by the Relevant Spanish Resolution Authority shall be in the following order; (i) CET1 items; (ii) the principal amount of Additional Tier 1 capital instruments; (iii) the principal amount of Tier 2 capital instruments; (iv) the principal amount of other subordinated claims that are not Additional Tier 1 capital or Tier 2 capital; and (v) the principal or outstanding amount of the remaining eligible liabilities in the order of the hierarchy of claims in normal insolvency proceedings.

Any application of the Spanish Bail-in-Power under the BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings (unless otherwise provided by the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then applicable to the Issuer and/or the Group including, without limitation to the generality of the foregoing, CRD IV, the BRRD and those laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then in effect in Spain (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group (together, **Applicable Banking Regulations**)). Accordingly, the impact of such application on Noteholders will depend on the ranking of the Notes in accordance with such hierarchy, including any priority given to other creditors such as depositors.

To the extent that any resulting treatment of a Noteholder pursuant to the exercise of the Spanish Bail-in-Power is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a holder of such affected Notes may have a right to compensation under the BRRD and the SRM Regulation based on an independent valuation of the institution, in accordance with Article 10 of RD 1012/2015 and the SRM Regulation. Any such compensation, together with any other compensation provided by any Applicable Banking Regulations (including, among other such compensation, in accordance with Article 36.5 of Law 11/2015) is unlikely to compensate that Noteholder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation. Compensation payments (if any) are also likely to be made considerably later than when amounts may otherwise have been due under the Notes.

The powers set out in the BRRD as implemented through Law 11/2015 and RD 1012/2015 and the SRM Regulation impact how credit institutions and investment firms are managed, as well as, in certain circumstances, the rights of creditors. Pursuant to Law 11/2015, upon any application of the Spanish Bail-in Power, holders of Notes may be subject to, among other things, a write-down (including to zero) and/or conversion into equity or other securities or obligations of such Notes. The exercise of any such powers (or any of the other resolution powers and tools) may result in such Noteholders losing some or all of their investment or otherwise having their rights under such Notes adversely affected. Such exercise could also involve modifications to, or the disapplication of, provisions in the terms and conditions of the Notes, including, among other provisions, the nominal amount or any interest payable on the Notes, or the maturity date or any other dates on which payments may be due, as well as the suspension of payments for a certain period. As a result, the exercise of the Spanish Bail-in Power with respect to the Notes or the taking by an authority of any other action, or any suggestion that the exercise or taking of any such action may happen, could materially adversely affect the rights of Noteholders, the market price or value or trading behaviour of any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

The exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority with respect to the Notes is likely to be inherently unpredictable and may depend on a number of factors which may also be outside of the Issuer's control. In addition, as the Relevant Spanish Resolution Authority will retain an element of discretion, holders of the Notes may not be able to refer to publicly available

criteria in order to anticipate any potential exercise of any such Spanish Bail-in Power. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of any Spanish Bail-in-Power by the Relevant Spanish Resolution Authority may occur.

This uncertainty may adversely affect the value of the Notes. The price and trading behaviour of the Notes may be affected by the threat of a possible exercise of any power under Law 11/2015 (including any early intervention measure before any resolution) or any suggestion of such exercise, even if the likelihood of such exercise is remote. Moreover, the Relevant Spanish Resolution Authority may exercise any such powers without providing any advance notice to the holders of the Notes.

In addition, the EBA has published certain regulatory technical standards and implementing technical standards to be adopted by the European Commission and certain other guidelines. These standards and guidelines could be potentially relevant to determining when or how a Relevant Spanish Resolution Authority may exercise the Spanish Bail-in Power. This includes guidelines on the treatment of shareholders in bail-in or the write-down and conversion of capital instruments, and on the rate of conversion of debt to equity or other securities or obligations in any bail-in. No assurance can be given that these standards and guidelines will not be detrimental to the rights of a Noteholder under, and the value of a Noteholder's investment in, the Notes.

Any actions by the Relevant Spanish Resolution Authority pursuant to Law 11/2015, or other measures or proposals relating to the resolution of institutions, may adversely affect the rights of Noteholders, the price or value of an investment in the Notes and/or the Group's ability to satisfy its obligations under the Notes.

Noteholders may not be able to exercise their rights in the event of the adoption of any early intervention or resolution measure under Law 11/2015 and the SRM Regulation

The Issuer may be subject to a procedure of early intervention or resolution pursuant to the BRRD as implemented through Law 11/2015 and RD 1012/2015 and the SRM Regulation if the Issuer or its group of consolidated credit entities is in breach (or due, among other things, to a rapidly deteriorating financial condition, it is likely in the near future to be in breach) of applicable regulatory requirements relating to solvency, liquidity, internal structure or internal controls or the conditions for resolution referred to above are met (see "*The Notes may be subject to the exercise of the Spanish Bail-in-Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 and the SRM Regulation could materially affect the rights of the Noteholders under, and the value of, any Notes*").

Pursuant to Law 11/2015 the adoption of any early intervention or resolution procedure shall not itself constitute a default or entitle any counterparty of the Issuer to exercise any rights it may otherwise have in respect thereof and any provision providing for such rights shall further be deemed not to apply. However, this does not limit the ability of a counterparty to exercise its rights accordingly where a default arises either before or after the exercise of any such early intervention or resolution procedure and does not necessarily relate to the exercise of any relevant measure or power which has been applied pursuant to Law 11/2015.

Any enforcement by a Noteholder of its rights under the Notes following the adoption of any early intervention or resolution procedure will, therefore, be subject to the relevant provisions of the BRRD, Law 11/2015 and RD 1012/2015 and the SRM Regulation in relation to the exercise of the relevant measures and powers pursuant to such procedure, including the resolution tools and powers referred to above (see "*The Notes may be subject to the exercise of the Spanish Bail-in-Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 and the SRM Regulation could materially affect the rights of the Noteholders under, and the value of, any Notes*") and the suspension of payments proposed by the EU Banking Reforms. Any claims of a Noteholder will consequently be limited by the application of any measures pursuant to the provisions of Law 11/2015 and RD 1012/2015 and the SRM Regulation. There can be no assurance that the taking of any such action (or

any threat or suggestion that such action may be taken) would not adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes and the enforcement by a holder of any rights it may otherwise have may be limited in these circumstances.

RISKS IN RELATION TO THE NOTES GENERALLY

There is no active trading market for the Notes

The Notes may have no established trading market when issued, and one may never develop. If an active trading market does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes at a particular time or may not be able to sell their Notes at a favourable price. Although applications have been made for Notes issued under the Programme to be admitted to the Official List and to trading on the regulated market of Euronext Dublin, there is no assurance that such applications will be accepted, that any particular issue of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular issue of Notes.

Claims of Noteholders are effectively junior to those of certain other creditors

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and, upon the insolvency (*concurso de acreedores*) of the Issuer, in accordance with and to the extent permitted by the Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (the **Insolvency Law**) and other applicable laws relating to or affecting the enforcement of creditors' rights in the Kingdom of Spain (including, without limitation, Additional Provision 14.2 of Law 11/2015) and unless they qualify as subordinated debts (*crédito subordinado*) under article 92 of the Insolvency Law and subject to any applicable legal and statutory exceptions and subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise, the payment obligations of the Issuer under the Notes with respect to claims for principal (which claims will constitute ordinary claims) will rank: (i) junior to any (A) privileged claims (*créditos privilegiados*) (which shall include, among other claims, any claims in respect of deposits for the purposes of Additional Provision 14.1 of Law 11/2015) and (B) claims against the insolvency estate (*créditos contra la masa*); (ii) *pari passu* without any preference or priority among themselves and with all other Senior Preferred Obligations; and (iii) senior to (A) any Senior Non-Preferred Obligations and (B) all subordinated obligations of, or subordinated claims against, the Issuer (*créditos subordinados*), present and future. Terms used in this paragraph have the meanings given to them in "*Key Features of the Terms of the Programme*".

Upon insolvency, the obligations of the Issuer under the Notes will be effectively subordinated to all of the Issuer's secured indebtedness, to the extent of the value of, or the proceeds realised from, the assets securing such indebtedness and any other obligations that rank senior under Spanish law. The Notes are further structurally subordinated to all indebtedness of subsidiaries of the Issuer insofar as any right of the Issuer to receive any assets of such companies upon their winding up will be effectively subordinated to the claims of the creditors of those companies in the winding-up.

Moreover, the BRRD, Law 11/2015 and the SRM Regulation contemplate that Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority. This may involve the variation of the terms of the Notes or a change in their form, if necessary, to give effect to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority. See "*Risks related to Early Intervention and Resolution - The Notes may be subject to the exercise of the Spanish Bail-in-Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 and the SRM Regulation could materially affect the rights of the Noteholders under, and the value of, any Notes*".

Global Notes held in a clearing system

Because the Global Notes are held by or on behalf of Euroclear and/or Clearstream, Luxembourg and possibly other clearing systems, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

Notes issued under the Programme may be represented by one or more Global Notes. If the relevant Final Terms specify that the New Global Note form is not applicable, such Global Note will be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg or shall be deposited with such other clearing system, or to the order of such other Clearing System's nominee. If the relevant Final Terms specify that the New Global Note form is applicable, such Global Note will be deposited with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and/or Clearstream, Luxembourg and/or any other clearing system will maintain records of the holdings of their participants. In turn, such participants and their clients will maintain records of the ultimate holders of beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg and/or any other clearing system on whose behalf such Global Notes are held.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under such Notes by making payments to the common depositary (in the case of Global Notes which are not in the New Global Note form) or, as the case may be, the common service provider (in the case of Global Notes in New Global Note form) for Euroclear and/or Clearstream, Luxembourg and/or any other clearing system for distribution to their account holders for onward transmission to the beneficial owners. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg and/or any other clearing system and their relevant participants, to receive payments under their relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to take enforcement action against the Issuer under the relevant Notes but will have to rely upon their rights under the Deed of Covenant dated 20 December 2018 (the **Deed of Covenant**).

Potential conflicts of interest between the investor and the Calculation Agent

Potential conflicts of interest may arise between the Calculation Agent, if any, for a tranche of Notes and the Noteholders (including where a Dealer acts as a calculation agent), including with respect to certain discretionary determinations and judgments that such Calculation Agent may make pursuant to the terms and conditions of the Notes that may influence the amount receivable upon redemption of the Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the Regulation (EC) No. 1060/2009 (as amended) (**CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation

(and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the relevant Final Terms. Any suspension, lowering or withdrawal of one or more ratings assigned to the Issuer or the Notes could have a negative impact on our business, financial condition and results of operations.

Change of law

The terms and conditions of the Notes are subject to English law, except for the status of the Notes and the provisions relating to the exercise and effect of the Spanish Bail-in Power and the acknowledgement of the same, which are subject to Spanish law, as in effect as at the date of this Information Memorandum. Changes in European, English or Spanish laws or their official interpretation by regulatory authorities after the date hereof may affect the rights and effective remedies of Noteholders as well as the market value of the Notes. Such changes in law or official interpretation of such laws may include changes in statutory, tax and regulatory regimes during the life of the Notes, which may have an adverse effect on an investment in the Notes. No assurance can be given as to the impact of any possible judicial decision or change to such laws or official interpretation of such laws or administrative practices after the date of this Information Memorandum.

Such legislative and regulatory uncertainty could affect an investor's ability to value the Notes accurately and therefore affect the market price of the Notes given the extent and impact on the Notes of one or more regulatory or legislative changes.

The Issuer may redeem the Notes for tax reasons

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes if it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Potential investors should consider the reinvestment risks in light of other investments available at the time any Notes are so redeemed.

The value of and return on any Notes linked to a benchmark may be adversely affected by ongoing national and international regulatory reform in relation to benchmarks

Reference rates and indices such as EURIBOR or LIBOR and other interest rate or other types of rates and indices which are deemed to be "benchmarks" (each a Benchmark and together, the Benchmarks), to which interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reforms. This has resulted in regulatory reform and changes to existing Benchmarks. Such reform of Benchmarks includes the Benchmark Regulation.

In addition, on 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority (**FCA**), which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. Whilst the announcement related to LIBOR, similar concerns may be applicable to EURIBOR. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR or EURIBOR submissions to the administrator of LIBOR or EURIBOR going forwards. This may cause LIBOR or EURIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR or EURIBOR were discontinued or otherwise unavailable, the rate of interest on floating rate interest bearing Notes (**Floating Rate Notes**) which reference LIBOR or EURIBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes. This may be reliant upon the provision by reference banks of offered quotations for the LIBOR or EURIBOR rate which, depending on market circumstances, may not be available at the relevant time. If the LIBOR or EURIBOR rate is no longer being calculated or administered then interest on Floating Rate Notes may be calculated by reference to an alternate rate which has replaced LIBOR or EURIBOR in customary market usage, as determined by the Issuer. If there is no clear market consensus as to whether any rate has replaced LIBOR or EURIBOR in customary market usage, an independent financial advisor will be appointed to determine an appropriate alternative rate. If the independent financial advisor is unable to determine an alternative rate, this will result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR or EURIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR or EURIBOR.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the settling of a Benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain Benchmarks including EURIBOR and LIBOR: (i) discourage market participants from continuing to administer or contribute to the Benchmark; (ii) trigger changes in the rules or methodologies used in the Benchmark; or (iii) lead to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value or and return on any Notes linked to or referencing a Benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a Benchmark.

Risks Relating to the Insolvency Law

The Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the last official publication of the court order declaring the insolvency, (ii) provisions in a bilateral contract granting one party the right to terminate by reason only of the other's insolvency will not be enforceable, and (iii) accrual of interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended from the date of the declaration of insolvency and any amount of interest accrued up to such date (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated.

The Insolvency Law, in certain instances, also has the effect of modifying or impairing creditors' rights even if the creditor, either secured or unsecured, does not consent to the amendment. Secured and unsecured dissenting creditors may be written down not only once the insolvency has been

declared by the judge as a result of the approval of a creditors' agreement (*convenio concursal*), but also as a result of an out-of-court restructuring agreement (*acuerdo de refinanciación pre-concursal*) without insolvency proceedings having been previously opened (e.g., refinancing agreements which satisfy certain requirements and are validated by the judge), in both scenarios (i) to the extent that certain qualified majorities are achieved and unless (ii) some exceptions in relation to the kind of claim or creditor apply (which would not be the case for the Notes). Any payments of interest in respect of debt securities will be subject to the subordination provisions of Article 92.3 of the Insolvency Law.

The majorities legal regime envisaged for these purposes also hinges on (i) the type of the specific restructuring measure which is intended to be imposed (e.g., extensions, debt reductions, debt for equity swaps, etc.) as well as (ii) on the part of claims to be written-down (i.e. secured or unsecured, depending on the value of the collateral as calculated pursuant to the rules established in the Insolvency Law).

As such, certain provisions of the Insolvency Law could affect the ranking of the Notes or claims relating to the Notes on an insolvency of the Issuer.

There are restrictions on the ability to resell Notes

The Notes have not been registered under the Securities Act, any state securities laws or the laws of any other jurisdiction. Absent such registration, the Notes may be offered or sold only in transactions that are not subject to, or that are exempt from, the registration requirement of the Securities Act and applicable state securities laws.

If an investor holds Notes which are not denominated in the investor's home currency, that investor will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

In any winding up of the Issuer, Noteholders may not be entitled to receive the currency of issue of the Notes

Should Noteholders be entitled to any amount with respect to the Notes in any winding-up of the Issuer, Noteholders might not be entitled in those proceedings to a recovery in the currency of issue of the Notes and might be entitled only to a recovery in euro or any other lawful currency of Spain or such other jurisdiction in which the Issuer may then be incorporated.

Risks relating to taxation

Risks relating to Spanish withholding tax

Article 44 of Royal Decree 1065/2007 sets out the reporting obligations applicable to preference shares and debt instruments issued under Law 10/2014 (the Simplified Information Procedures). The procedures apply to interest deriving from preferred securities (*participaciones preferentes*) and debt instruments to which Law 10/2014 refers, including debt instruments issued at a discount for a period equal to or less than twelve months.

According to the literal wording of Article 44.5 of Royal Decree 1065/2007, income derived from Notes originally registered with the entities that manage clearing systems located outside Spain, and are recognised by Spanish law or by the law of another OECD country (such as Euroclear and Clearstream, Luxembourg), will be paid free of Spanish withholding tax provided that the Issuing and Paying Agent appointed by the Issuer submits a statement to the Issuer, the form of which is included in the Information Memorandum, with the following information:

(a) identification of the Notes;

(b) income payment date (or refund if the Notes are issued at a discount or segregated);

(c) total amount of income (or total amount to be refunded if the Notes are issued at a discount or segregated); and

(d) total amount of the income corresponding to each clearing system located outside Spain.

These obligations refer to the total amount paid to investors through each foreign clearing system. For these purposes, "income" means interest and the difference, if any, between the aggregate amount payable on the redemption of the Notes and the issue price of the Notes.

In accordance with Article 44 of Royal Decree 1065/2007, the relevant Issuing and Paying Agent should provide the Issuer with the statement on the business day immediately prior to each interest payment date. The statement must reflect the situation at the close of business of that same day. In the event that on such date, the entity(ies) obliged to provide the declaration fail to do so, the Issuer or the Issuing and Paying Agent on its behalf will make a withholding at the general rate (currently 19%) on the total amount of the return on the relevant Notes otherwise payable to such entity.

The Issuer considers that, according to Royal Decree 1065/2007, any payments under the Notes will be made by the Issuer free of Spanish withholding tax, provided that the Simplified Information Procedures described above (which do not require identification of the Noteholders) are complied with by the Issuer and the Issuing and Paying Agent.

In the case of Notes held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments in respect of such Notes may be subject to withholding by such depositary or custodian at the current rate of 19%.

Noteholders must seek their own advice to ensure that they comply with all procedures to ensure the correct tax treatment of their Notes. None the Issuer, the Dealers, the Issuing and Paying Agent or any clearing system (including Euroclear and Clearstream, Luxembourg) assume any responsibility therefore.

The procedure described in this Information Memorandum for the provision of information required by Spanish laws and regulations is a summary only and neither of the Issuer or the Dealers, assumes

any responsibility therefore. In the event that the currently applicable procedures are modified, amended or supplemented by, among other things, any Spanish law, regulation, interpretation or ruling of the Spanish tax authorities, the Issuer will notify the holders of such information procedures and their implications, as the Issuer may be required to apply withholding tax on distributions in respect of the relevant Notes if the holders do not comply with such information procedures.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes (foreign pass-through payments) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the Kingdom of Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Moreover, any Notes with a final maturity of 183 days or less generally will not be subject to FATCA withholding. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

Financial Transactions Tax

The Spanish Government has recently announced specific tax measures to introduce a FTT in Spain. If the measures are finally enacted (which is not yet clear) certain transactions involving securities would be taxable at the rate of 0.2% regardless of the residence of the agents that intervene in the transactions. The tax payer would be the financial traders that transfer or execute the purchase order and must submit an annual tax return.

CERTAIN INFORMATION IN RESPECT OF THE NOTES

Key information

The persons involved in the Programme and the capacities in which they act are specified at the end of this Information Memorandum.

The net proceeds of the issue of the Notes will be used for the general funding purposes of the Issuer.

Information Concerning the Securities to be admitted to trading

Total amount of Notes admitted to trading

The aggregate amount of each issue of Notes will be set out in the applicable Final Terms.

The maximum aggregate principal amount of Notes which may be outstanding at any one time is €2,000,000,000 (or its equivalent in other currencies). Such amount may be increased from time to time in accordance with the Dealer Agreement.

Type and class of Notes

Notes will be issued in tranches. Global Notes shall be issued (and interests therein exchanged for definitive Notes, if applicable) in the following minimum denominations:

(a) USD500,000;

(b) €500,000;

(c) £100,000;

(d) ¥100,000,000;

(e) CHF500,000;

(f) AUD1,000,000;

(g) CAD500,000;

(h) NZD1,000,000;

(i) NOK1,000,000;

(j) HKD2,000,000;

(k) SEK1,000,000; and

(l) DKK1,000,000,

or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the Dealer from time to time, subject in each case to compliance with all applicable legal and regulatory requirements, provided that Notes (including Notes denominated in Sterling) the proceeds of which are to be accepted by the Issuer in the United Kingdom shall have a minimum denomination of £100,000 (or its equivalent in other currencies).

The international security identification number (**ISIN**) of each issue of Notes will be specified in the relevant Final Terms.

Legislation under which the Notes have been created

The status of the Notes, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law. Any non-contractual obligations arising out of or in connection with the Notes, the Terms and Conditions of the Notes and all related contractual documentation will be governed by, and construed in accordance with, English law.

Form of the Notes

The Notes will be in bearer form. Each issue of Notes will initially be represented by a Global Note which will be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Classic Global Note, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each New Global Note, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Global Note may, if so specified in the relevant Final Terms, be exchangeable for Notes in definitive bearer form in the limited circumstances specified in the relevant Global Note.

On 13 June 2006, the European Central Bank (the **ECB**) announced that Notes in NGN form are in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the **Eurosystem**), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

Currency of the Notes

Notes may be issued in USD, €, £, ¥, CHF, AUD, CAD, HKD, NZD, NOK, SEK and DKK, and such other currencies as may be agreed between the Issuer and the Dealer from time to time and subject to the necessary regulatory requirements having been satisfied.

Status of the Notes

The payment obligations of the Issuer under the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer. In accordance with the Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (the **Insolvency Law**) and Additional Provision 14.2 of Law 11/2015, but subject to any applicable legal and statutory exceptions and subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon insolvency (*concurso de acreedores*) of the Issuer the payment obligations of the Issuer under the Notes in respect of principal (unless they qualify as subordinated claims (*créditos subordinados*) under article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future) will rank (a) *pari passu* among themselves and with any Senior Preferred Obligations and (b) senior to (i) Senior Non Preferred Obligations and (ii) any claims against the Issuer qualifying as subordinated claims (*créditos subordinados*) under article 92 of the Insolvency Law.

Law 11/2015 means Law 11/2015 of 18 June on recovery and resolution of credit institutions and investment firms, as amended from time to time;

Senior Preferred Obligations means any obligations of the Issuer with respect to any ordinary claims (*créditos ordinarios*) against the Issuer, other than the Senior Non Preferred Obligations; and

Senior Non Preferred Obligations means any obligation of the Issuer with respect to any non preferred ordinary claims (*créditos ordinarios no preferentes*) against the Issuer referred to under Additional Provision 14.2 of Law 11/2015 and any other obligations which, by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Senior Non Preferred Obligations.

Rights attaching to the Notes

Each issue of Notes will be the subject of a Final Terms which, for the purposes of that issue only, supplements the terms and conditions set out in the relevant Global Note or, as the case may be, definitive Notes and must be read in conjunction with the relevant Notes (see "Forms of the Notes" and "Form of Final Terms").

Maturity of the Notes

The Maturity Date applicable to each issue of Notes will be specified in the relevant Final Terms. The Maturity Date of an issue of Notes may not be less than 1 day nor more than 364 days from and including the date of issue, subject to applicable legal and regulatory requirements.

Optional Redemption for Tax Reasons

The Issuer may redeem Notes (in whole but not in part) if it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Prescription

Claims for payment of principal and interest in respect of the Notes shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date in each case as specified in the relevant Final Terms.

Yield Basis

Notes may be issued on the basis that they will be interest bearing or they may be issued at a discount (in which case they will not bear interest). The yield basis in respect of Notes bearing interest at a fixed rate will be set out in the relevant Final Terms.

Authorisations and approvals

The establishment of the Programme and the issuance of Notes pursuant thereto was authorised by the Board of Directors of the Issuer on 25 October 2018.

The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Admission to trading and dealing arrangements

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months after the date of this Information Memorandum to be admitted to the Official List and to trading on the regulated market of Euronext Dublin. Notes may be listed, traded and/or quoted on any other listing authority, stock exchange and/or quotations system, as may be agreed between the Issuer and the Dealer. No Notes may be issued on an unlisted basis.

The Bank of New York Mellon, London Branch at One Canada Square, London E14 5AL, United Kingdom is the Issuing and Paying Agent in respect of the Notes.

Maples and Calder at 75 St. Stephen's Green, Dublin 2, Ireland is the Listing Agent in respect of the Notes.

Expense of the admission to trading

The expense in relation to the admission to trading of each issue of Notes will be specified in the relevant Final Terms.

Additional Information

The legal advisers and capacity in which they act are specified at the end of this Information Memorandum.

Ratings

This Programme will be rated by Moody's Investors Service España, S.A. (**Moody's**) and S&P Global Ratings Europe Limited (**S&P**).

DESCRIPTION OF THE ISSUER

History and development of the Issuer

CaixaBank, S.A. (**CaixaBank** or the **Issuer**) and its subsidiaries compose the CaixaBank Group (the **CaixaBank Group** or the **Group**). The Issuer has its registered office in the city of Valencia, at calle Pintor Sorolla, 2-4, 46002 Valencia (contact telephone number +34 93 411 75 03), registration number 2100 in the register of the Bank of Spain (*Banco de España*) with Legal Entity Identifier (L.E.I.) code 7CUNS533WID6K7DGFI87. The Issuer is a Spanish company with legal status as a public limited company (*sociedad anónima*) admitted to trading on the Spanish stock exchanges and is governed by the Restated Spanish Companies Act (*Texto Refundido de la Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010, of 2nd July (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*), as amended. The Issuer is also subject to special legislation applicable to lending institutions in general and to companies admitted to trading; the supervision, control and regulation of the ECB, and, as a listed company, the regulatory oversight of the CNMV.

The Issuer was incorporated for an indefinite period under the corporate name Grupo de Servicios, S.A. by virtue of a public deed granted on 12 December 1980. The Issuer changed its name to GDS-Grupo de Servicios, S.A. on 22 December 1983 and adapted its by-laws to the Royal Decree Legislative 1564/1989, of 22 December, approving the Spanish Companies Law (*Ley de Sociedades Anónimas*) in force at that time on 1 June 1992.

On 1 June 2000, GDS-Grupo de Servicios, S.A. merged with CaixaHolding, S.A.U. and adopted its corporate name, formalised by virtue of a public deed granted on 11 July 2000. In July 2000, Caixa d'Estalvis i Pensions de Barcelona, "la Caixa", (**la Caixa**) transferred the majority of its portfolio of companies in which it held a stake to the Issuer.

The Issuer subsequently changed its corporate name to Criteria CaixaCorp, S.A. (**Criteria**) on 2 August 2007 and in October 2007, the Issuer completed the process to have its securities admitted to trading on the Barcelona, Madrid, Valencia and Bilbao stock exchanges (the **Spanish stock exchanges**) further to a public offering.

Reorganisation of la Caixa Group in 2011

The enactment of Royal Decree-Law 11/2010, of 9 July 2010, on the governing bodies and other matters relating to the legal framework of savings banks (*Real Decreto-ley 11/2010, de 9 de julio, de órganos de gobierno y otros aspectos del régimen jurídico de las Cajas de Ahorros*) (**Royal Decree-Law 11/2010**), and the approval of the consolidated text of the Catalan Savings Banks Law pursuant to Royal Decree-Law 5/2010, of 3 August 2010 (*Decreto-ley 5/2010, de 3 de agosto, de modificación del texto refundido de la Ley de Cajas de Ahorros de Cataluña, aprobado por el Decreto Legislativo 1/2008, de 11 de marzo*) (**Royal Decree-Law 5/2010**), enabled Spanish savings banks (*cajas*) based in Catalonia to conduct their financial activities indirectly through a bank.

Under this legal framework, on 27 January, 2011, the boards of directors of la Caixa, Criteria and MicroBank de la Caixa, S.A. (**MicroBank**) entered into a framework agreement which set out the structure for the reorganisation of the la Caixa group. The structure was designed to enable la Caixa to indirectly carry out its financial activity while maintaining its social welfare activities. The restructuring plan was approved at the Ordinary General Assembly of la Caixa held on 28 April 2011, and at the ordinary general shareholders meeting of Criteria held on 12 May 2011.

Pursuant to the framework agreement, dated 27 June 2011, la Caixa assigned the assets and liabilities comprising its financial business to MicroBank and, by means of a swap, la Caixa transferred all post-

segregation shares in MicroBank to Criteria. Further to the swap, Criteria became owner of 100% of the outstanding share capital of MicroBank. On 30 June 2011, Criteria and MicroBank merged, MicroBank ceased to exist, and the Issuer adopted its current corporate name, CaixaBank, S.A. Also on this date, the Issuer was entered on the Bank of Spain's Registry of Banks and Bankers (*Registro Especial de Bancos y Banqueros*) and, on 1 July 2011, it was listed on the Spanish stock exchanges as a bank.

Merger with Banca Cívica in 2012

On 26 March 2012, the boards of directors of la Caixa, CaixaBank, Caja de Ahorros y Monte de Piedad de Navarra (**Caja Navarra**), Caja General de Ahorros de Canarias (**Caja Canarias**), Caja de Ahorros Municipal de Burgos (**Caja de Burgos**), Monte de Piedad Caja de Ahorros San Fernando de Guadalajara, Huelva, Jerez y Sevilla (**Cajasol**, together with Caja Navarra, Caja Canarias and Caja de Burgos, the **Cajas**) and Banca Cívica entered into a merger agreement to establish the terms of the integration of Banca Cívica into CaixaBank.

At that date, Banca Cívica was the central company (*sociedad central*) of the Institutional Protection Scheme (*Sistema Institucional de Protección*, or "SIP") comprising the Cajas, and the entity through which the Cajas carried on their financial activity indirectly under Royal Decree-Law 11/2010. Prior to the integration of Banca Cívica into CaixaBank, the Cajas owned 55.32% of the share capital and voting rights of Banca Cívica.

On 18 April 2012, the boards of directors of the Issuer and Banca Cívica signed the merger plan, which was approved by their respective extraordinary general shareholders' meetings held on 26 June 2012. The merger was also approved at the ordinary general assembly of la Caixa held on 22 May 2012.

Further to completion of all applicable conditions precedent on 26 July 2012, the Issuer took control of Banca Cívica's assets and liabilities. On 3 August 2012, the public merger deed was registered at the Companies Register and the merger of Banca Cívica and CaixaBank was completed. From this date, Banca Cívica ceased to exist.

Pursuant to the merger, five CaixaBank shares were exchanged for eight Banca Cívica shares, the share capital of which at the date of approval of the merger consisted of 497,142,800 shares. CaixaBank completed the exchange of shares with a combination of 71,098,000 treasury shares and 233,000,000 newly issued shares, issued pursuant to a capital increase approved at the CaixaBank extraordinary general shareholders' meeting of 26 June 2012, registered with the Companies Register on 3 August 2012. The exchange did not take into account either the shares of Banca Cívica previously held by CaixaBank, or Banca Cívica's treasury shares which were cancelled.

Acquisition of Banco de Valencia in 2013

On 27 November 2012, the Issuer signed a share purchase agreement to acquire, for €1 per share, the shares of Banco de Valencia held by the FROB. Having obtained the required administrative approvals and authorisations, and under the terms and conditions agreed with the FROB and official approval and authorisation by Spanish and EU authorities, on 28 February 2013, the Issuer confirmed the purchase of these shares (98.9% of the outstanding share capital of Banco de Valencia).

In accordance with the share purchase agreement, prior to the acquisition, Banco de Valencia's distressed assets were transferred to the *Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A.* (**Sareb**).

The acquisition was subject to a series of financial support measures structured through an asset protection scheme (*esquema de protección de activos*). Pursuant to this scheme, during a 10-year

period the FROB will assume 72.5% of losses incurred in Banco de Valencia's small and medium sized entities (**SMEs**), self-employed professionals, and contingent risk portfolios (guarantees), following the application of any existing provisions recognised for these assets.

On 4 April 2013, the planned merger between CaixaBank and Banco de Valencia was approved by the boards of directors of each entity pursuant to which one CaixaBank share was to be exchanged for 479 shares of Banco de Valencia.

Following the approval of the Ministry of Economy and Competition (*Ministerio de Economía y Competitividad*), on 19 July 2013, CaixaBank registered its merger with Banco de Valencia on the Companies Register, rendering the merger fully effective as from that date.

Reorganisation of la Caixa Group in 2014

In accordance with Law 26/2013, of 27 December (the **Savings Banks and Banking Foundations Act**), la Caixa, as a savings bank that conducted its credit institution activities through an indirectly-owned subsidiary bank, was required to change its corporate form to a banking foundation prior to 29 December 2014. In order to comply with these new legal requirements, on 22 May 2014, a General Assembly of la Caixa resolved to transform la Caixa into a banking foundation. The public deed formalising this transformation was recorded in the Register of Foundations on 16 June 2014, completing the change of corporate form and thereby ending la Caixa's indirect conduct of its credit institution activities through CaixaBank.

The transformation of la Caixa into a banking foundation carried with it a dual-step reorganisation of the la Caixa group: firstly, the dissolution and liquidation of Fundación Caixa d'Estalvis i Pensions de Barcelona (**la Caixa Foundation**) by means of the transfer of 100% of the la Caixa Banking Foundation's assets and liabilities to Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona (**la Caixa Banking Foundation**), completed on 16 October 2014; and secondly, the segregation and transfer to Criteria Caixa, S.A.U. (**CriteriaCaixa**) (formerly known as Criteria CaixaHolding, S.A.U.) of any debt instruments issued by la Caixa and the shares held by la Caixa Banking Foundation in CaixaBank (58.91% of the total share capital of CaixaBank as at 14 October 2014), completed on 14 October 2014 with the registration of a public deed of spin-off (*segregación*) with the Commercial Registry of Barcelona.

As a result of this process of reorganisation, la Caixa Banking Foundation held its ownership interest in CaixaBank through CriteriaCaixa and la Caixa Banking Foundation is no longer classified as a credit institution (or savings bank).

Deconsolidation of CaixaBank from CriteriaCaixa Group

On 26 May 2016, CriteriaCaixa, which held 56.8% of CaixaBank's issued share capital by that time, disclosed its intention to deconsolidate CaixaBank from CriteriaCaixa and its subsidiaries (the **CriteriaCaixa Group**) as well as the response issued by the ECB to the enquiry made by CriteriaCaixa setting the following conditions precedent for the deconsolidation of CaixaBank from the CriteriaCaixa Group:

- The voting and dividend rights of CriteriaCaixa in CaixaBank must not exceed 40% of all voting and dividend rights. The reduction must allow new investors or new funds to enter the shareholding structure of CaixaBank, without factoring in the asset swap agreement involving BEA (as defined below) and GF Inbursa (as defined below) which was disclosed by way of disclosure notification to the market on 3 December 2015;

- The proprietary directors of CriteriaCaixa at CaixaBank must not exceed 40% of all directors. This limit must also apply to the relevant Board committees. Any Board member proposed by

a shareholder that has an agreement with CriteriaCaixa will be considered a proprietary director of CriteriaCaixa for these purposes. Accordingly, Board members proposed by the savings banks (now foundations) formerly comprising Banca Cívica (which was absorbed by CaixaBank) will therefore be considered as proprietary directors of CriteriaCaixa;

- In relation to appointments of directors elected by the Board itself (co-opted), the proprietary directors of CriteriaCaixa shall only vote for the directors proposed by CriteriaCaixa and shall abstain in all other cases. With regard to appointments of directors by shareholders at the general shareholders' meeting, CriteriaCaixa shall not object to any appointments proposed by the Board of Directors of CaixaBank;

- A coordinating director must be appointed from among the independent directors of CaixaBank with extensive powers, including relations with shareholders in corporate governance matters; and

- CaixaBank may not grant CriteriaCaixa and/or la Caixa Banking Foundation financing that exceeds 5% of the eligible capital at the sub-consolidated level of the CaixaBank Group in the 12 months following the deconsolidation, and the financing must be zero as of that date. In addition, indirect financing may not be provided by distributing debt instruments among CaixaBank's customers.

Once the conditions set by the ECB had been complied with, the ECB would evaluate the deconsolidation of CaixaBank from the CriteriaCaixa Group. If the ECB confirmed that the conditions had been met and that CriteriaCaixa is no longer the controlling entity over CaixaBank, then provided that CriteriaCaixa does not hold a controlling stake in any other bank, it would cease to be a mixed financial holding company for the purposes of CRR. This would result in the CriteriaCaixa Group no longer being required to comply with the capital requirements set out in CRR.

The Board of Trustees of the la Caixa Banking Foundation and CriteriaCaixa's Board of Directors agreed to intend to comply, before the end of 2017, with the above conditions such that the prudential deconsolidation of CriteriaCaixa with respect to the CaixaBank Group would proceed. This decision took into account the disincentive measures for maintaining control contained in the Savings Banks and Banking Foundations Law, as well as the likelihood of the EBA to define the scope of resolution at CriteriaCaixa Group level which would effectively commit all of the la Caixa Banking Foundation's net worth to one single investment (CaixaBank). It was also understood that under IFRS-EU, the fulfilment of the above conditions for prudential deconsolidation would also result in the accounting deconsolidation of CaixaBank.

On 31 May 2016, CriteriaCaixa and CaixaBank disclosed to the market the completion of the asset swap that was disclosed to the public on 3 December 2015, by means of which CaixaBank transferred to CriteriaCaixa its stakes in BEA and GF Inbursa. In turn, CriteriaCaixa transferred to the Issuer shares of CaixaBank representing 9.9% of CaixaBank's share capital and a cash consideration of €678 million. On 7 June 2016, CriteriaCaixa and la Caixa Banking Foundation published a relevant event announcement (*hecho relevante*) informing of the fall under the 50% threshold as a result of the above mentioned swap. See "*Description of the Issuer – Key Events in 2015, 2016, 2017 and 2018 - Asset swap with CriteriaCaixa of the stakes held in BEA and GF Inbursa in exchange for treasury shares and cash*" for additional information.

On 13 December 2016, CriteriaCaixa released a relevant event announcement (*hecho relevante*) reporting the completion of an Accelerated Bookbuilt Offering (ABO) of a package 100 million CaixaBank shares, accounting for approximately 1.7% of its share capital, for €315 million. On 20 December 2016, CriteriaCaixa issued a notification of voting rights and financial instruments for the above mentioned sale of CaixaBank's shares and the subscription of 38,505,212 shares resulting from

the capital increase carried out by CaixaBank in the context of the CaixaBank Scrip Dividend Program (as defined below) in December 2016.

On 20 December 2016, both la Caixa Banking Foundation and CriteriaCaixa filed a notification with the CNMV reporting that, following the last events, the stake held by the la Caixa Banking Foundation Group in CaixaBank had fallen from 46.908% to 45.322%. It also reported that, in compliance with additional provision eight of the Savings Banks and Banking Foundations Law, banking foundations that subscribe capital increases at an investee credit institution may not exercise the voting rights corresponding to that part of the capital acquired which would allow them to maintain a position of 50% or higher or a controlling position. In accordance with this legislation, la Caixa Banking Foundation may only exercise its vote over 2,672,375,355 shares representing 44.68% of the share capital of CaixaBank.

On 6 February 2017, CriteriaCaixa published a relevant event announcement (*hecho relevante*) announcing the placement on the market of a package of 318,305,355 CaixaBank shares owned by CriteriaCaixa and accounting for approximately 5.3% of CaixaBank's share capital through an ABO. The share placement amounted to €1,069 million, at a sale price of €3.36 per share. As of 30 April 2017, CriteriaCaixa held a stake of a 40% in the CaixaBank's share capital.

The general shareholders' meeting of CaixaBank held on 6 April 2017 approved certain corporate governance improvements to comply with the conditions established by the ECB for the prudential deconsolidation of CriteriaCaixa. Essentially, these improvements include the insertion of several provisions in the Bank's bylaws. Such provisions establish, for example, that (i) no shareholder may be represented by a number of proprietary directors exceeding 40% of the members of the Board of Directors, notwithstanding the proportional representation right to which such shareholders are entitled to in the terms set forth in the applicable laws, (ii) the majority of the members of all internal Committees of the Board of Directors shall be independent directors, (iii) when a shareholder is represented in the Board of Directors by more than one proprietary director, the proprietary directors representing such shareholder shall abstain from participating in the deliberation and voting of the resolutions for the appointment of independent directors by co-option and of the appointment proposals of independent directors made to the general shareholders' meeting, (iv) independent directors are only entitled to grant their proxies in favor of other independent directors, (v) no more than a half of the executive directors should be appointed from amongst the proprietary directors representing a same shareholder, neither amongst directors who are current or past members of the governing bodies or senior management of a shareholder holding, or having held, control of the Issuer, unless three or five years, respectively, have elapsed since the termination of such relationship, and (vi) the Board of Directors shall, with the abstention of the executive directors, appoint, among its independent directors, a coordinating director who will have the powers attributed to it by the Bank's bylaws and the regulations of the Board of Directors and, in any event, when the Chairman is an executive director, the powers set forth by the applicable laws.

On 26 September 2017, the ECB resolved that having confirmed the loss of control of CriteriaCaixa over CaixaBank, CriteriaCaixa had ceased to be considered a mixed financial holding company for the purposes of CRR under its supervision. The parent company of the new group for the purposes of complying with the capital requirements set out in CRR is CaixaBank, as published in CaixaBank's relevant event announcement (*hecho relevante*) dated 26 September 2017.

Key events in 2015, 2016, 2017 and 2018

Acquisition of Barclays Bank, S.A.U.

On 2 January 2015, CaixaBank acquired 100% of the share capital of Barclays Bank, S.A.U., having already obtained full go-approval to the entire retail banking, wealth management and corporate

banking arms of Barclays Bank, S.A.U. in Spain, excluding the investment banking and card businesses.

CaixaBank paid €815.7 million to Barclays Bank PLC as the final price for Barclays Bank, S.A.U.

On 30 March 2015, the boards of directors of CaixaBank and Barclays Bank, S.A.U. approved the provisional terms of the merger between CaixaBank (absorbing company) and Barclays Bank, S.A.U. (absorbed company).

On 14 May 2015 the merger was registered at the Companies Register, entailing as from the date: (i) the dissolution of Barclays Bank, S.A.U., and (ii) the block transfer of its equity to CaixaBank, which acquired its rights and obligations under universal succession arrangements.

Sale of shareholding in Boursorama, S.A. and Self Trade Bank, S.A.

On 18 June 2015, CaixaBank announced the sale to Société Générale Group of its total stake held in Boursorama, S.A., which represented 20.5% of the share capital, as well as the voting rights, for a price of €218.5 million. The price paid by Société Générale was the same as the one offered to the minority shareholders' during the simplified public takeover bid and to the one offered during the exclusion process carried out in 2014, i.e. €12 per share.

With this transaction the alliance that began in 2006 after the sale to Boursorama, S.A. of CaixaBank France ended. As a consequence of this, the shareholders' agreement entered into between CaixaBank and Boursorama, signed in May 2006 and renegotiated in March 2014, has also been terminated.

Similarly, CaixaBank announced the signing of the sale to Boursorama of its total stake held in Self Trade Bank, S.A., the joint venture that both entities had in Spain, which represented 49% of the share capital. The agreed consideration was €33 million. As a consequence of this transaction, both the joint venture and the shareholders' agreement entered into between Boursorama, S.A. and CaixaBank in July 2008 have been terminated.

These transactions generated a consolidated pre-tax gain for CaixaBank of around €38 million for the year ended 31 December 2015. These announcements were in accordance with the then strategic plan (2015-2018), which targeted a capital charge of the investee portfolio below 10% by year-end 2016.

Asset swap with CriteriaCaixa of the stakes held in The Bank of East Asia (BEA) and GF Inbursa in exchange for treasury shares and cash

On 30 May 2016, CaixaBank completed the asset swap which was announced on 3 December 2015, when it transferred its stake in BEA representing approximately 17.30% of its share capital and its stake in GF Inbursa representing approximately 9.01% of its share capital, to CriteriaCaixa. In turn CriteriaCaixa transferred CaixaBank treasury shares representing 9.9% of its share capital and a cash amount of €678 million to CaixaBank.

As a result of the asset swap, the agreements related to BEA and GF Inbursa have been amended so that CriteriaCaixa replaced CaixaBank as shareholder.

Stake held in Visa Europe Ltd.

As of 21 June 2016, Visa Inc. completed the acquisition of Visa Europe Ltd. from CaixaBank. The sale of the stake in Visa Europe Ltd., previously classified as a financial asset available for sale, generated a gross capital gain of €165 million (€115 million, net) in the Group's consolidated statement of profit or loss for 2016 and the addition of Visa Inc securities to the portfolio.

Disposal of Repsol shares as a result of the early amortisation of CaixaBank's mandatory exchangeable bonds into Repsol shares.

In connection with the early redemption of all of CaixaBank's "Unsecured Mandatory Exchangeable Bonds due 2026", with ISIN code XS0994834587, announced on 28 January 2016 and made effective on 10 March 2016, CaixaBank delivered a total of 29,824,636 Repsol shares representing 2.069% of Repsol's share capital.

Banco BPI Takeover Bid

On 18 April 2016, CaixaBank announced to the market that the Board of Directors had decided to launch a voluntary tender offer for the shares of Banco BPI. The offered price was €1.113 per share payable in cash and was subject to the elimination of the voting cap in Banco BPI, obtaining a number of acceptance declarations so that CaixaBank would become owner of more than 50% of Banco BPI's share capital and to the regulatory approvals. The price was equivalent to the volume weighted average price of Banco BPI shares for the six months prior to such preliminary announcement of the tender offer.

At the extraordinary general shareholders' meeting of Banco BPI held on 21 September 2016, the shareholders of Banco BPI approved a resolution to eliminate the voting cap that had been established in the articles of association of Banco BPI. Due to such elimination and to the fact of CaixaBank holding a stake in Banco BPI above 33.3%, the Portuguese securities regulator (the **CMVM**) revoked the waiver to launch a mandatory tender offer over Banco BPI originally granted to CaixaBank in 2012 and, therefore, CaixaBank became bound to the duty of launching a mandatory tender offer over Banco BPI. Consequently, the legal nature of the tender offer (initially voluntary) was converted into a mandatory tender offer (the **Banco BPI Tender Offer**). Furthermore, CaixaBank increased the price of the Banco BPI Tender Offer up to €1.134 per share payable in cash, equivalent to the volume weighted average price of Banco BPI shares for the six months prior to 21 September 2016.

On 22 September 2016, 585 million treasury shares, representing 9.9% of CaixaBank's share capital with a book value of €2,013 million, were sold with the objective of reinforcing the regulatory capital ratio in view of the Banco BPI Tender Offer and complying with the objective of CaixaBank's 2015-2018 strategic plan to maintain a CET 1 ratio fully loaded between 11% and 12%. The proceeds raised amounted to €1,322 million and the impact on the CET1 ratio was a 0.98% on a fully loaded basis and a 0.97% on a phase-in basis. Hence, this capital impact was included in the capital evolution of the second half of 2016 (from 30 June 2016 to 31 December 2016) in which period the fully loaded CET1 ratio changed a 0.2% due to capital generation, a 0.98% due to this sale of treasury shares and a -0.26% due to value adjustments and others.

On 5 January 2017, Banco BPI lost control over BFA as a result of the execution of the sale of a 2% BFA stake to Unitel, S.A (**Unitel**) and the execution of a new shareholders' agreement between Banco BPI and Unitel in relation to BFA. Unitel currently holds 51.9% of the share capital of BFA and Banco BPI has reduced its stake in BFA down to 48.1%. This transaction was previously approved by an extraordinary general shareholders' meeting of Banco BPI held on 13 December 2016. This transaction allowed Banco BPI to solve the situation of non-compliance of the large exposure risks derived from its participation in BFA.

Finally, on 16 January 2017, after CaixaBank obtained all the applicable regulatory approvals, the CMVM registered Banco BPI Tender Offer prospectus. The acceptance period of the Banco BPI Tender Offer started on 17 January 2017 and ended on 7 February 2017, as result of which CaixaBank increased its stake in Banco BPI from 45.5% to 84.51% of the issued share capital. The payment for the 39.01% of share capital stood at €645 million.

2017 early retirement schemes

On 10 January 2017, a paid early retirement scheme was launched for employees of the Group born between 1 March 1953 and 31 December 1959, which has been accepted by 350 people, with an impact in the profit and loss statement of costs of €152 million.

On 12 May 2017, a paid early retirement scheme was launched for employees of the Group born before 1 January 1962. On 19 May 2017, the sign-up period for the scheme ended, with the acceptance of 610 employees and a one-off expense of €303 million gross.

Mortgage covered bond issue

On 11 January 2017, CaixaBank issued €1,500,000,000 1.25% mortgage covered bonds due 11 January 2027. The interest on this bond will accrue from (and including) the issue date until (but not including) 11 January 2027 at an annual rate of 1.25%.

Subordinated bond issue – February 2017

On 15 February 2017, CaixaBank issued, under its €10,000,000,000 Euro Medium Term Note Programme, €1,000 million subordinated bond due 2027 callable one time at the option of the issuer in year 5, subject to regulatory approval. The interest on this bond will accrue from (and including) the issue date until (but not including) 15 February 2022 at an annual rate of 3.50% and from that date (including) the interest will accrue at a fixed interest rate equal to a 5-year Mid Swap Rate plus a margin of 3.35%, where the 5-year Mid Swap Rate will be determined on 15 February 2022.

CaixaBank has received confirmation from the ECB that the subordinated bond qualifies as Tier 2 capital.

Senior notes issue – May 2017

On 17 May 2017, CaixaBank issued €1,000,000,000 1.125% senior notes due 17 May 2024 under its €10,000,000,000 Euro Medium Term Note Programme. The interest on this bond will accrue from (and including) the issue date until (but not including) 17 May 2024 at an annual rate of 1.125%.

Perpetual preferred securities contingently convertible to newly issued ordinary shares - June 2017

On 13 June 2017 CaixaBank issued perpetual preferred securities contingently convertible into newly issued ordinary shares of CaixaBank with exclusion of pre-emption rights for a nominal value of €1,000,000,000 (the **June 2017 AT1 Issue**).

The preferred securities were issued at par and their remuneration, payment of which is discretionary and subject to certain conditions, was fixed at an annual 6.75% for the first seven years. Thereafter, it will be revised applying a spread of 649.8 basis points above the 5-year EUR Mid Swap rate. Such distributions will be payable quarterly in arrear.

Such 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 Group falls below 5.125%. The conversion price of the preferred securities will be the highest 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) €2.803, and (iii) the nominal value of an ordinary share of CaixaBank at the time of conversion.

CaixaBank has received confirmation from the ECB that the preferred securities qualify as Tier 1 capital.

Agreement with Cecabank

On 28 June 2017, CaixaBank Asset Management SGICC, S.A.U. (**CaixaBank AM**) and VidaCaixa, two fully owned subsidiaries of CaixaBank, reached an agreement with Cecabank, S.A. (**Cecabank**) whereby the latter will continue to act, until 31 March 2027, as the exclusive depositary for 80% of the assets under management related to the mutual funds, SICAVs (*Sociedades de Inversión de Capital Variable*) and individual pension funds which are managed by CaixaBank AM and VidaCaixa.

Subordinated notes issue – July 2017

On 14 July 2017, CaixaBank issued €1,000,000,000 subordinated notes due 2028 under its €10,000,000,000 Euro Medium Term Note Programme callable one time at the option of the issuer in year 6, subject to regulatory approval. The interest on this bond will accrue from (and including) the issue date until (but not including) 14 July 2023 at an annual rate of 2.75% and from that date (including) the interest will accrue at a fixed interest rate equal to a 5-year Mid Swap Rate plus a margin of 2.35%, where the 5-year Mid Swap Rate will be determined on 14 July 2022.

CaixaBank has received confirmation from the ECB that the subordinated bond qualifies as Tier 2 capital.

Senior non preferred notes issue – September 2017

On 12 September 2017, CaixaBank issued €1,250,000,000 1.125% senior non preferred notes due 12 January 2023 under its €10,000,000,000 Euro Medium Term Note Programme. The interest on this bond will accrue from (and including) the issue date until (but not including) 12 January 2018 at an annual rate of 1.125%.

Interim dividend

On 23 October 2017, the Board of Directors of CaixaBank agreed to pay an interim dividend of €0.07 per share, with payment taking place on 2 November 2017.

Mortgage covered bond issue – January 2018

On 17 January 2018, CaixaBank issued €1,000,000,000 1.00% mortgage covered bond due 17 January 2028. The interest on this bond will accrue from (and including) the issue date until (but not including) 17 January 2028 at an annual rate of 1.00%. On the same day, CaixaBank increased by €375,000,000 its existing 1.625% mortgage covered bond issuance due 14 July 2032 up to a total amount of €750,000,000.

Senior notes issue – January 2018

On 18 January 2018, CaixaBank issued €1,000,000,000 0.75% senior notes due 18 April 2023 under its €10,000,000,000 Euro Medium Term Note Programme. The interest on this bond will accrue from (and including) the issue date until (but not including) 18 April 2019 at an annual rate of 0.75%.

Banco de Fomento Angola, S.A.

In January 2018, Angola National Bank changed its currency mechanism that regulated parity between the local currency, the kwanza, and the US dollar. Consequently, an orderly and gradual process of devaluation of the kwanza against the US dollar took place. The net patrimonial impact of

this devaluation in the financial statements of BPI as at 30 June 2018, for the maintained book value in BFA, amounted to €89 million in results and € -203 million in 'Other comprehensive income'.

Perpetual preferred securities contingently convertible to newly issued ordinary shares - March 2018

On 23 March 2018 CaixaBank issued perpetual preferred securities contingently convertible into newly issued ordinary shares of CaixaBank with exclusion of pre-emption rights of its shareholders for a nominal value of €1,250,000,000 (the **March 2018 AT1 Issue**) which terms were determined on the same date.

The preferred securities were issued at par and their remuneration, payment of which is discretionary and subject to certain conditions, was fixed at an annual 5.25% for the first 8 years. Thereafter, it will be revised applying a spread of 450.4 basis points above the 5-year EUR Mid Swap rate. Such distributions will be payable quarterly in arrears.

Such 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 CET1 ratio of CaixaBank or of the Group falls below 5.125%. The conversion price of the preferred securities will be the highest 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) €2.583, and (iii) the nominal value of an ordinary share of CaixaBank at the time of conversion.

CaixaBank has received confirmation from the ECB that the preferred securities qualify as Tier 1 capital.

Announcement of the payment of a final dividend for 2017

On 6 April 2018 CaixaBank announced that at the Ordinary Annual General Meeting, shareholders had approved the distribution of a final cash dividend of €0.08 per share (gross) against 2017 profits.

After payment of this dividend, the total shareholder remuneration for 2017 amounted to €0.15 per share (gross), bringing the total cash amount paid to 53% of consolidated net profit, in line with the 2015-2018 strategic plan targets.

Under CaixaBank's current dividend policy, remuneration for 2018 will comprise two half-yearly dividends payable in cash and CaixaBank has reiterated its intention of remunerating shareholders by distributing an amount in cash equal to or greater than 50% of consolidated net profit, in line with the 2015-2018 strategic plan targets.

Subordinated notes issue - April 2018

On 17 April 2018, CaixaBank issued €1,000,000,000 subordinated notes due April 2030 under its €10,000,000,000 Euro Medium Term Note Programme callable one time at the option of the issuer in year 7 subject to regulatory approval. The interest on this bond will accrue from (and including) the issue date until (but not including) 17 April 2025 at an annual rate of 2.250% and from that date (including) the interest will accrue at a fixed interest rate equal to the then prevailing 5-year EUR Mid Swap rate plus a margin of 1.68%.

CaixaBank has received confirmation from the ECB that the subordinated bond qualifies as Tier 2 capital.

Acquisition of shares in Banco BPI

On 6 May 2018, CaixaBank announced an agreement reached with certain companies belonging to the Allianz Group to acquire shares representing 8.425% of the share capital of Banco BPI. The total purchase price is €177,979,336, giving a price per share of €1.45.

Accordingly, CaixaBank asked the Chairman of BPI's general meeting to call a meeting of shareholders to approve BPI's delisting in accordance with article 27.1.b) of the Portuguese Securities Market Code. The extraordinary general meeting was held on 29 June 2018, at which shareholders approved the delisting of Banco BPI at €1.45/share. The CMVM then announced on 23 August 2018 that an independent auditor should review the price of the offering on the understanding that it might constitute an inequitable price since it derives from a private agreement reached with a shareholder (Allianz Group). At the date of this Information Memorandum, the auditor is still in the process of reviewing the price.

Early redemption of subordinated bonds

On 8 June 2018 CaixaBank redeemed early in full the nominal outstanding amount of the "Subordinated Bonds Series I/2012 ("*Emisión de Obligaciones Subordinadas Serie I/2012")*, with ISIN code ES0240609000, amounting to €2,072.3 million, after duly obtaining the relevant prior authorization by the ECB and in accordance with the provisions contained in the Prospectus ("*Nota de Valores*") approved on 26 December 2011 by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*). The redemption price was 100% of the nominal outstanding amount, notwithstanding any accrued and unpaid coupon.

On 14 November 2018 CaixaBank redeemed early in full the nominal outstanding amount of the "Subordinated Notes Series I/2013 ("*EUR 750,000,000 Subordinated Fixed Reset Notes due November 2023*"), with ISIN code XS0989061345, with a nominal amount of Euro 750,000,000, final maturity date on 14 November 2023, after duly obtaining the relevant prior authorisation by the ECB and in accordance with the provisions set out in its terms and conditions. The redemption price was 100% of the outstanding principal amount of the Issue. Any accrued interest due, if applicable, was also paid on the same date.

Acquisition of 51% of the share capital of Servihabitat

On 8 June 2018, CaixaBank announced that it had reached an agreement with the company SH Findel, SARL (controlled by TPG Sixth Street Partners) to acquire 51% of the share capital of Servihabitat Servicios Inmobiliarios, S.L. at a price of €176.5 million. The deal was cleared by the relevant authorities and completed on 13 July 2018.

The repurchase of 51% of Servihabitat has had a negative impact of minus 15 basis points on the fully-loaded CET1 ratio and of minus €204 million on the 2018 income statement.

Agreement to sell 80% of the real estate business

On 28 June 2018, CaixaBank arranged to sell 80% of its real estate business to a company owned by Lone Star Fund X and Lone Star Real Estate Fund V.

The real estate business to be sold to Lone Star comprises mainly the portfolio of real estate assets available for sale at 31 October 2017, as well as 100% of the share capital of Servihabitat Servicios Inmobiliarios, S.L. The gross value of the real estate assets at 31 October 2017 was approximately €12,800 million (with a net book value of approximately €6,700 million).

CaixaBank intends to convey its real estate business to a newco, 80% of which it will then sell to Lone Star, while retaining the remaining 20% stake. Under the arrangement, the entire real estate business has been initially valued at approximately €7,000 million. CaixaBank will complete the transaction through its real estate subsidiary BuildingCenter, S.A.

The selling price for 80% of the company will be equivalent to 80% of the final value assigned to the real estate business at the date of completion. This price will largely depend on the number of real estate assets that remain with the company at that date.

Under the deal, Servihabitat will continue to service the real estate assets of the CaixaBank Group for a five-year term under a new agreement that will allow CaixaBank to become more flexible and efficient, including the cost reductions and savings announced along with the repurchase of 51% of Servihabitat.

Lone Star and CaixaBank intend to sign a further agreement on the completion date to govern their relations as joint owners of the company.

Completion of the deal will mark the deconsolidation of the real estate business, which is estimated to have a neutral impact on the income statement and a positive impact of 30 basis points on the fully-loaded CET1 ratio. The deal with Lone Star and the repurchase of 51% of Servihabitat are expected to have a combined impact on the fully-loaded CET1 ratio of +15 basis points.

The arrangement is also expected to generate cost savings of some €550 million before tax over the following three years (2019-2021), including the new servicing agreement with Servihabitat.

Agreement to sell the stake in Repsol

On 20 September 2018, the Board of Directors agreed to sell CaixaBank's stake in Repsol, S.A. through a series of sales structured as follows:

(a) Early settlement in September 2018 of the two existing equity swap agreements over 30,547,921 (1.91%) and 43,074,196 (2.70%) shares at €15.39 and €15.55, respectively.

(b) The remaining position of 75,789,715 shares (4.75%) is to be accounted for as "Financial assets designated at fair value through other global profit or loss", future changes will be reflected under this heading.

The divestment programme for these shares is expected to be completed by the first quarter of 2019. Selling will be subject to a daily cap of 15% of the volume traded during the day. The number of shares ultimately sold will depend on market conditions and on fetching a share price that ensures that the income obtained represents a fair value for CaixaBank shareholders, among other considerations.

The income statement for the third quarter of 2018 includes a negative result of minus €453 million stemming from the deal. Once completed, the divestment programme is expected to have a neutral impact on CET1 fully loaded.

Senior non preferred notes issue – October 2018

On 24 October 2018, CaixaBank issued €1,000,000,000 1.75% senior non preferred notes due 24 October 2023 under its €15,000,000,000 Euro Medium Term Note Programme. The interest on this bond accrues from (and including) the issue date until (but not including) 24 October 2023 at an annual rate of 1.75%.

Interim dividend

On 25 October 2018, the Board of Directors of CaixaBank agreed to pay an interim dividend of €0.07 per share, with payment taking place on 5 November 2018.

Amendments to the shareholders agreements

On 29 October 2018, CaixaBank published a relevant event announcement (*hecho relevante*) reporting the amendments to the agreements subscribed by la Caixa Banking Foundation and Caja Navarra Banking Foundation, Cajasol Foundation, Caja Canarias Foundation and Caja de Burgos, Banking Foundation following the merger by absorption of Banca Cívica by CaixaBank, on 1 August 2012.

The main purpose of the amendment of the abovementioned agreements is to clarify their content regarding certain commitments assumed by Fundación Bancaria Caja de Ahorros y Pensiones de Barcelona "la Caixa" to meet the conditions approved in March 2016 by the Supervisory Board of the ECB for the deconsolidation from CriteriaCaixa S.A.U. of CaixaBank for prudential purposes, which meant a reduction in the participation of Fundación Bancaria Caja de Ahorros y Pensiones de Barcelona "la Caixa" and the consequent loss of control of CaixaBank.

The amendments imply: (i) clarifying its content regarding the collaboration relationship between the parties with the aim of strengthening the full autonomy of the parties in relation to the management of their participations in CaixaBank´s share capital, (ii) clarifying its content with respect to the regulation of the Territorial Advisory Boards which were created within the framework of the integration into CaixaBank of the savings banks that founded Banca Cívica, S.A., describing their functions in more detail, iii) eliminating the preferential right to acquire shares in CaixaBank initially agreed between the savings banks that founded Banca Cívica, S.A. and Caja de Ahorros y Pensiones de Barcelona, "la Caixa", and (iv) that the Fundación Privada Monte de Piedad and Caja de Ahorros San Fernando de Huelva, Jerez y Sevilla ("Fundación Cajasol"), previously, Monte de Piedad and Caja de Ahorros San Fernando de Guadalajara, Huelva, Jerez y Sevilla ("Cajasol"), one of the savings banks that founded Banca Cívica, S.A., upon its request, no longer forms part of the Integration Agreement between CaixaBank and Banca Cívica, S.A. and of the CaixaBank Shareholders' Agreement.

Results of the 2018 EU-wide stress test

The CaixaBank Group reported on 2 November 2018 that it took part in the EU-wide stress test, which was coordinated by the European Banking Authority and supervised by the ECB. The test used reference data from 31 December 2017 and comprises a three-year period (2018-2020) in two scenarios, baseline and adverse. The results obtained were as follows:

Under the adverse scenario, the fully-loaded CET1 ratio at 31 December 2020 was depleted by 239 basis points, reaching a level of 9.11% from 11.50%, after the initial application of IFRS 9 on 31 December 2017. In this same scenario, the phase-in CET1 also reached 9.11% from an initial 12.54%, after the initial application of IFRS 9, implying a 343 basis point depletion.

Under the baseline scenario, the fully-loaded CET1 ratio at 31 December 2020 increased by 210 basis points to a level of 13.60% and the phase-in CET1 ratio increased by 106 basis points.

Strategic Plan 2019-21. Financial targets

The CaixaBank Group unveiled its 2019-21 strategic plan (the **Plan**) on 27 November 2018. The Plan takes into account that the economy is moving to a more mature phase of the business cycle, with

Spain and Portugal expected to achieve annual real GDP growth rates of approximately 2% in 2019E-2021E (*source: CaixaBank Research*).

Financial projection in the Plan is based on the expectation of a very gradual increase in the interest rates, as reflected in the interest rate forward rates used for those projections.

To enhance the customer experience, the Plan aims to continue transforming the distribution network so as to provide added value to customers, strengthen the model of remote and digital customer relationship and continue adding new products and services.

The Plan aims to generate sustainable value for all stakeholders (customers, shareholders, employees and society in general), in accordance with the Group mission: to contribute to the financial wellbeing of CaixaBank's customers and to the progress of society.

The plan has the following five strategic lines:

- Offering the best customer experience.
- Accelerating digital transformation to boost efficiency and flexibility.
- Fostering a people-centric, agile and collaborative culture.
- Generating attractive shareholder returns and solid financials.
- Becoming a benchmark in responsible banking and social commitment.

For the three-year plan period CaixaBank aims to achieve, among other financial and operating targets: (i) a ROTE[3] higher than 12% by 2021; (ii) a core cost-to-income ratio of less than 55% by 2021[4]; (iii) a compound annual growth rate for core revenues[5] of 5%; (iv) reducing the non-performing loan ratio[6] to below 3% by 2021; (v) a cost of risk[7] of less than 30 bps (2019E-2021E); (vi) a fully loaded CET1 ratio of approximately 12% by the end of 2021 (plus a further 100 basis points as a temporary buffer to absorb potential regulatory impacts in the coming years) (vii) distributing to shareholders a cash dividend payout ratio above 50% of its consolidated net profit; and (viii) maintaining the LCR ratio above 130% by 2021.

These are targets only and not forecasts. There can be no assurance that these targets can or will be met and they should not be seen as an indication of the Group's expected or actual results or returns. Accordingly, prospective investors should not place any reliance on these targets in deciding whether to invest in the Notes. In addition, as noted previously, prior to making any investment decision, prospective investors should carefully consider the risk factors described in this Information Memorandum.

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3 ROTE: profit attributable to the Group, trailing 12 months (adjusted by the amount of the Additional Tier 1 coupon after tax reported in equity), divided by 12 months average tangible equity, defined as own funds (including valuation adjustments registered in Other Comprehensive Income) minus intangible assets using management criteria (calculated as the value of intangible assets in the public balance sheet, plus the intangible assets and goodwill associated with investees, net of provisions, recognised in Investments in joint ventures and associates in the public balance sheet).

4 Core cost-to-income ratio: administrative expenses, depreciation and amortisation divided by core revenues (last 12 months).

5 Core revenues: there is a definition of this financial target in the APM section, as well as a discussion of its relevance and a reconciliation to figures in the financial statements.

6 Non-performing loan ratio, quotient between: non-performing loans and advances to customers and contingent liabilities, using management criteria; total gross loans to customers and contingent liabilities, using management criteria.

7 Cost of risk: total allowances for insolvency risk divided by average of gross loans plus contingent liabilities, using management criteria (trailing twelve months).

Business overview

This section shows financial information on the different business segments of the CaixaBank Group, which are structured as follows:

- **Banking and insurance:** includes all revenues from banking, insurance and asset management, liquidity management, ALCO, income from financing the other businesses and the Group-wide corporate centre. From 1 January 2018, it also showed the results of BPI Vida e Pensões, while from April 2018 it showed the results of BPI Gestão de Activos and BPI Global Investment Fund.

- **Non-core real estate:** shows the results, net of financing costs, of real estate assets in Spain defined as non-core, which include:

  – Loans to real estate developers classified as non-core.

  – All foreclosed real estate assets (available for sale and rental), most of which are owned by real estate subsidiary BuildingCenter.

  – Other real estate assets and interests.

- **Equity investments**: essentially shows income from dividends and/or profit accounted for using the equity method, net of financing costs, from the Group's interests, as well as gains/(losses) on the financial assets and liabilities held at Erste Group Bank, Repsol, Telefónica, BFA, Banco Comercial e de Investimentos (**BCI**) and Viacer – Sociedade Gestora de Participações Sociais, Lda (**Viacer**). It also includes the significant impacts on income of other relevant stakes across sectors incorporated to the Group through recent acquisitions, as well as the stakes consolidated through BPI.

  The results contributed by BPI to the consolidated income statement under the equity method are included through to the effective takeover in February 2017, whereupon a new business segment was created. Meanwhile, the Repsol stake has been classified following the agreement to sell the company in September as a financial asset designated at fair value through other global profit or loss.

- **BPI**: this business shows the results following the takeover of BPI in February 2017, from which time the Portuguese bank's assets and liabilities have been reported using the full consolidation method (considering the adjustments made to the business combination). The income statement shows the reversal of the fair value adjustments of the assets and liabilities resulting from the business combination and excludes the results and balance sheet figures associated with the assets of BPI assigned to the equity investments business (essentially BFA, BCI and Viacer), as discussed previously.

The operating expenses of these business segments include both direct and indirect costs, which are assigned according to internal distribution methods.

Capital is assigned to the non-core real estate and equity investments businesses to pursue the corporate target of maintaining a fully-loaded regulatory Common Equity Tier 1 (CET1) ratio of between 11% and 12%. The capital assigned to these businesses takes into account both the consumption of capital for risk-weighted assets at 11% and all applicable deductions.

Capital is assigned to BPI on a sub-consolidated basis, meaning in view of the subsidiary's own funds. The capital consumed at BPI by the investees assigned to the equity investments business is allocated consistently to this business.

The difference between the Group's total own funds and the capital assigned to the other businesses is attributed to the banking and insurance business, which includes the Group's corporate centre.

Banking and Insurance business

This is the Group's core business and includes the entire banking business (retail banking, corporate and institutional banking, among others, cash management and market transactions) and insurance business, primarily carried out in Spain through its branch network and other distribution channels.

As of 30 June 2018, CaixaBank had approximately 13.8 million customers, including individuals, companies and institutions. It also includes the liquidity management and the asset liability committee (ALCO) and income from financing other businesses.

The gross balance of customer loans amounted to €201,325 million as at 30 June 2018, as compared to €199,990 million as at 31 December 2017 and €201,970 million as at 31 December 2016. Total customer funds, using management criteria, amounted to €336,936 million as at 30 June 2018, compared to €320,501 million as at 31 December 2017 and €303,781 million as at 31 December 2016.

Following the completion of the takeover of BPI, the banking and insurance business includes the results of the business combination since it was originated in a corporate transaction.

Banking Business

The Banking Business relies on a universal banking model based on quality, innovation, accessibility and personalised service, with a wide range of products and services that are adapted to customers' various needs and an extensive multi-channel distribution network.

As of 30 June 2018, the Banking Business services were offered through a network of 4,742 branches in Spain, of which 4,543 are retail branches.

The Banking business has different divisions based on the type of customers its services are directed at:

Individual Banking

Individual Banking is directed at individuals with less than €60,000 in net worth, as well as businesses, including retail establishments, self-employed and freelance professionals, micro-companies and agribusiness, with a turnover of less than €2 million annually. This division represents the Group's most traditional business, and provides the basis for the development of other, more specialised, lines of business. As a result of CaixaBank's high-quality multi-channel approach it has strengthened customer loyalty through the launch of a wide range of new products and services. CaixaBank has expanded and consolidated itself as a benchmark entity with a penetration amongst retail clients aged 18 or above in Spain of 30.0% as of 30 June 2018 (26.7% amongst those who cite CaixaBank as their main bank) and 30.0% as of 31 December 2017 (26.7% amongst those who cite CaixaBank as their main bank) (Source: *FRS Insmark*).

The market share for direct-deposit payrolls, which is a key indicator of customer engagement, increased from 26.3% as of 31 December 2017 to 26.6% as of 30 June 2018 (data prepared in-house based on Social Security data).

Premier Banking

This division is directed towards individual customers with a net worth of between €60,000 and €500,000, with advisory services provided by specialised managers that are focused on tailored solutions to customer needs.

Private Banking

The Private Banking division is aimed at customers with assets under management in excess of €500,000, with services offered by professionals through exclusive Private Banking Centres.

Business Banking

The Business Banking division provides services to business customers with annual turnover of between €2 million and €200 million. The purpose of this specialised business line is to establish a long-term relationship with companies, underpinning their growth and day-to-day management.

CaixaBank manages this business line through a network of specialised offices and specialist managers. Customers also receive support from the Group's branch network and advisory services from its professionals specialised in financing and services, treasury and foreign trade.

Corporate and Institutional Banking

The Corporate and Institutional division provides services to business customers with annual turnover in excess of €200 million.

Corporate Banking's value proposition offers a tailor-made service to corporate clients, seeking to become their main bank. This involves crafting personalised value propositions and working with clients in export markets.

Institutional Banking serves public and private-sector institutions, through specialist management of financial services and solutions.

International Business

The Group provides international banking services to its clients through operating branches, representative offices and correspondent banks, as described below (as of 31 December 2017):

- *Operating branches*: The Group has branches in Poland (Warsaw), the United Kingdom (London), Morocco (Casablanca, Tangier and Agadir) and Germany (Frankfurt).

- *Representative offices*: Within the EU, the Group maintains representative offices located in Italy (Milan) and France (Paris). Outside the EU, the Group maintains representative offices in China (Beijing, Shanghai and Hong Kong), Turkey (Istanbul), Singapore, the United Arab Emirates (Dubai), India (New Delhi), Egypt (Cairo), Chile (Santiago de Chile), Colombia (Bogotá), Perú (Lima), the United States (New York), South Africa (Johannesburg), Algeria (Algiers) and Brazil (São Paulo).

Certain of CaixaBank's subsidiaries provide business support to its banking operations. The tables below set out the principal subsidiaries providing such support and their respective areas of activity, as of 30 June 2018:

Banking, other financial services and other support functions

Company	Ownership	Activity
CaixaBank Asset Management, SGIIC, S.A.U	100%	Collective Investment Institutions management
CaixaBank Consumer Finance.....	100%	Consumer financing
Nuevo MicroBank, S.A.U.....	100%	Microcredit financing
CaixaBank Payments, EFC EP, S.A.....	100%	Cards management
CaixaBank Titulización, SGFT, S.A.	100%	Asset securitisation
Comercia Global Payments, S.L.	49%	Electronic payment services management
CaixaBank Electronic Money, EDE, S.L.....	89%	Payment instruments issuer
Silk Aplicaciones, S.L..	100%	Management of the Group's technological infrastructure
CaixaBank Digital Business, S.A.....	100%	Management of multichannel platform.
GDS-CUSA, S.A.....	100%	Non-performing loan management and other legal services

Insurance

CaixaBank complements its banking services with a variety of life insurance, pension and general insurance products and services.

The Group offers these insurance and pension products and services through the following entities:

- VidaCaixa, a wholly-owned subsidiary through which the Group provides life insurance products and pension plans; and

- SegurCaixa Adeslas, S.A., a joint venture 49.9% of which is owned by VidaCaixa, 50% of which is owned by Mutua Madrileña and the remaining 0.1% is owned by minority shareholders, through which the Group provides non-life insurance products.

As of 30 June 2018 and 31 December 2017, VidaCaixa was the largest provider in the Spanish market, with a 23.9% and 23.5% share of the pension market, respectively, according to INVERCO (*Asociación de Instituciones de Inversión Colectiva y Fondos de Pensiones*) and 28.9% and 26.3% share of the life insurance market, respectively, regarding technical provisions, according to ICEA (*Investigación Cooperativa entre Entidades Aseguradoras y Fondos de Pensiones*).

As of 30 June 2018 and 31 December 2017, SegurCaixa Adeslas was the market leader in health insurance in Spain, with a market share of 28.5% and 29.1%, respectively, and had a number two market position in the Spanish home insurance market (Source: *ICEA* (*Investigación Cooperativa entre Entidades Aseguradoras y Fondos de Pensiones*)).

The net profit of VidaCaixa for the six month period ended 30 June 2018 was €290 million (€634 million for the year ended 31 December 2017 and €492 million for the year ended 31 December 2016).

Non-Core Real Estate

Effective 1 January 2015, the Group implemented a new structure for its real estate management model by segregating some of its real estate activities, in particular real estate loans requiring special management, from the Group's Banking and Insurance business line. This resulted in a dedicated team and network of centres comprising the new Non-Core Real Estate business line. Until 1 January 2016,

the Group differentiated between two different lines of business: Banking and Insurance and Equity Investments. Under this model, the Non-Core Real Estate business was part of the Banking and Insurance business line.

Through this business line, the Group manages its current non-core real estate assets, which mainly include, amongst other real estate assets and interests, non-core developer loans and foreclosed real estate assets. The stock of foreclosed real estate assets, all of which are available for sale and rental, is mainly owned by CaixaBank's real estate subsidiary, BuildingCenter, S.A.U. BuildingCenter, S.A.U. acquires the real estate assets deriving from CaixaBank's lending activity and manages them through Servihabitat Servicios Inmobiliarios, S.L., in which CaixaBank held a stake of 49% of the share capital as of 30 June 2018 and 31 December 2017.

In June 2018, CaixaBank announced its plan to repurchase 51% of the real estate servicer Servihabitat (materialised in July) and sell 80% of its real estate business to a company owned by Lone Star Group (See "Acquisition of 51% of the share capital of Servihabitat" and "Agreement to sell 80% of the real estate business" in the *Key Events in 2015, 2016, 2017 and 2018* section).

As of 30 June 2018, the total assets in the balance sheet of the Non-Core Real Estate business line amounted to €10,447 million (€11,530 million as of 31 December 2017).

Equity Investments

The Equity Investments business line includes the income of equity stakes in international financial entities, such as Erste Group Bank, as well as stakes in certain corporates mainly in the service sector, such as Repsol and Telefónica. It also includes equity stakes in other sectors incorporated as a result of CaixaBank's recent acquisitions and main BPI stakes (BFA, BCI and Viacer).

In 2016 and until January 2017, upon completion of the Banco BPI Tender Offer in February 2017, this business line also included the equity stake in Banco BPI (see "*Acquisitions and Disposals during 2014-2016 – Banco BPI Takeover Bid*"), and, until May 2016, the equity stake in BEA and GF Inbursa (see "*Acquisitions and Disposals during 2014-2016 – Asset swap with CriteriaCaixa of the stakes held in BEA and GF Inbursa in exchange for treasury shares and cash*").

Erste Group Bank, A.G.

Erste Group Bank is one of the leading banking groups in Austria and the Central and Eastern Europe region in terms of total assets. Erste Group Bank is present in Austria, the Czech Republic, Romania, Slovakia, Hungary, Croatia and Serbia. The bank serves a total of about 16 million customers through a network of 2,510 branches. As of 30 September 2018, Erste Group Bank had total assets amounting to €234,827 million (€221,715 million as of 30 September 2017) (Source: *Erste Group Interim Report Third Quarter 2018*).

As of 30 June 2018, CaixaBank held 9.92% of the issued outstanding share capital of Erste Group Bank (9.92% as of 31 December 2017).

Repsol

Repsol is an international company that operates in the hydrocarbon sector (exploration and production, refining and marketing) in 37 countries. As of 30 September 2018, Repsol had total assets amounting to €60,796 million (€59,857 million as of 31 December 2017) (Source: *financial statements of Repsol and company's website*).

As of 30 June 2018, CaixaBank held 9.46% of the issued outstanding share capital of Repsol (9.64% as of 31 December 2017).

See "*Description of the Issuer—Key Events in 2015, 2016, 2017 and 2018—Agreement to sell the stake in Repsol*)".

Telefónica

Telefónica is a digital telecommunications operator, present in 17 countries across Europe and Latin America. It generated 74% of its business outside Spain (source: Telefónica's Quarterly Results 2018 January – September) and has established itself as the leading operator in the Spanish-Portuguese speaking market. For the 9 month period ended 30 September 2018, Telefónica had consolidated revenues of €35.8 billion and more than 356 million total accesses, of which 271 million are mobile phones; 35 million are fixed telephony accesses; 22 million are Internet and data accesses; 9 million pay TV accesses and 19.2 million wholesale accesses. As of 30 September 2018, Telefónica had total assets amounting to c. €113 billion (€115 billion as of 31 December 2017) (Source: *financial statements of Telefónica and company's website*).

As of 30 June 2018, CaixaBank held 5.00% of the issued outstanding share capital of Telefónica (5.00% as of 31 December 2017).

Banco BPI Business Segment

The Banco BPI business segment includes the profit and loss contributed by Banco BPI to the consolidated Group as from the acquisition of control in February 2017, at which time the Group began fully consolidating the interest held. The statement of profit and loss reflects the reversal of the adjustments derived from the fair value measurement of assets and liabilities assumed in the business combination. Equity in this business segment relates exclusively to Banco BPI's equity at the sub-consolidated level.

As of 30 June 2018, Banco BPI was Portugal's fifth largest bank when it comes to assets, with market shares of 9.6% in lending activity and 11.4% in customer funds (compared with market shares of 9.3% in lending activity and 10.5% in customer funds as of 31 December 2017) (data prepared in-house; includes deposits, mutual funds, capitalisation insurance and insured pensions plans) (Source: *Banco de Portugal, APS, APFIPP*). It was named by Euromoney as Best Bank in Portugal in 2018 due to its strategy, innovation and social commitment.

As of 30 June 2018, CaixaBank's stake in BPI stood at 94.20% (84.5% as of 31 December 2017) following completion, on 7 February 2017, of the acceptance period for the mandatory takeover bid filed with the CMVM on 16 January 2017, the agreement to acquire shares representing 8.425% of BPI from the Allianz Group and other shareholders (See "*Key Events in 2015, 2016, 2017 and 2018 – Banco BPI Takeover Bid*" and "Acquisition of shares in Banco BPI" for additional information).

In accordance with applicable accounting law, 7 February 2017 was set as the effective assumption of control date and the total stake in BPI (84.5%) has been reported under the full consolidation method since 1 February, having been previously reported under the equity method.

Relevant figures by business segment

The table below shows the audited consolidated statement of profit or loss of the Group by business segments for the years ended 31 December 2017 and 31 December 2016:

	Banking and Insurance[1]		Non-Core Real Estate		Equity Investments[2]		BPI[3]		Total CaixaBank Group	
	For the Year Ended 31 December		For the Year Ended 31 December		For the Year Ended 31 December		For the Year Ended 31 December		For the Year Ended 31 December	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
					(€ million)					
Net interest income	**4,603**	**4,387**	**(71)**	**(66)**	**(163)**	**(164)**	**377**	**—**	**4,746**	**4,157**

Dividend income and share of profit/(loss) of entities accounted for using the equity method	191	159	32	18	318	651	112	—	653	828
Net fee and commission income	2,222	2,089	1	1	—	—	276	—	2,499	2,090
Gain/(losses) on financial assets and liabilities and others	303	846	—	—	(44)	2	23	—	282	848
Income and expenses under insurance or reinsurance contracts	472	311	—	—	—	—	—	—	472	311
Other operating income and expenses	(80)	(156	(332)	(251)	—	—	(18)	—	(430)	(407)
Gross income/(loss)	**7,711**	**7,636**	**(370)**	**(298)**	**111**	**489**	**770**	**—**	**8,222**	**7,827**
Administrative expenses	(3,602)	(3,687)	(42)	(55)	(4)	(4)	(502)	—	(4,150)	(3,746)
Depreciation and amortisation	(328)	(309)	(63)	(61)	—	—	(36)	—	(427)	(370)
Pre-impairment income	**3,781**	**3,640**	**(475)**	**(414)**	**107**	**485**	**232**	**—**	**3,645**	**3,711**
Impairment losses on financial assets and other provisions	(1,606)	(769)	(138)	(136)	4	(164)	29	—	(1,711)	(1,069)
Net operating income/(loss)	**2,175**	**2,871**	**(613)**	**(550)**	**111**	**321**	**261**	**—**	**1,934**	**2,642**
Gains/(losses) on disposal of assets and other	154	21	6	(1,034)	5	(91)	(1)	—	164	(1,104)
Profit/(loss) before tax from continuing operations	2,329	2,892	(607)	(1,584)	116	230	260	—	2,098	1,538
Income tax	(575)	(904)	194	459	57	(37)	(54)	—	(378)	(482)
Profit/(loss) after tax from continuing operations	**1,754**	**1,988**	**(413)**	**(1,125)**	**173**	**193**	**206**	**—**	**1,720**	**1,056**
Profit/(loss) attributable to minority interests	6	9	—	—	—	—	30	—	36	9
Profit/(loss) attributable to the Group	**1,748**	**1,979**	**(413)**	**(1,125)**	**173**	**193**	**176**	**—**	**1,684**	**1,047**
Equity [4]	*19,641*	*20,332*	*1,331*	*1,598*	*1,012*	*1,470*	*2,220*	*—*	*24,204*	*23,400*
Total assets	*335,945*	*327,606*	*11,530*	*12,949*	*6,167*	*7,372*	*29,544*	*—*	*383,186*	*347,927*

Notes:
(1) This segment includes the impact of the business combination resulting from the acquisition of Banco BPI (€256 million), as it derived from a corporate operation.
(2) Profit and loss of Banco BPI was included in the investments business until acquisition of control in February 2017.
(3) Banco BPI includes the profit and loss contributed by Banco BPI to the consolidated Group from February 2017, using the full consolidation method to account for the assets and liabilities (considering the adjustments made in the business combination).
(4) Equity allocated to the businesses.

The table below shows the audited consolidated statement of profit or loss of the Group by business segments for the period ended 30 June 2018 and 30 June 2017. While the Group has kept the same business segments structure in 2018, there are certain changes to its presentation criteria. Therefore 2017 has been restated for comparison purposes as follows:

- Impact of the allocation to the equity investments business of BFA, BCI and Viacer mainly, which were previously shown in the BPI business segment.

- The analytical income at the banking and insurance business is no longer charged to the non-core real estate business, in connection with the marketing and sale of assets:

	Banking and Insurance[1]		**Non-Core Real Estate**		**Equity Investments[2]**		**BPI[3]**		**Total CaixaBank Group**	
	June		**June**		**June**		**June**		**June**	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
					(€ million)					
Net interest income	**2,322**	**2.300**	**-7**	**-34**	**-80**	**-86**	**197**	**169**	**2,432**	**2,349**
Dividend income and share of profit/(loss) of entities accounted for using the equity method	107	94	10	16	500	268	7	11	624	389
Net fee and commission income	1,152	1,134	-3	1			144	117	1,293	1,252
Gain/(losses) on financial assets and liabilities and others	245	182			17	-18	31	13	293	177
Income and expenses under insurance or reinsurance contracts	282	233							282	233
Other operating income and expenses	-128	17	-121	-121			-21	-16	-270	-120
Gross income/(loss)	**3,980**	**3,960**	**-121**	**-138**	**437**	**164**	**358**	**294**	**4,654**	**4,280**

Administrative expenses	-1.866	-1.789	-23	-23	-2	-2	-220	-288	-2.111	-2.102
Depreciation and amortisation	-147	-174	-36	-29			-18	-17	-201	-220
Pre-impairment income	**1,967**	**1,997**	**-180**	**-190**	**435**	**162**	**120**	**-11**	**2,342**	**1,958**
Impairment losses on financial assets and other provisions	-399	-1.074	-135	-170			3	9	-531	-1.235
Net operating income/(loss)	**1,568**	**923**	**-315**	**-360**	**435**	**162**	**123**	**-2**	**1,811**	**723**
Gains/(losses) on disposal of assets and other	-19	241	-51	41					-70	282
Profit/(loss) before tax from continuing operations	**1,549**	**1.164**	**-366**	**-319**	**435**	**162**	**123**	**-2**	**1,741**	**1,005**
Income tax	-427	-273	52	101	8	17	-34	6	-401	-149
Profit/(loss) after tax from continuing operations	**1,122**	**891**	**-314**	**-218**	**443**	**179**	**89**	**4**	**1,340**	**856**
Profit/(loss) attributable to minority interests	1	3			28	13	13	1	42	17
Profit/(loss) attributable to the Group	**1,121**	**888**	**-314**	**-218**	**415**	**166**	**76**	**3**	**1,298**	**839**
Total assets	*347,399*	*327,271*	*10,447*	*12,323*	*6,612*	*7,042*	*31,659*	*32,048*	*396,117*	*378,684*

For the six month period ended 30 June 2018, the Group's core revenues amounted to €4,091 million, representing 88% of the gross income. For the year ended 31 December 2017, the Group's core revenues amounted to €7,887 million, representing 96% of the gross income and an increase of 18% in respect of the year ended 31 December 2016, for which year they amounted to €6,683 million and represented 85% of the gross income. For the six month period ended 30 June 2018, the Group's core operating income amounted to €1,787 million. For the year ended 31 December 2017, the Group's core operating income amounted to €3,420 million, representing an increase of 27% in respect of the year ended 31 December 2016, for which year they amounted to €2,688 million. On the other hand, recurring expenses have remained stable at around €1 billion per quarter (excluding Banco BPI).

The following table shows amounts invested as at 30 June 2018, 31 December 2017 and 31 December 2016. The investments are accounted for using the equity method on the basis of the best available estimate of underlying carrying amount at the date of preparation of the consolidated financial statements. The latest public figures are shown:

Breakdown of investments in associates and joint ventures

	As at 30 June 2018			As at 31 December 2017			As at 31 December 2016		
(Thousands of euros)	**Carrying amount**	***Of which: Goodwill***	***Of which: Impairment allowances***	**Carrying amount**	***Of which: Goodwill***	***Of which: Impairment allowances***	**Carrying amount**	***Of which: Goodwill***	***Of which: Impairment allowances***
Investments in associates and in joint ventures	5,918,757	*362,313*	*-66,347*	6,224,425	*362,499*	*-12,769*	6,420,710	*667,781*	*-551,012*

The following table presents the main listed companies classified as associates or available-for-sale financial assets as at 30 June 2018, 31 December 2017 and 31 December 2016, detailing the percentage of ownership held by CaixaBank:

Company		**As at 30 June 2018** **% holding**	**As at 31 December 2017** **% holding**	**As at 31 December 2016** **% holding**
Banco BPI[1]	(ASSOC)	94.20	84.51	45.50
Telefónica	(AFS)	5.00	5.00	5.15
Repsol	(ASSOC)	9.46	9.64	10.05
Erste Group Bank	(ASSOC)	9.92	9.92	9.92

(ASSOC) = Associates; (AFS) = Available-for-sale

Notes:

(1) Please see "*Key events in 2015, 2016, 2017 and 2018*" for additional information.

Business by Geographical Area

The Group's ordinary income for the six month periods ended 30 June 2018 and 30 June 2017, and for the years ended 31 December 2017 and 31 December 2016 by geographical area is as follows:

Distribution of ordinary income[(1)]

	Ordinary income from customers		Ordinary income between segments		Total ordinary income	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Banking and Insurance	10,727,138	11,113,629	316,457	334,937	11,043,595	11,448,566
Spain	10,703,810	11,092,718	316,457	334,937	11,020,267	11,427,655
Other countries	23,328	20,911	—	—	23,328	20,911
Non-Core Real Estate	259,334	288,533	—	—	259,334	288,533
Spain	259,334	288,533	—	—	259,334	288,533
Other countries	—	—	—	—	—	—
Equity Investments	273,725	652,564	—	—	273,725	652,564
Spain	239,446	385,072	—	—	239,446	385,072
Other countries	34,279	267,492	—	—	34,279	267,492
BPI	851,719	—	3,263	—	854,982	—
Portugal/Spain	713,713	—	3,263	—	716,976	—
Other countries	138,006	—	—	—	138,006	—
Adjustments and eliminations of ordinary income between segments			(319,720)	(334,937)	(319,720)	(334,937)
Total	**12,111,916**	**12,054,726**	**—**	**—**	**12,111,916**	**12,054,726**

Notes:

(1) Corresponds to the following line items of the CaixaBank Group's public statement of profit and loss calculated pursuant to Bank of Spain Circular 5/2014: (1) Interest income; (2) Dividend income; (3) Share of profit/(loss) of entities accounted for using the equity method; (4) Fee and commission income; (5) Gains/(losses) on financial assets and liabilities; (6) Gains/(losses) from hedge accounting; (7) Other operating income; and (8) Income from assets under insurance and reinsurance contracts.

The Group's ordinary income for the six month periods ended 30 June 2018 and 30 June 2017:

Distribution of ordinary income[(1)]

	For the Period Ended 30 June					
	Ordinary income from customers		Ordinary income between segments		Total ordinary income	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
			(*thousands of €*)			
Banking and Insurance	5,661,672	5,490,159	120,899	160,851	5,782,571	5,651,010
Spain	5,648,895	5,478,585	120,899	160,851	5,769,794	5,639,436
Other countries	12,777	11,574			12,777	11.574
Non-Core Real Estate	124,295	128,237	0	0	124,295	128,237
Spain	124,295	128,237			124,295	128,237
Other countries					0	0
Equity Investments	516,913	250,139	0	0	516,913	250,139
Spain	270,840	189,362			270,840	189,362
Other countries	246,073	60,777			246,073	60,777
BPI	414,249	344,145	26,606	2,556	440,855	346,701
Portugal	408,202	308,083	26,606	2,556	434,808	310,639
Other countries	6.047	36,062			6,047	36,062
Adjustments and eliminations of ordinary income between segments			-147,505	-163,407	-147,505	-163,407

Total	**6,717,129**	**6,212,680**	**0**	**0**	**6,717,129**	**6,212,680**

Notes:
(1) Corresponds to the following line items of the CaixaBank Group's public statement of profit and loss calculated pursuant to Bank of Spain Circular 4/2017: (1) Interest income; (2) Dividend income; (3) Share of profit/(loss) of entities accounted for using the equity method; (4) Fee and commission income; (5) Gains/(losses) on financial assets and liabilities; (6) Gains/(losses) from hedge accounting; (7) Other operating income; and (8) Income from assets under insurance and reinsurance contracts.

Organisational Structure

As of 30 June 2018, the Group comprised 61 fully consolidated subsidiaries (entities over which CaixaBank has control, due to direct or indirect ownership of more than 50% of the relevant entity's voting rights or, if the percentage of ownership is lower than 50%, because it is party to agreements with other shareholders of the relevant entity that gives CaixaBank the majority of voting power); 8 joint ventures; and 37 associates (entities over which it exercises significant influence but which are neither subsidiaries nor jointly controlled entities).

The following table sets out the main subsidiaries of CaixaBank as at 30 June 2018 (the main investment portfolio). The companies which form part of the Group are principally domiciled in Spain.

The main investment portfolio as at 30 June 2018

Company	% holding
Banco BPI[1]	94.20
BFA	45.31
Banco Comercial e de Investimentos (BCI)	33.61
Erste Group Bank	9.92
Repsol[1]	9.46
Telefónica	5.00
BuildingCenter	100
ServiHabitat Servicios Inmobiliarios[1]	49
Sareb	12.24
VidaCaixa	100
SegurCaixa Adeslas	49.92
Comercia Global Payments	49
CaixaBank Consumer Finance	100
CaixaBank Asset Management	100
Nuevo MicroBank	100
CaixaBank Payments	100
CaixaBank Titulización	100
SILK Aplicaciones	100
CaixaBank Digital Business	100
GDS-Cusa	100

Notes:
(1) Please see "*Key events in 2015, 2016, 2017 and 2018*" for additional information.

Capital structure

As at the date of this Information Memorandum, CaixaBank's share capital is €5,981,438,031 divided into 5,981,438,031 fully subscribed and paid ordinary shares with a par value of €1 each. All shares are of the same class with the same rights attached.

CaixaBank's shares are admitted to trading on the Spanish stock exchanges and on the continuous market, and have been included in the IBEX 35 since 4 February 2008. CaixaBank is subject to the oversight of the CNMV, the ECB and the Bank of Spain.

Capital position of CaixaBank Group

Capital position of CaixaBank Group as of 30 September, 30 June 2018 and 31 December 2017 is as follows:

	Capital Position 30 June 2018	
	Phase-in	**Fully loaded**
CET1	11.6%	11.4%
Tier 1	13.1%	12.9%
Total Capital	**16.0%**	**15.7%**

	Capital Position 31 December 2017	
	Phase-in	**Fully loaded**
CET1	12.7%	11.7%
Tier 1	12.8%	12.3%
Total Capital	**16.1%**	**15.7%**

	Capital Position 30 September 2018	
	Phase-in	**Fully loaded**
CET1	11.6%	11.4%
Tier 1	13.1%	12.9%
Total Capital	**15.3%**	**15.1%**

Major Shareholders

The following table sets forth information as of 22 November 2018 concerning the significant ownership interests of CaixaBank's shares (as defined by Spanish regulations, those who hold a stake in the Issuer's share capital representing 3% or more of the total voting rights, or 1% or more if the relevant significant shareholder is established in a tax haven), based on filings with the CNMV, excluding the members of the Board of Directors:

Name of Shareholder	**Ownership (voting rights)**		
	Direct	**Indirect**	**% Total**
la Caixa Banking Foundation[(1)]	3,493	2,392,575,212	40.00
Invesco Limited[(2)]	0	119,285,292	1.994
Blackrock INC[(3)]	0	174,348,005	2.915

Notes:

(1) la Caixa Banking Foundation's indirect stake is held through its wholly subsidiary CriteriaCaixa.

(2) Invesco Limited holds its stake through Invesco Asset Management Limited (1.912 %) and other entities (0.082%), as reported to the CNMV on 22 November 2018.

(3) In addition to the 2.915% voting rights in shares, Blackrock INC has reported entitlement to 0.173% voting rights through financial instruments.

With regard to the stakes held by CriteriaCaixa in CaixaBank see *Description of the Issuer - "Deconsolidation of CaixaBank of Criteria Caixa Group"*.

In order to strengthen transparency and governance at CaixaBank, and in line with recommendation 2 of the Listed Companies' Code of Good Governance, CaixaBank and la Caixa Banking Foundation, as its controlling shareholder, signed an internal relations protocol (the **IRP**) which has been novated on various occasions to reflect the changes in the Group's structure.

The initial IRP was signed when the Issuer, previously known as Criteria CaixaCorp, was listed on the stock market and was replaced by a new IRP when a number of reorganisation transactions were carried out at the la Caixa group, as a result of which CaixaBank became the bank through which la Caixa indirectly carried on its financial activity. Thereafter, following the merger and absorption of Banca Cívica by CaixaBank and as a result of the transfer of the activity of Monte de Piedad de CaixaBank, S.A. (**Monte de Piedad**) to CaixaBank, the IRP was amended by means of a novation agreement to remove reference to the exceptionality of Monte de Piedad's indirect activity. On 16 June 2014, a novation of the IRP was entered into to adapt it to the new situation whereby la Caixa would no longer indirectly carry out its financial activity through CaixaBank and to contemplate the former's transformation into la Caixa Banking Foundation.

The purpose of the IRP was to develop the basic principles governing relations between la Caixa and CaixaBank; define the main areas of activity of CaixaBank, bearing in mind that CaixaBank was the vehicle via which the financial activity of la Caixa was carried on; demarcate the general parameters governing any mutual business or social dealings between CaixaBank and its Group and la Caixa and other la Caixa group companies; and to ensure an adequate flow of information to allow la Caixa and CaixaBank to prepare financial statements and meet their periodic reporting and supervision obligations with the Bank of Spain, the CNMV and other regulatory bodies.

As a result of the entry into force of the Savings Banks and Banking Foundations Law, as la Caixa owned over 10% of the share capital and voting rights of CaixaBank, the former had to become a banking foundation. The primary activity of the banking foundation would be to manage and carry out welfare projects and appropriately manage its stake in CaixaBank. Consequently, this extinguished the arrangement whereby la Caixa indirectly carried out its financial activity through CaixaBank.

Once la Caixa Banking Foundation was registered in the Foundations Registry, la Caixa Banking Foundation immediately ceased to carry out its financial activity indirectly through CaixaBank, therefore rendering the IRP ineffective. It was therefore necessary to amend the IRP to extend its validity for all matters not related to the indirect exercise of la Caixa Banking Foundation's financial activity until a new IRP was signed outlining the la Caixa Group's new structure. The parties entered into a novation agreement amending the IRP on 16 June 2014, duly informing the CNMV the following day.

The Savings Banks and Banking Foundations Law requires banking foundations to approve, within two months from their creation, a management protocol (the **Management Protocol**) for managing its ownership interest in the financial institution. This Management Protocol must establish, at a minimum, the strategic criteria for managing the interest, the relations between the Board of Trustees and the governing bodies of the bank, specifying the criteria for proposing director appointments and the general criteria for carrying out operations between the banking foundation and the investee credit institution, and the mechanisms to avoid potential conflicts of interest. La Caixa Banking Foundation signed its Management Protocol for managing its ownership interest in CaixaBank on 24 July 2014. The CNMV was notified on 9 December 2014, following the Bank of Spain approval.

On 18 February 2016, CaixaBank and la Caixa Banking Foundation executed a new Management Protocol for the management of the participation interest held by la Caixa Banking Foundation in CaixaBank, that superseded the Management Protocol executed on 24 July 2014. The purpose of this new Management Protocol was to adapt the text to the Circular 6/2015 of the Bank of Spain on the obligations of the banking foundations in relation to their interest held in credit entities.

In accordance with the provisions of the Management Protocol, CaixaBank, la Caixa Banking Foundation and CriteriaCaixa, signed a new IRP on 19 December 2016. Such IRP was subsequently replaced by a new agreement in 2018 as a result of the deconsolidation of CaixaBank from la Caixa Banking Foundation and CriteriaCaixa Group. This IRP is currently applicable to the relations between them and replaces the previous one being its main objectives to:

- manage related-party transactions derived from the conduct of transactions or the provision of services;
- establish mechanisms that try to avoid the emergence of conflicts of interest;
- make provisions for la Caixa Banking Foundation to have a pre-emptive right in the event of a transfer by CaixaBank of Monte de Piedad;
- establish the basic principles for a possible collaboration between CaixaBank and la Caixa Banking Foundation in the adoption of corporate social responsibility (CSR) policies; and
- regulate the flow of adequate information to allow la Caixa Banking Foundation, CriteriaCaixa and CaixaBank to prepare their financial statements and to comply with periodic reporting and supervisory duties.

Agreement Among Shareholders

On the basis of information provided to the Issuer by shareholders, the Issuer has knowledge of the agreement described below.

Following the merger by absorption of Banca Cívica by CaixaBank, on 1 August 2012, la Caixa Banking Foundation and Caja Navarra Banking Foundation, Cajasol Foundation, Caja Canarias Foundation and Caja de Burgos, Banking Foundation (the **Foundations**) entered into an agreement which regulates the relationships between the Foundations and la Caixa Banking Foundation as shareholders of CaixaBank, and their cooperation, with the aim of strengthening their respective positions at CaixaBank and supporting the control of la Caixa Banking Foundation.

The shareholders agreement foresees that la Caixa Banking Foundation would vote in favour of the appointment of two members of the Board of Directors of CaixaBank proposed by the Foundations and, in order to give stability to their shareholding in CaixaBank, the Foundations agreed to a four-year lock-up period, and to grant a pre-emptive acquisition right in favour of the other Foundations in the first place and then to la Caixa Banking Foundation, in the case any of the Foundations intended to transfer all or part of their stake, during two years once the lock-up period expires.

On 17 October 2016, CaixaBank published a relevant event announcement (*hecho relevante*) reporting the amendments to the mentioned agreement that determine: (i) the savings banks that constituted Banca Cívica will appoint one director at CaixaBank and one director at VidaCaixa, a subsidiary of CaixaBank, instead of two directors at CaixaBank and (ii) the extension of the agreements, which in August 2016 was set automatically for three years, will now last for four years instead of the afore-mentioned three (i.e., until 2020).

Finally, on 29 October 2018, CaixaBank published a significant event (*hecho relevante*) informing of the amendments to the mentioned agreement. For information on these amendments, please refer to "*Description of the Issuer—Key events in 2015, 2016, 2017 and 2018—Amendments to the Shareholders Agreements*" below.

Management of the Issuer

Board of Directors

The table below sets out the names of the members of the Board of Directors of CaixaBank, the respective dates of their first appointment, their positions within CaixaBank and the nature of their membership:

Title	Category	Date of first appointment	Report/Proposal of the Appoinments Committee	Shareholder represented
Chairman				
Jordi Gual	Proprietary	30 June 2016[9]	√	”la Caixa” Banking Foundation
Deputy Chairman				
Tomás Muniesa	Proprietary	1 January 2018[10][11]	√	”la Caixa” Banking Foundation
CEO				
Gonzalo Gortázar	Executive	30 June 2014[5][7]	√	--
Lead Independent Director				
Xavier Vives	Independent	5 June 2008[6]	√	--
Directors				

Title	Category	Date of first appointment	Report/Proposal of the Appoinments Committee	Shareholder represented
Fundación CajaCanarias represented by: Natalia Aznárez	Proprietary	23 February 2017[9]	√	Fundación Bancaria Caja Navarra, Fundación CajaCanarias y Fundación Caja de Burgos, Fundación Bancaria.
Maria Teresa Bassons	Proprietary	26 June 2012	√	”la Caixa” Banking Foundation
María Verónica Fisas	Independent	25 February 2016[8]	√	--
Alejandro García-Bragado	Proprietary	1 January 2017[9]	√	”la Caixa” Banking Foundation
Ignacio Garralda	Proprietary	6 April 2017	√	Mutua Madrileña Automovilista, Sociedad de Seguros a Prima Fija
Javier Ibarz	Proprietary	26 June 2012	√	“la Caixa” Banking Foundation
Alain Minc	Independent	6 September 2007[2]	√	--

Title	Category	Date of first appointment	Report/Proposal of the Appoinments Committee	Shareholder represented
María Amparo Moraleda	Independent	24 April 2014	√	--
John S. Reed	Independent	03 November 2011[1]	√	--
Juan Rosell	Independent	6 September 2007[2][4]	√	--
Antonio Sáinz de Vicuña	Independent	1 March 2014[2]	√	--
Eduardo Javier Sanchiz	Independent	21 September 2017[10]	√	--
José Serna	Propietary	30 June 2016[9]	√	Fundación Bancaria "la Caixa"
Koro Usarraga	Independent	30 June 2016[9]	√	--
General Secretary and Secretary to the Board of Directors				
Óscar Calderón	General Secretary and	27 June 2011[3]	√	

Title	Category	Date of first appointment	Report/Proposal of the Appoinments Committee	Shareholder represented
	Secretary to the Board of Directors (non-director)			
First Deputy Secretary to the Board of Directors				
Óscar Figueres	First Deputy Secretary to the Board of Directors (non-director)	23 October 2017	√	

Notes:
(1) Reelected on 19 April 2012.
(2) Reelected on 24 April 2014.
(3) Appointed Secretary to the Board of Directors on 1 January 2017. Appointed General Secretary on 29 May 2014.
(4) Qualified as Independent Director on 17 July 2014.
(5) Ratified and appointed Director on 23 April 2015.
(6) Re-elected Director on 23 April 2015. Appointed as Lead Independent Director by the Board on 22 June 2017, with effects since 18 July 2017, after authorization by the ECB.
(7) Reelected CEO on 23 April 2015
(8) Ratified and appointed as Director on 28 April 2016.
(9) Ratified and appointed Board of Director member on 6 April 2017.
(10) Ratified and appointed Board of Director member on 6 April 2018.
(11) Qualified as Proprietary Director on 22 November 2018.

The table below sets out all entities in which the members of the Board of Directors are members of administrative, management or supervisory bodies or in which they hold partnership positions as of the date of this Information Memorandum, notified to the Register of Senior Officers at the Bank of Spain, except (i) purely familiar or patrimonial companies, (ii) subsidiaries of an issuer in which they are also a member of the administrative, management or supervisory bodies and (iii) la Caixa Group companies.

Name	Company	Position
Jordi Gual Solé	Erste Bank	Member of the Supervisory Board
	Telefonica, S.A.	Member of the Board
Tomás Muniesa	SegurCaixa Adeslas, S.A. de	Deputy- Chairman

Arantegui	Seguros y Reaseguras (multigrupo)	
	Seguros Allianz Portugal, S.A	Director
María Teresa Bassons Boncompte	Laboratorios Ordesa, S.A.	Director
Ignacio Garralda Ruiz de Velasco	Mutua Madrileña Automovilista, Sociedad de Seguros a prima fija	Executive Chairman
	Endesa, S.A.	Director
	BME Holding, S.A.	1st Deputy Chairman
Javier Ibarz Alegría	Eigma, S.L.	Sole director
Koro Usarraga Unsain	2005 KP Inversiones, S.L.	Director
Alain Minc	AM Conseil	Chairman
	SANEF	Chairman and member of the Strategy Committee
	Compañía de Distribución Integral Logista Holdings, S.A.	Director
María Amparo Moraleda Martínez	Vodafone Group, PLC	Director
	Solvay, S.A.	Director
	Airbus Group, N.V.	Director
María Verónica Fisas Vergés	Natura Bissé Int. S.A. (España)	CEO
Juan Rosell Lastortras	Congost Plastic, S.A.	Chairman
	Civislar, S.A.	Director
John .S. Reed	American Cash Exchange	Chairman
Alejandro García-Bragado Dalmau	Criteria Caixa, S.A.	1st Deputy Chairman and Board Member
	Saba Infraestructuras	Board Member

According to the information received by CaixaBank, since 1 January 2018 to the Date of this Information Memorandum there have been no conflicts of interest between any duties of CaixaBank's directors and their private interests and/or other duties, save those stated below:

Name	Conflict
Tomás Muniesa Arantegui	Abstention from voting the resolution on a credit facility granted to a related person.
Gonzalo Gortázar Rotaeche	Abstention from voting the resolution on the

	fulfillment of targets relating to the 2017 remuneration for executive Board members and chief executive officers. Abstention from voting the resolutions on the targets for 2018 corresponding to the Vice-chairman, the CEO, the Management Committee and the Deputy General Director of Control and Compliance. Abstention from voting the resolutions on the remuneration for 2018 corresponding to the Vice-chairman, the CEO and the Management Committee.
Fundación Caja Canarias	Abstention regarding the sale of real estate to the fund Lone Star since the registered offices of Fundacion Caja Canarias are part of the deal. Abstention from voting the resolutions regarding the amendment of the integration agreement and the shareholders agreement of CaixaBank, since Fundacion Caja Canarias is one of the parties of both agreements.
Alain Minc	Abstention from voting the resolution on his appointment as member of the Appointments Committee.
María Amparo Moraleda Martínez	Abstention from voting the resolution on credit facilities granted to related persons.
Alejandro García-Bragado Dalmau	Abstention from voting the resolution on his appointment as member of the Remunerations Committee.
Ignacio Garralda Ruíz de Velasco	Abstention from voting the resolution on his appointment as member of the Risk Committee. Abstention from voting the resolution on the acquisition of Banco BPI to the extent that it affects the reorganisation of the insurance business collaboration agreement between BPI and Allianz Portugal.
Javier Ibarz Alegría	Abstention from voting the resolution on a credit facility granted to a related person.
John S. Reed	Abstention from voting the resolution on his appointment as member of the Appointments Committee.
Juan Rosell Lastortras	Abstention from voting the resolution on his appointment as member of the Remunerations Committee.

Eduardo Javier Sanchiz Irazu	Abstention from voting the resolution on his appointment as member of the Audit and Control Committee. Abstention from voting the resolution on his appointment as member of the Risk Committee.
Koro Usarraga Unsain	Abstention from voting the resolution on credit facilities granted to related persons. Abstention from voting the resolution on her appointment as member of the Risk Committee.

Notes:
(1) At the Board of Directors meeting held on 21 December 2017, Antonio Massanell Lavilla tendered his resignation as Deputy Chairman and member of the Board of Directors, effective as of 31 December 2017.

Article 26 of the Regulations of the Board of Directors regulates the duty of diligence of the Board members, which mainly requires the directors to have adequate dedication to adopt the necessary measures for the good management and control of CaixaBank, to demand adequate and necessary information to prepare the Board meetings and internal Committees and to take an active part in the deliberations and decision-making process. Article 27 regulates the duty of loyalty, mainly stating that directors must abstain from attending and intervening in deliberations and voting which affect matters in which they are personally interested. Article 29 of the Regulations of the Board of Directors regulates the duty to not compete of CaixaBank's directors. Article 30 of the Board Regulations regulates the duty to avoid situations of conflict of interest applicable to all directors, referring to (among other duties) not using CaixaBank's assets or availing themselves of their position in CaixaBank to obtain an economic advantage or for private aims, and to avoid developing activities on their own account or for third parties that position them in permanent conflict of interests with the CaixaBank.

It should be noted that the statutory amendments adopted in the general shareholders' meeting of CaixaBank held on 6 April 2017 (see *"Description of the Issuer – Deconsolidation of CaixaBank from CriteriaCaixa Group"*), notwithstanding their connection with the deconsolidation conditions established by the ECB, are within the framework of the recommendations and best practices of good corporate governance, considering that, in essence, they are measures designed to favour the role of independent directors in the Board of Directors and prevent any significant shareholder from exerting a decisive influence on the performance and decisions of the Board of Directors. Regarding the good governance measures introduced in connection with the deconsolidation conditions, the Issuer complemented those measures developing the duties attributed by the Spanish Companies Act and the good governance recommendations to the Chairman of the Board of Directors ("responsible for the effective functioning of the Board"), expressly contemplating the impetus for the Board to develop its powers and coordination with its committees for a better performance of the Board's duties. Additionally, the regime in which the Board appoints the members of the internal committees at the proposal of the Appointments Committee was maintained, but introducing the specialty that, when it comes to appointing the members of the Appointments Committee itself, the proposal shall be made by the Audit and Control Committee in order to give greater autonomy and independence to the process of selection and preparation of proposals, also in accordance with the powers granted to the Audit and Control Committee by the current Regulations of the Board of Directors in relation to corporate governance rules.

Finally, it must be mentioned that the Issuer has recently amended the internal regulations of the Board of Directors in order to develop the rules regarding the composition, powers and functioning of the Audit and Control Committee as set forth in the Bank's By-laws, including the criteria and basic

principles of the CNMV Technical Guide published on June 27, 2017– and, in this regard, to expressly include certain Recommendations of the Code of Good Governance (**CGG**) which the Bank declared to be complying with in its 2017 Annual Corporate Governance Report - and also to implement the regulations in the Bank's By-laws concerning the powers of the Appointments Committee, attributing it with the function of ensuring compliance with the diversity policy applied to the Board of Directors, as recently established in Royal Decree-Law 18/2017. In this regard, the Bank's Board of Directors approved on February 22, 2018 the amendment of Articles 14 (*The Audit and Control Committee and the Risk Committee*), 15 (*The Appointments Committee and the Remuneration Committee*) and 37 (*Auditor relationships*) of the internal regulations of the Board of Directors. Such amendments will be described in the sections related to the relevant committee.

The business address of each member of the Board of Directors is Calle Pintor Sorolla, 2-4, 46002 Valencia, Spain.

Executive Committee

The Board of Directors has delegated all of its powers in favour of the Executive Committee, except for those which cannot be delegated pursuant to the provisions of the Spanish Companies Law, the Board Regulations and CaixaBank's bylaws.

The Chairman and Secretary of the Board of Directors will also be the Chairman and Secretary of the Executive Committee.

The Committee will meet when it deems appropriate and when called by its Chairman, and its meetings are considered to be validly constituted when the majority of its members are present or represented. Its resolutions are adopted by the majority of the directors present or represented at the relevant meeting.

The resolutions adopted by the Committee are valid and binding without any need for subsequent ratification by the Board of Directors, although the Board must be informed of the matters discussed and the resolutions adopted at its meetings.

As of the date of this Information Memorandum, the Executive Committee was composed of the following members:

First Appointment	Name	Position
30 June 2016	Jordi Gual Solé	Chairman
1 January 2018	Tomás Muniesa Arantegui	Member
26 June 2012	Javier Ibarz Alegría	Member
1 March 2014	Antonio Sáinz de Vicuña y Barroso	Member
24 April 2014	María Amparo Moraleda Martínez	Member
30 June 2014	Gonzalo Gortázar Rotaeche	Member
27 October 2016	Xavier Vives Torrents	Member
27 July 2017	María Verónica Fisas Vergés	Member
1 January 2017	Óscar Calderón de Oya	Secretary (non-director)
23 October 2017	Óscar Figueres Fortuna	First Deputy Secretary (non-director)

Audit and Control Committee

The Audit and Control Committee must comprise a minimum of three and a maximum of seven members, with the number to be set by the Board of Directors. The Committee must be comprised of non-executive directors and the majority of which must be independent directors. At least one of the independent directors must be appointed based on his background in accounting and/or audit. The Board of Directors will endeavour to ensure that the Committee members, and particularly its Chairman, have the necessary accounting, auditing or risk management knowledge as well as knowledge in any other fields that may be relevant for the Committee's performance. As a whole, without prejudice to endeavouring to encourage diversity, the Committee members must have the relevant technical knowledge in relation to the Issuer's business.

The Audit and Control Committee typically meets on a quarterly basis, to review the regular financial information to be submitted to the authorities as well as the information which the Board of Directors must approve and include within its annual public documentation, with the presence of the internal auditor and, as the case may be, the financial auditor. At least some of these meetings must be held without the presence of the management team, so that the specific matters can be discussed The Audit and Control Committee will meet whenever convened by its Chairman at his own initiative or at the request of the Chairman of the Board of Directors or two or more members of the Committee.

CaixaBank's management team or personnel are obliged to attend the meetings of the Audit and Control Committee and to collaborate and provide with any information, if so requested by the Committee.

The functions of the Audit and Control Committee are:

With regards to overseeing financial reporting:

- to report to the General Shareholders' Meeting about matters posed by shareholders that are competence of the Committee and, in particular, about the audit results, explaining the audit's contribution to the integrity of the financial reporting and the role undertaken by the Committee in this process;

- to oversee the process of drawing up and submitting the obligatory financial reporting with regard to the Bank and, where the case may be, the Group, reviewing the Bank's accounts, the compliance with the regulatory requirements in this regard, the suitable definition of the scope of consolidation and the correct application of generally accepted accounting principles. And, in particular, to know, understand and oversee the effectiveness of the financial information internal control system (FIICS), drawing conclusions with regard to the system's level of confidence and reliability, and to inform of the proposals for modification of accounting principles and criteria suggested by the management, in order to guarantee the integrity of the accounting and financial information systems, including financial and operational control, and compliance with the applicable legislation in this regard. The Committee may submit recommendations or proposals to the Board of Directors with the aim of safeguarding the integrity of the mandatory financial reporting;

- to ensure that the Board of Directors endeavours to submit the Annual Accounts to the General Shareholders' Meeting with no limitations or reservations in the audit report, and that in the exceptional case of there being any reservations, that both the Committee Chairperson and the auditors clearly explain the content and scope of the said limitations or reservations to the shareholders; and

- to inform the Board of Directors in advance of the financial reporting and the related non-financial reporting that the Bank must periodically publicly disclose to the markets and their supervisory bodies.

With regards to overseeing internal control and internal auditing:

- to oversee the effectiveness of the internal control systems, and to discuss with auditors of accounts any significant weaknesses in the internal control system identified during the course of the audit, all without jeopardising their independence. For such purposes, where the case may be, they may submit recommendations or proposals to the Board of Directors, together with the corresponding follow-up periods;

- to oversee the effectiveness of the internal auditing, and in particular that the internal audit unit endeavours to ensure the correct functioning of the reporting and internal control systems, verifying their suitability and integrity; to ensure the independence and effectiveness of the internal audit function, proposing the selection, appointment, re-election and cessation of the person responsible for it; to propose the budget for this service; to approve its approach and its work plans, ensuring its work is mainly geared to the Bank's significant risks; to receive periodical reporting on its activity and to verify that the senior management is taking into account the conclusions and recommendations in its reports; and to conduct an annual assessment of the functioning of the internal audit unit and the performance of its duties by the person responsible, for which purpose it will gather any opinions the executive management may have, and this assessment must include an evaluation of the degree of compliance with the objectives and criteria established for setting the variable components of its remuneration, the Committee also being involved in determining such components.

  The person responsible for the unit in charge of the internal audit function will submit its annual work plan to the Committee, inform of any incidents arising on carrying it out and submit a report on its activity at the end of each financial year.

  The Internal Audit Department will be functionally dependent on the Chairperson of the Audit and Control Committee, without prejudice to the fact that it must report to the Chairperson of the Board of Directors so that the latter may suitably perform its functions; and

- to establish and oversee a mechanism enabling the Bank's employees, or those of the group to which it belongs, to confidentially (and anonymously, if deemed appropriate) notify of any potentially significant irregularities they may observe within the Bank, particularly those of a financial and accounting nature, receiving periodical reporting on its functioning and being able to propose the relevant measures for improvement and reduction of the risk of irregularities in future.

With regards to overseeing risk management and control:

The Audit and Control Committee will carry out the functions established in this section in coordination with the Risk Committee to the necessary extent.

- to oversee the effectiveness of the financial and non-financial risk management systems; and

- to hold a meeting at least once a year with the leading persons responsible for the business units at which the latter will explain the trends of the business and the associated risks.

With regard to the accounts' auditor:

- to submit to the Board of Directors, for submission to the General Shareholders' Meeting, the proposals for selection, appointment, re-election and replacement of the accounts' auditor, being responsible for the selection process, in accordance with regulations applicable to the Bank, as well as the contracting conditions thereof and the scope of his/her professional mandate, and for this purpose, it must define the auditor selection procedure and issue a reasoned proposal containing at least two alternatives for the selection of an auditor, except in cases of the auditor's re-election;

- regularly recompile from the external auditor information on the auditing plan and its execution as well as preserving its independence in the exercise of its duties;

- to serve as a channel of communication between the Board of Directors and the auditors, to evaluate the results of each audit and the responses of the management team to its recommendations and to mediate in cases of discrepancies between the former and the latter in relation to the principles and criteria applicable to the preparation of the financial statements, as well as to examine the circumstances which, as the case may be, motivated the resignation of the auditor and to ensure that the Bank sends a significant event notice to the CNMV informing of the change of auditor, accompanied by a statement regarding any possible disagreements with the outgoing auditor and, if there have been any such disagreements, of their content;

- to establish appropriate relationships with the external auditor in order to receive information, for examination by the Audit and Control Committee, on matters which may threaten the independence of said auditor and any other matters relating to the audit process, particularly any discrepancies that may arise between the auditor and the Bank's management, and, where the case may be, the authorisation of any services other than those that are prohibited, under the terms set forth in the applicable legislation in relation to their independence and any other communications provided for in audit legislation and audit regulations.

In all events, on an annual basis, the Audit and Control Committee must receive from the external auditors a declaration of their independence with regard to the Bank or entities related to it directly or indirectly, in addition to detailed, personalised information on additional services of any kind rendered to these entities and the corresponding fees received by the aforementioned auditors or persons or entities related to them as stipulated by the regulations governing auditing activity, ensuring that the external audit firm's remuneration for its work does not jeopardise its quality or independence and ensuring that the Bank and the auditor observe the applicable legislation with regard to provision of services other than auditing services, the limitations on the auditor's business concentration and, in general, all other regulations regarding auditor independence;

- to issue annually, prior to the issuance of the audit report, a report containing an opinion regarding whether the independence of the auditor has been compromised, which will be posted on the Bank's website sufficiently in advance of the Ordinary General Meeting. This report must address, in all cases, the reasoned evaluation of the provision of each and all of the additional services referred to in the preceding section, individually and collectively considered, different form the legal audit and related to the degree of independence or to the regulations governing auditing activity;

- to supervise the compliance with the auditing contract, striving to ensure that the opinion of the Annual Financial Statements and the principal contents of the auditor's report are drafted clearly and precisely;

- to ensure that the external auditor holds an annual meeting with the Board of Directors as a plenary body, to inform it of the work carried out and the evolution of the Bank's situation as regards auditing and risks; and

- to conduct a final assessment with regard to the auditor's work and how it has contributed to the quality of the audit and the integrity of the financial reporting.

Other functions:

- to supervise the compliance with regulations with respect to Related Party Transactions and, previously, inform the Board of Directors on such transactions. In particular, to ensure that the information on said transactions be reported to the market, in compliance with the provisions of the current legislation, and to report on transactions which imply or may imply conflicts of interest and, in general, on the subject matters contemplated in Chapter IX of the Regulation of the Board of Directors.

- to supervise the compliance with the internal codes of conduct, particularly the Internal Rules of Conduct on Matters Related to the Securities Market and, in general, the rules of corporate governance;

- to provide the Board of Directors with advance notice of any transactions regarding structural and corporate modifications that the Bank may plan to carry out, their financial terms and their accounting impact and, in particular, where the case may be, of the proposed equation of exchange;

- to, previously, report to the Board of Directors on the creation or acquisition of stakes in special purpose entities domiciled in countries or territories considered to be tax havens, as well as any other transactions or operations of an analogous nature which, due to their complexity, may deteriorate the transparency of the Bank or of the Group;

- to consider the suggestions submitted to it by the Chairman of the Board of Directors, Board members, executives and shareholders of the Bank;

- to receive information and, as the case may be, issue a report on the disciplinary measures intended to be imposed upon members of the Bank's senior management team;

- to supervise compliance with any relations protocols which the Bank may sign with shareholders or which the Bank may sign with companies from its Group and the carrying out of any other action established in the actual protocols for the best compliance with the aforementioned supervisory duty; and

- any others attributed thereto in the law, the By-laws, the Regulation of the Board of Directors and other regulations applicable to the Bank.

As of the date of this Information Memorandum, the Audit and Control Committee was composed of the following members:

First Appointment	Name	Position
20 September 2007	Alain Minc	Chairman
27 October 2016	Koro Usarraga Unsain	Member
23 March 2017	José Serna Masiá	Member
1 February 2018	Eduardo Javier Sanchiz Irazu	Member
1 January 2017	Óscar Calderón de Oya	Secretary (non-director)
23 October 2017	Óscar Figueres Fortuna	First Deputy Secretary (non-director)

Appointments Committee

The Appointments Committee must comprise a minimum of three and a maximum of five members, with the number to be set by the Board of Directors. Only non-executive directors of the Board of Directors can be appointed as members of the Appointments Committee and the majority of which must be independent directors.

This Committee meets as often as necessary to fulfil its duties and can be convened by the Chairman, upon his own initiative or at the request of at least two members of the Appointments Committee. The Committee must also meet whenever the Board of Directors or its Chairman requires that a report is issued or a resolution is adopted and always when deemed appropriate or necessary in order to carry out its functions correctly.

The main functions of the Appointments Committee are:

- to evaluate and propose to the Board of Directors the evaluation of skills, knowledge and experience necessary for the members of the Board of Directors and for the key personnel of the Bank;

- to submit to the Board of Directors the proposals for the nomination of the independent directors to be appointed by co-option or for submission to the decision of the general shareholders' meeting, as well as the proposals for the reappointment or removal of such directors by the general shareholders' meeting;

- to report on the proposed appointment of the remaining directors to be appointed by co-option or for submission to the decision of the general shareholders' meeting, as well as the proposals for their reappointment or removal by the general shareholders' meeting;

- to report the appointment and, if necessary, removal of the coordinating director, and of the Secretary and the Vice-Secretaries of the Board of Directors for submission for approval of the Board;

- to evaluate the profile of the most suitable persons to sit on the Committees other than the Appointments Committee itself, based on their knowledge, aptitudes and experience, and forward to the Board of Directors the corresponding proposals for the appointment of the members of the Committees other than the Appointments Committee itself;

- to report on proposals for appointment or removal of senior managers, being able to effect such proposals directly in the case of senior managers which, due to their roles of either control or support of the Board or its Committees, the Appointments Committee considers it necessary to take action and to propose, if deemed appropriate, basic conditions in senior managers' contracts, other than in relation to remuneration, and subsequently reporting on them when they have been established;

- to examine and organise, where appropriate, under the coordination of the coordinating director, and in collaboration with the Chairman of the Board of Directors, the succession of the Chairman, as well as examine and organise, in collaboration with the Chairman of the Board, that of the chief executive officer of the Issuer and, if appropriate, make proposals to the Board of Directors so that this succession takes place in an orderly and planned manner;

- to report to the Board of Directors in relation to gender diversity issues, ensuring that the procedures for selection of its members favour the diversity of experience and knowledge, and facilitate the selection of female directors, and establish a representation target for the minority gender on the Board of Directors, as well as preparing guidelines on how this should

be achieved, to evaluate periodically, and at least once a year, the structure, size, composition and actions of the Board of Directors and its committees, its Chairman, CEO and Secretary, making recommendations regarding possible changes to these and to evaluate the composition of the steering committee as well as its replacement tables for adequate provision for transitions;

- to evaluate, with the frequency required by the regulations, the suitability of the members of the Board of Directors and of the Board as a whole, and consequently inform the Board of Directors;
- to periodically review the Board of Directors selection and appointment policy in relation to senior executives and make recommendations;
- to consider the suggestions posed thereto by the Chairman, the Board members, officers or shareholders of CaixaBank;
- to supervise and control the smooth operation of the corporate governance system of CaixaBank, making, if applicable, the proposals it deems necessary for its improvement;
- to monitor the independence of the independent Directors;
- to propose to the Board the Annual Corporate Governance Report;
- to supervise the activities of the organisation in relation to corporate social responsibility issues and to submit to the Board those proposals it considers appropriate in this matter; and
- to evaluate the balance of knowledge, skills, diversity and experience of the Board of Directors and prepare a description of the duties and aptitudes which may be necessary for any specific appointment, evaluating the expected dedication of time for fulfilling the position.

As of the date of this Information Memorandum, the Appointments Committee is composed of the following members:

First Appointment	Name	Position
1 February 2018	John S. Reed	Chairman
12 December 2013	Maria Teresa Bassons Boncompte	Member
1 February 2018	Alain Minc	Member
1 January 2017	Óscar Calderón de Oya	Secretary (non-director)
23 October 2017	Óscar Figueres Fortuna	First Deputy Secretary (non-director)

Remuneration Committee

The Remuneration Committee must comprise a minimum of three and a maximum of five members, with the number to be set by the Board of Directors. Only non-executive directors of the Board of Directors can be appointed as members of the Committee and the majority of which must be independent directors.

The Remuneration Committee meets as often as necessary to fulfil its duties and can be convened by the Chairman, upon his own initiative or at the request of at least two members of the Remuneration Committee. The Committee must also meet whenever the Board of Directors or its Chairman requires that a report is issued or a resolution is adopted and always when deemed appropriate or necessary in order to carry out its functions correctly.

The main functions of the Remuneration Committee are:

- to draft the resolutions related to remunerations and, particularly, report and propose to the Board of Directors the remuneration policy for the directors and senior management, the system and amount of annual remuneration for directors and senior managers, as well as the individual remuneration of the executive directors and senior managers, and the other conditions of their contracts, particularly financial, and without prejudice to the competences of the Appointments Committee in relation to any conditions that it has proposed and unconnected with the retributive aspect;

- to ensure compliance with the remuneration policy for directors and senior managers as well as report on the basic conditions established in their contracts, and compliance with the conditions of such contracts;

- to report on and prepare the general remuneration policy of the Issuer and in particular the policies relating to the categories of staff whose professional activities have a significant impact on the risk profile of CaixaBank, and those policies that are intended to prevent or manage conflicts of interest with the Bank's customers;

- to analyse, formulate and periodically review the remuneration programmes, evaluating their adequacy and performance and ensuring compliance;

- to propose to the Board of Directors the approval of the remuneration reports or policies that it has to submit to the general shareholders' meeting as well as informing the Board of Directors concerning the proposals relating to remuneration that, where applicable, it will propose to the general shareholders' meeting; and

- to consider the suggestions posed to it by the Chairman, members of the Board of Directors, officers or shareholders of CaixaBank.

As of the date of this Information Memorandum, the Remuneration Committee is composed of the following members:

First Appointment	Name	Position
25 September 2014	María Amparo Moraleda Martínez	Chairwoman
1 February 2018	Alejandro García-Bragado Dalmau	Member
1 February 2018	Juan Rosell Lastortras	Member
1 January 2017	Óscar Calderón de Oya	Secretary (non-director)
23 October 2017	Óscar Figueres Fortuna	First Deputy Secretary (non-director)

Risks Committee

The Risks Committee must comprise a minimum of three and a maximum of six members, with the number to be set by the Board of Directors. Only non-executive directors of the Board of Directors can be appointed as members of the Committee and the majority of which must be independent directors.

This Committee meets as often as necessary to fulfil its duties and can be convened by the Chairman, upon his own initiative or at the request of the Chairman of the Board of Directors or at least two members of the Risks Committee. The Risks Committee will prepare an annual report on its activity, highlighting any significant incidents that may have occurred in relation to its own functions and including, if the Committee considers it appropriate, suggestions for improvement.

The main functions of the Risks Committee are:

- to advise the Board of Directors on the overall susceptibility to risk, current and future, of CaixaBank and its strategy in this area, reporting on the risk appetite framework, assisting in the monitoring of the implementation of the risk strategy, ensuring that the Group's actions are consistent with the level of risk tolerance previously decided and implementing the monitoring of the appropriateness of the risks assumed and the profile established;

- to propose to the Board of Directors the risk policy for the Group;

- to ensure that the pricing policy of the assets and liabilities offered to clients fully considers the business model and risk strategy of CaixaBank. Otherwise, the Risks Committee will submit to the Board of Directors a plan to amend it;

- to determine with the Board of Directors the nature, quantity, format and frequency of the information concerning risks that the Board of Directors should receive and establish the information the Committee should receive;

- to regularly review exposures with the Group's main customers, economic business sectors, geographic areas and types of risk;

- to examine the information and control processes of the Group's risk as well as the information systems and indicators;

- to evaluate the regulatory compliance risk in its scope of action and determination, understood as the risk management of legal or regulatory sanctions, financial loss, material or reputational that the Issuer could suffer as a result of non-compliance with laws, rules, regulation standards and codes of conduct, detecting any risk of non-compliance, and carrying out monitoring and examining possible deficiencies in the principles of professional conduct;

- to report on new products and services or significant changes to existing ones;

- to cooperate with the Remuneration Committee in the establishment of policies and practices of remunerations. For these purposes, the Risks Committee will examine notwithstanding the functions of the Remuneration Committee, if the incentives policy anticipated in the remuneration systems take into account the risk, capital, liquidity and the probability and timing of the benefits;

- to assist the Board of Directors, particularly, regarding (i) the establishment of efficient channels of information to the Board of Directors about the risk management policies of CaixaBank and all the important risks it faces, (ii) ensuring that adequate resources will be assigned for managing risks, and particularly, intervening in the evaluation of the assets, in the use of external credit classifications and the internal models related to these risks and (iii) the approval and periodical review of the strategies and policies for assuming, managing, supervising and reducing the risks to which CaixaBank is or can be exposed, including those presented by the macro-economic situation in which it operates in relation to the economic cycle and;

- any others attributed thereto by the applicable laws, the bylaws, the Board Regulations and other applicable regulations to CaixaBank.

As of the date of this Information Memorandum, the Risks Committee is composed of the following members:

First Appointment	Name	Position
25 September 2014	Antonio Sáinz de Vicuña y Barroso	Chairman
1 February 2018	Ignacio Garralda Ruiz de Velasco	Member
1 February 2018	Eduardo Javier Sanchiz Irazu	Member
1 February 2018	Koro Usarraga Unsain	Member
1 February 2018	Fundación CajaCanarias (represented by Natalia Aznárez Gómez)	Member
1 January 2017	Óscar Calderón de Oya	Secretary (non-director)
23 October 2017	Óscar Figueres Fortuna	First Deputy Secretary (non-director)

Management Committee

The following table identifies the members of the Management Committee (*Comité de Dirección*) of CaixaBank, which is composed by CaixaBank's CEO and the persons responsible of the different areas as of the date of this Information Memorandum:

First Appointment	Name	Position
30 June 2011	Gonzalo Gortázar Rotaeche	CEO
30 June 2011	Juan Antonio Alcaraz García	Chief Business Officer
17 November 2016(1)	Matthias Bulach	Head of Financial Accounting, Control and Capital
30 June 2011	Francesc Xavier Coll Escursell	Chief Human Resources and Organisation Officer
30 June 2011	Joaquim Vilar Barrabeig(2)	Head of Internal Audit
10 July 2014	Jorge Fontanals Curiel	Head of Resources
27 April 2016	María Luisa Martínez Gistau	Head of Communication, Institutional Relations, Brand and CSR
29 January 2015	María Victoria Matía Agell(2)	Head of International Banking
10 July 2014(2)	Jordi Mondéjar López	Chief Risks Officer
24 October 2013	Javier Pano Riera	Head of Finance
29 May 2014	Oscar Calderón de Oya	General Secretary and Secretary to the Board

Notes:
(1) With effect from 22 November 2016.
(2) On 22 November 2018 the Board of Directors of CaixaBank (i) approved that, with effect from 1 January 2019, Mr. Joaquin Vilar Barrabeig and Ms. María Victoria Matía Agell will be substituted by Ms. María Luisa Retamosa Fernández and Mr. Ignacio Badiola Gómez, respectively; and (ii) took notice of the resignation of Mr. Tomás Muniesa Arantegui, with immediate effect, and of the appointment of Mr. Javier Valle T-Figueras, who will be the Chief Insurance Officer with effect from 1 January 2019
(2) Date of first appointment as a member of the Management Committee. He has been the Chief Risk Officer since November 2016.

The table below sets out all entities in which the members of the senior management are members of administrative, management or supervisory bodies or in which they hold partnership positions as of the date of this Information Memorandum, except (i) purely familiar or patrimonial companies, (ii) stakes in listed companies that are not significant, (iii) la Caixa Group companies and (iv) any other companies that are nor relevant for the purposes of CaixaBank's activity.

Director	Company	Title
Juan Antonio Alcaraz García	SegurCaixa Adeslas, S.A. de Seguros y Reaseguros	Member of the Board
Matthias Bulach	Creapolis, Parc de la Creativitat, S.A	Member of the Board
Jordi Mondéjar López	SAREB	Director
Javier Pano Riera	CecaBank	Director
María Victoria Matía Agell	Comercia Global Payments, Entidad de	Director

Pago, S.L.	
Servired, Sociedad Española de Medios de Pago, S.A.	Director
Comercia Global Payments, Entidad de Pago (Brasil)	Director

Litigation

As of 30 June 2018, certain lawsuits and proceedings arising from the ordinary course of the Group's operations were ongoing. Its legal advisers and directors consider that the outcome of such lawsuits and proceedings will not have a material effect on equity in the years in which they are settled.

CaixaBank Group maintains provisions covering the obligations that may arise from such ongoing lawsuits, which totalled €459 million as of 30 June 2018, €344 million as of 31 December 2016 and €504 million as of 31 December 2017. These provisions mainly relate to different litigations which individual value is not material. However, given the nature of these obligations, the expected timing of these economic outflows, if any, is uncertain.

Additionally, there is an ongoing legal procedure to exercise a class action, subject to cassation, regarding the application of interest rate floor clauses on certain mortgages provided by CaixaBank. On 7 April 2016, a ruling was passed in the aforementioned proceedings declaring such interest rate floor clauses, contained in the general conditions of signed mortgage contracts with customers, null and void due to a lack of transparency, and by which banks must (i) eliminate the abovementioned clauses of the contracts, (ii) cease using them in a non-transparent way, and (iii) reimburse affected consumers for amounts that they overpaid under clauses declared void from the date of publication of the judgment of the Supreme Court on 9 May 2013, together with any interests in accordance with applicable law.

On 13 July 2016, the Advocate General of the EU issued its opinion prior to the judgment handed down by the Court of Justice of the European Union (**CJEU**), which was favourable to the Spanish Supreme Court's decision to limit repayments to 9 May 2013 (the doctrine applied by Mercantile Court 11). Nevertheless, on 21 December 2016 the judgment handed down by the CJEU did not endorse the opinion issued by the Advocate General, in contrast to the usual procedure, and it upheld full retroactive reimbursement in relation to floor clauses.

The ruling was subject to appeal, and the Court of Appeal of Madrid, Section 28, issued a ruling on 12 November 2018 declaring, according to the judgment issued by the CJEU on 21 December 2016, that banks must reimburse all the amounts overpaid to the date the mortgage was granted, without applying the limitation of the date of the publication of the judgment issued by the Supreme Court on 9 May 2013. The ruling of the Court of Appeal is now being analysed and it may be subject to cassation by various parties.

For the Group, the full retroactive reimbursement in relation to floor clauses means a total exposure of approximately €1,250 million, including all concepts (cancelled transactions, non-performing transactions and legal interest).

In 2015 the Group removed these interest rate floor clauses and proceeded to record a provision of €515 million for the expected cost of returning the amounts received from May 2013 until such removal. However, after the judgment of the CJEU above mentioned, given the uncertainty surrounding the outcome and drawing on the views of an independent expert taking into account the applicable regulation, CaixaBank recognised an additional provision of €110 million at year-end 2016 to cover any reasonably expected payouts. The provisions therefore amounted to €625 million as of 31 December 2016.

Furthermore, in accordance with the provisions of Royal Decree-Law 1/2017, of 20 January, on urgent consumer protection measures in connection with floor clauses (the **Royal Decree-Law 1/2017**), CaixaBank has implemented a code of best practices, creating a specialised department or service to swiftly handle claims filed in relation to this Royal Decree-Law, and thereby attend and provide responses to its customers within three months. The procedure established is operating, the relevant customers are being informed of the decisions made and the disbursements have begun. However, certain claims are still being reviewed. As of 31 December 2017, €241 million of disbursements related to claims of Royal Decree-Law 1/2017 have been made.

Credit ratings

As at the date of this Information Memorandum, the Issuer has been assigned the following debt ratings by the following credit rating agencies:

Agency[(1)]	Review date	Short-term rating	Long-term rating[(2)]	Outlook
Fitch	8 October 2018	F2	BBB+	Stable
S&P	6 April 2018	A-2	BBB+	Stable
DBRS	12 April 2018	R-1 (low)	A	Stable
Moody's	1 August 2018	P-2	Baa1	Stable

Notes:
(1) Moody's assigns senior debt ratings, whereas S&P, Fitch Ratings España, S.A.U. and DBRS assign issuer ratings.
(2) Relates to the rating assigned to the preferred senior debt of CaixaBank.

Tranches of Notes may be rated or unrated and, if rated, such ratings will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the EU and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the **CRA Regulation**) will be disclosed in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Additional Alternative Performance Measures

This Information Memorandum (and the documents incorporated by reference in this Information Memorandum) contains certain management measures of performance or alternative performance measures (**APMs**), which are used by management to evaluate the Group's overall performance or liquidity. These APMs are not audited, reviewed or subject to review by CaixaBank's auditors and are not measures required by, or presented in accordance with, International Financial Reporting Standards as adopted by the EU (**IFRS-EU**). Accordingly, these APMs should not be considered as alternatives to any performance or liquidity measures prepared in accordance with IFRS-EU. Many of these APMs are based on CaixaBank's internal estimates, assumptions, calculations and expectations of future results and there can be no guarantee that these results will actually be achieved. Accordingly, investors are cautioned not to place undue reliance on these APMs.

Furthermore, these APMs, as used by CaixaBank, may not be comparable to other similarly titled measures used by other companies. Investors should not consider such APMs in isolation, as alternatives to the information calculated in accordance with IFRS-EU, as indications of operating performance or as measures of the Group's profitability or liquidity. Such APMs must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU and investors are advised to review these APMs in conjunction with the audited Consolidated Financial Statements incorporated by reference in this Information Memorandum.

CaixaBank believes that the description of these APMs in this Information Memorandum follows and complies with the "ESMA Guidelines on Alternative Performance Measures" dated 5 October 2015.

These measures are used in the Issuer's planning, operational and financial decision-making. These measures are commonly used in the finance sector as indicators to monitor institutions' assets, liabilities and economic/financial positions.

In addition to the APMs contained in CaixaBank's management report in respect of the 2017 Audited Consolidated Financial Statements, which is included by reference to this Information Memorandum, the following APMs are used in this Information Memorandum.

Definitions

Core revenues: the addition of net interest income; net fee and commission income; income and expense arising from insurance or reinsurance contracts; and equity accounted income from SegurCaixa Adeslas.

Core operating income: the addition of net interest income; net fee and commission income; income and expense arising from insurance or reinsurance contracts; equity accounted income from SegurCaixa Adeslas; and recurring administrative expenses, depreciation and amortisation.

Relevance

CaixaBank considers appropriate to include the above APMs because they provide useful information in relation to its financial position, cash-flows or financial performance. Specific details about the use of each of the APMs describe above are detailed below:

- Core revenues: this metric is used in the banking sector to monitor the evolution of the revenues generated by the main or principal business.

- Core operating income: this metric is used in the banking sector to monitor the evolution of the revenues generated by the main or principal business less all the recurrent expenses.

Reconciliation

Core revenues (CaixaBank Group)

(€ million)	1H18	1H17	Var.
Net interest income	2,432	2,349	3.5%
Net fee and commission income	1,293	1,252	3.3%
Income and expense arising from insurance or reinsurance companies	282	233	21.0%
Equity accounted income from SegurCaixa Adeslas and income from BPI insurance investees	84	81	3.7%
Core revenues	**4,091**	**3,915**	**4.5%**
Recurring administrative expenses, depreciation and amortisation	(2,304)	(2,216)	4.0%
Core operating income	**1,787**	**1,699**	**5.2%**

FORM OF FINAL TERMS

MIFID II product governance / Professional investors and ECPs only target market – 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.

[**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the SFA)** - [*To insert notice if classification of the Notes is not "[prescribed capital markets products]", pursuant to Section 309B of the SFA*]".][8]

Final Terms dated [●]

CaixaBank, S.A.

€2,000,000,000 Euro-Commercial Paper Programme (the Programme)

Issue of [*Aggregate nominal amount of Notes*]|[*Title of Notes*]

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms (as referred to in the Information Memorandum dated 20 December 2018 (as amended, updated or supplemented from time to time, the **Information Memorandum**) in relation to the Programme) in relation to the issue of Notes referred to above (the **Notes**). Terms defined in the Information Memorandum, unless indicated to the contrary, have the same meanings where used in this Final Terms. Reference is made to the Information Memorandum for a description of the Issuer, the Programme and certain other matters. This Final Terms is supplemental to and must be read in conjunction with the full terms and conditions of the Notes. This Final Terms is also a summary of the terms and conditions of the Notes for the purpose of listing.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of this Final Terms and the Information Memorandum [as so supplemented]. The Information Memorandum [and the supplemental Information Memorandum] [is][are] available for viewing during normal business hours at the registered office of the Issuer at Calle Pintor Sorolla, 2-4, 46002 Valencia, Spain and at the offices of the Issuing and Paying Agent at One Canada Square, Canary Wharf, E14 5AL London, United Kingdom.

The particulars to be specified in relation to the issue of the Notes are as follows:

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.*]

[8] Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

1.	Issuer:	CaixaBank, S.A.
2.	Type of Note:	Euro-commercial paper
3.	Series number:	[●]
4.	Dealer(s):	[●]
5.	Specified Currency:	[●]
6.	Nominal Amount:	[●]
7.	Issue Date:	[●]
8.	Maturity Date:	[●] *[May not be less than 1 day nor more than 364 days]*
9.	Issue Price (for interest bearing Notes) or discount rate (for discount Notes):	[●]
10.	Denomination:	[●]
11.	Redemption Amount:	[Redemption at par][[●] per Note of [●] Denomination][other]
12.	Delivery:	[Free of][against] payment

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions		[Applicable/Not Applicable] *[If not applicable, delete the remaining subparagraphs of this paragraph]*
	(i)	Interest Rate[(s)]:	[●] per cent. per annum
	(ii)	Interest Payment Date(s):	[●]
	(iii)	Day Count Convention (if different from that specified in the terms and conditions of the Notes):	[Not Applicable][*other*] [The above-mentioned Day Count Convention shall have the meaning given to it in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.][9]
	(iv)	Other terms relating to the method of calculating interest for Fixed Rate Notes (if different from	[Not Applicable][*give details*]

[9] Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

		those specified in the terms and conditions of the Notes:	
14.	**Floating Rate Note Provisions**		[Applicable/Not Applicable] *[If not applicable, delete the remaining subparagraphs of this paragraph]*
	(i)	Interest Payment Date(s):	[●]
	(ii)	Calculation Agent (party responsible for calculating the Interest Rate(s) and Interest Amount(s):	[the Issuing and Paying Agent]/[*Name*] shall be the Calculation Agent]
	(iii)	Reference Rate:	[●] month [LIBOR]/[EURIBOR] [Not Applicable]
	(iv)	Margin(s):	[+/-][●] per cent. per annum
	(v)	Minimum Interest Rate:	[[●] per cent. per annum]/[Not Applicable]
	(vi)	Maximum Interest Rate:	[[●] per cent. per annum]/[Not Applicable]
	(vii)	Day Count Convention (if different from that specified in the terms and conditions of the Notes):	[Not Applicable][*other*] [The above-mentioned Day Count Convention shall have the meaning given to it in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.][10]
	(viii)	other terms relating to the method of calculating interest for Floating Rate Notes (if different from those specified in the terms and conditions of the Notes):	[Not Applicable][*give details*]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

15.	Relevant Financial Centre	[*Specify*/the Financial Centre in Section 1.5 of the ISDA Definitions for the Specified Currency]
16.	Listing and admission to	[Application has been made by the Issuer (or on its behalf)

[10] Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

	trading:	for the Notes to be admitted to trading on the regulated market for trading on Euronext Dublin with effect from [•]]/ [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from [•].]
17.	Rating:	The Notes to be issued under the Programme have been rated: [Standard & Poor's: [ ]] [Moody's Investors Service España, S.A.: [ ]] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]
18.	Clearing System(s):	Euroclear SA/NV [,and] Clearstream Banking S.A.
19.	Issuing and Paying Agent:	The Bank of New York Mellon, London Branch
20.	Listing Agent:	Maples and Calder
21.	ISIN:	[●]
22.	Common code:	[●]
23.	CFI:	[[●]/Not Applicable]
24.	FSIN:	[[●]/Not Applicable] [*If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable"*]
25.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
26.	New Global Note:	[Yes]/[No]
27.	Intended to be held in a manner which would permit Eurosystem eligibility	[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [*Include this text if "yes" selected in which case the Notes must be issued in NGN form*]

[No. Whilst the designation is specified as "no" at the date of this Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][*Include this text if "yes" selected in which case the Notes must be issued in CGN form*]

28. Relevant Benchmark[s]: [[*Specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation]/[Not Applicable]]

LISTING AND ADMISSION TO TRADING APPLICATION

This Final Terms comprises the contractual terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €2,000,000,000 euro-commercial paper programme of CaixaBank, S.A.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Final Terms.

Signed on behalf of **CAIXABANK, S.A.**

By: _____

Duly authorised

Dated:

PART B – OTHER INFORMATION

1. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["Save as described in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."].

2. ESTIMATED TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING

Estimate of total expenses related to listing and admission to trading: [●]

3. YIELD

Indication of yield: [●][Not Applicable] (*Fixed Rate Notes only*)

4. HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters]]. (*Floating Rate Notes only*)

FORMS OF THE NOTES

Form of Multicurrency Global Note

THE SECURITIES REPRESENTED BY THIS GLOBAL NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

CAIXABANK, S.A.
(incorporated as a limited liability company (sociedad anónima) in Spain)

€2,000,000,000 Euro-Commercial Paper Programme

1. For value received, CaixaBank, S.A. (the **Issuer**) promises to pay to the bearer of this Global Note on the Maturity Date set out in the Final Terms attached to or endorsed on this Global Note, or, on such earlier date as the same may become payable in accordance with paragraph 4 below (the **Relevant Date**), the Nominal Amount or, as the case may be, the Redemption Amount set out in the Final Terms, together with interest thereon, if this is an interest bearing Global Note, at the rate and at the times (if any) specified herein and in the Final Terms. Terms defined in the Final Terms attached hereto or endorsed on this Global Note but not otherwise defined in this Global Note shall have the same meanings where used in this Global Note unless the context otherwise requires or unless otherwise stated.

   All such payments shall be made in accordance with an issue and paying agency agreement dated 20 December 2018 (as amended, restated or supplemented from time to time, the **Agency Agreement**) between the Issuer and The Bank of New York Mellon, London Branch as the issuing and paying agent (the **Issuing and Paying Agent**), a copy of which is available for inspection at the offices of The Bank of New York Mellon, London Branch at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below.

   All such payments shall be made upon presentation and surrender of this Global Note at the offices of the Issuing and Paying Agent by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer (i) in the principal financial centre in the country of that currency or, (ii) in the case of a Global Note denominated in euro, by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union.

   Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in U.S. dollars, payments shall be made by transfer to an account denominated in U.S. Dollars in the principal financial centre of any country outside of the United States that the Issuer or Issuing and Paying Agent so chooses.

2. If the Final Terms specify that the New Global Note form is applicable, this Global Note shall be a **New Global Note** or **NGN** and the Nominal Amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**, and together with Euroclear, the **Clearing Systems**). The records of the Clearing Systems (which expression in this Global Note means the records that each Clearing System holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one Clearing System shown in the records of another Clearing System)) shall be conclusive evidence of the Nominal Amount of Notes represented by this Global Note and, for these purposes, a statement issued by an Clearing System (which statement shall be made available to the bearer upon request) stating the Nominal Amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the Clearing System at that time.

   If the Final Terms specify that the New Global Note form is not applicable, this Global Note shall be a **Classic Global Note** or **CGN** and the Nominal Amount of Notes represented by this Global Note shall be the Nominal Amount stated in the Final Terms or, if lower, the Nominal Amount most recently entered by or on behalf of the Issuer in the relevant column in the Schedule hereto.

3. All payments in respect of this Global Note by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Spain or any political subdivision or any authority thereof or therein having power to tax (**a Tax Jurisdiction**) unless such withholding or deduction is required by law. In such event, the Issuer will pay, to the extent permitted by applicable law or regulation, such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction, shall equal the amount which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note:

   (a) presented for payment in Spain; or

   (b) to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note; or

   (c) presented for payment more than 30 days after the date on which such payment first becomes due, except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Business Day; or

   (d) to, or to a third party on behalf of, a Spanish-resident legal entity subject to Spanish Corporate Income Tax if the Spanish Tax Authorities determine that the Notes do not comply with applicable exemption requirements including those specified in the Reply to a Non-Binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or

   (e) to, or to a third party on behalf of, a holder in respect of whom the Issuer does not receive such information concerning such Noteholder's identity and tax residence as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1065/2007 eventually made by the Spanish tax authorities.

4. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the holders (which notice shall be irrevocable), at the Redemption Amount specified in the Final Terms, together with (if this Note is an interest bearing Note) interest accrued to the date fixed for redemption, if:

   (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 3 above as a result of any change in, or amendment to, the laws or regulations of any Tax Jurisdiction or any authority or agency thereof or therein having power to tax or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date specified in the Final Terms; and

   (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

   provided, however, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

   Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver (or, in the case of (b) below, use its best efforts to deliver) to the Issuing and Paying Agent:

   (a) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

   (b) an opinion of independent legal advisers of recognised standing at the cost of the Issuer to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

   Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

5. The Issuer may at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured interest coupons (if this Global Note is an interest bearing Global Note) are purchased therewith.

   All Notes so purchased by the Issuer otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold.

6. On each occasion on which:

   (a) Notes in definitive form are delivered; or

   (b) Notes represented by this Global Note are to be cancelled in accordance with paragraph 5,

   the Issuer shall procure that:

   (i) if the Final Terms specify that the New Global Note form is not applicable, (1) the aggregate principal amount of such Notes; and (2) the remaining Nominal Amount of Notes represented by this Global Note (which shall be the previous Nominal Amount

hereof less the aggregate of the amount referred to in (1) above) are entered in the Schedule hereto, whereupon the Nominal Amount of Notes represented by this Global Note shall for all purposes be as most recently so entered; and

(ii) if the Final Terms specify that the New Global Note form is applicable, details of the exchange or cancellation shall be entered pro rata in the records of the Clearing Systems and the Nominal Amount of the Notes entered in the records of the Clearing Systems and represented by this Global Note shall be reduced by the principal amount so exchanged or cancelled.

7. The payment obligations of the Issuer under the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer. In accordance with the Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (the **Insolvency Law**) and Additional Provision 14.2 of Law 11/2015, but subject to any applicable legal and statutory exceptions and subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon insolvency (*concurso de acreedores*) of the Issuer the payment obligations of the Issuer under the Notes in respect of principal (unless they qualify as subordinated claims (*créditos subordinados*) under article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future) will rank (a) pari passu among themselves and with any Senior Preferred Obligations and (b) senior to (i) Senior Non Preferred Obligations and (ii) any claims against the Issuer qualifying as subordinated claims (*créditos subordinados*) under article 92 of the Insolvency Law.

Law 11/2015 means Law 11/2015 of 18 June on recovery and resolution of credit institutions and investment firms, as amended from time to time;

Senior Preferred Obligations means any obligations of the Issuer with respect to any ordinary claims (*créditos ordinarios*) against the Issuer, other than the Senior Non Preferred Obligations; and

Senior Non Preferred Obligations means any obligation of the Issuer with respect to any non preferred ordinary claims (*créditos ordinarios no preferentes*) against the Issuer referred to under Additional Provision 14.2 of Law 11/2015 and any other obligations which, by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Senior Non Preferred Obligations.

Pursuant to article 59 of the Insolvency Law, the further accrual of interest shall be suspended from the date of declaration of the insolvency of the Issuer. Claims in respect of interest on the Notes expressly or implicitly accrued but unpaid as of the commencement of any insolvency procedure in respect of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the provisions of article 92 of the Insolvency Law (including, without limitation, junior to claims on account of principal in respect of contractually subordinated obligations of the Issuer, unless otherwise provided by the Insolvency Law and other applicable laws relating to or affecting the enforcement of creditors' rights in the Kingdom of Spain).

8. If the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Global Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment

As used in this Global Note:

Payment Business Day means any day other than a Saturday or Sunday which is either (i) if the Specified Currency set out in the Final Terms is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency set out in the Final Terms (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland respectively) or (ii) if the Specified Currency set out in the Final Terms is euro, a day which is a TARGET Business Day; and

TARGET2 means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

TARGET Business Day means any day on which TARGET2 is open for the settlement of payments in Euro.

9. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).

10. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date (or, as the case may be, the Relevant Date)):

    (a) if one or both of Euroclear and Clearstream, Luxembourg or any other relevant clearing system(s) in which this Global Note is held at the relevant time is closed for business for a continuous period of 14 days or more (other than by reason of weekends or public holidays, statutory or otherwise) or if any such clearing system announces an intention to, or does in fact, permanently cease to do business; or

    (b) if default is made in the payment of any amount payable in respect of this Global Note; or

    (c) if the Notes are required to be removed from Euroclear, Clearstream, Luxembourg or any other clearing system and no suitable (in the determination of the Issuer) alternative clearing system is available.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Issuing and Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issuing and Paying Agent shall authenticate and deliver, in exchange for this Global Note,

bearer definitive notes denominated in the Specified Currency set out in the Final Terms in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

11. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 20 December 2018 entered into by the Issuer).

12. If this is an interest bearing Global Note, then:

    (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the Maturity Date (or, as the case may be, the Relevant Date) remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day; and

    (b) upon each payment of interest (if any) prior to the Maturity Date (or, as the case may be, the Relevant Date) in respect of this Global Note, the Issuer shall procure that:

        (i) if the Final Terms specify that the New Global Note form is not applicable, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment; or

        (ii) if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered pro rata in the records of the Clearing Systems; and

        (iii) unless otherwise specified in the applicable Final Terms, the final Interest Payment Date shall be the Maturity Date (or, as the case may be, the Relevant Date).

13. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:

    (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from (and including) the Issue Date to (but excluding) the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards); and

    (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an **Interest Period** for the purposes of this paragraph.

14. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:

(a) in the case of a Global Note which specifies LIBOR as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Final Terms (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days.

As used in this Global Note (and unless otherwise specified in the Final Terms):

LIBOR shall be equal to the rate defined as "LIBOR-BBA" in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note, (the **ISDA Definitions**)) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Global Note is denominated in Sterling, on the first day thereof (a **LIBOR Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate; and

London Banking Day shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

If the LIBOR rate is no longer being calculated or administered as at the relevant LIBOR Interest Determination Date, LIBOR shall mean any alternative rate which has replaced LIBOR in customary market usage for the purposes of determining floating rates of interest in respect of securities denominated in the Specified Currency, as determined by the Issuer and notified to the Calculation Agent and the holders of the Notes, provided however that if the Issuer determines, and following consultation with the Calculation Agent, that there is no clear market consensus as to whether any rate has replaced LIBOR in customary market usage, the Issuer will appoint in its sole discretion an independent financial advisor (the **IFA**), which shall in good faith and in a commercially reasonable manner determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Calculation Agent and the holders of the Notes. If the IFA is unable to determine an appropriate alternative rate, the Rate of Interest shall be determined as at the last preceding LIBOR Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period);

(b) in the case of a Global Note which specifies EURIBOR as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Final Terms (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to

the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note (and unless otherwise specified in the Final Terms), **EURIBOR** shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a **EURIBOR Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate.

If the EURIBOR rate is no longer being calculated or administered as at the relevant EURIBOR Interest Determination Date, EURIBOR shall mean any alternative rate which has replaced EURIBOR in customary market usage for the purposes of determining floating rates of interest in respect of securities denominated in the Specified Currency, as determined by the Issuer and notified to the Calculation Agent and the holders of the Notes, provided however that if the Issuer determines, and following consultation with the Calculation Agent, that there is no clear market consensus as to whether any rate has replaced EURIBOR in customary market usage, the Issuer will appoint in its sole discretion an independent financial advisor (the **IFA**), which shall in good faith and in a commercially reasonable manner determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Calculation Agent and the holders of the Notes. If the IFA is unable to determine an appropriate alternative rate, the Rate of Interest shall be determined as at the last preceding EURIBOR Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period);

(c) the Calculation Agent specified in the Final Terms will, as soon as practicable after (i) 11.00 a.m. (London time) on each LIBOR Interest Determination Date or (ii) 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. **Rate of Interest** means (A) if the Reference Rate is LIBOR, the rate which is determined in accordance with the provisions of paragraph 14(a) above and (B) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 14(b) above. The Amount of Interest shall be calculated by applying the Rate of Interest to the nominal amount of one Note of each Denomination, multiplying such product by the Day Count Convention specified in the Final Terms or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;

(d) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next

succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph; and

(e) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 10, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).

15. Instructions for payment must be received at the offices of the Issuing and Paying Agent referred to above together with this Global Note as follows:

(a) if this Global Note is denominated in United States dollars or Sterling on or prior to the relevant payment date; and

(b) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, **Business Day** means:

(i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and

(ii) in in the case of payments in Euro, a TARGET Business Day; and

(iii) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Final Terms.

16. Upon any payment being made in respect of the Notes represented by this Global Note, the Issuer shall procure that:

(a) if the Final Terms specify that the New Global Note form is not applicable, details of such payment shall be entered in the Schedule hereto and, in the case of any payment of principal, the Nominal Amount of the Notes represented by this Global Note shall be reduced by the principal amount so paid; and

(b) if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered pro rata in the records of the Clearing Systems and, in the case of any payment of principal, the Nominal Amount of the Notes entered in the records of the Clearing Systems and represented by this Global Note shall be reduced by the principal amount so paid.

17. This Global Note shall not be validly issued unless manually authenticated by the Bank of New York Mellon as Issuing and Paying Agent.

18. If the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered pro rata in the records of the Clearing Systems and, in the case of any payment of principal, the Nominal Amount of the Notes entered in the records of the Clearing Systems and represented by this Global Note shall be reduced by the principal amount so paid.

19. Paragraphs 7 and 24 of this Global Note, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law. Subject to the foregoing, this Global Note and any non-contractual obligations arising from or connected with it are governed by, and shall be construed in accordance with, English law.

20. *English courts*

(a) The courts of England have exclusive jurisdiction to settle any dispute arising from or in connection with this Global Note (including a dispute relating to any non-contractual obligations arising out or in connection with this Global Note, or a dispute regarding the existence, validity or termination of this Global Note or the consequences of its nullity), except a Bail-in Dispute (as defined below) (a **Dispute**).

(b) The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(c) Paragraph 20(a) above is for the benefit of the bearer only. As a result, nothing in this paragraph 20 prevents the bearer from taking proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.

(d) The Issuer irrevocably appoints CaixaBank S.A., United Kingdom Branch at 8th floor, 63 St Mary Axe, EC3A 8AA, London as its agent for service of process in any proceedings before the English courts in connection with this Global Note. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Issuing and Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 20(d) does not affect any other method of service allowed by law.

(e) Notwithstanding the above, each of the Issuer and any bearer submits to the exclusive jurisdiction of the Spanish courts, in particular, to the venue of the city of Valencia, in relation to any dispute arising out of or in connection with the application of any Spanish Bail-in Power by the Relevant Spanish Resolution Authority (a **Bail-in Dispute**). Each of the Issuer and any bearer in relation to a Bail-in Dispute further waives any objection to the Spanish courts on the grounds that they are an inconvenient or inappropriate forum to settle any Bail-in Dispute.

21. If the Notes represented by this Global Note have been admitted to listing on the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin (and/or have been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning the Notes shall be published in accordance with the requirements of Euronext Dublin (and/or of the

relevant listing authority, stock exchange and/or quotation system). So long as the Notes are represented by this Global Note, and this Global Note has been deposited with a depositary or common depositary for the Clearing Systems or any other relevant clearing system or a Common Safekeeper (which expression has the meaning given in the Agency Agreement), the Issuer may, in lieu of such publication and if so permitted by the rules of Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system), deliver the relevant notice to the clearing system(s) in which this Global Note is held.

22. Claims for payment of principal and interest in respect of this Global Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.

23. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999.

24. Notwithstanding any other term of this Global Note or any other agreements, arrangements, or understandings between the Issuer and the bearer, by its acquisition of this Global Note, the bearer acknowledges, accepts, consents to and agrees to be bound by:

(a) the exercise and effect of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority, which may be imposed with or without any prior notice with respect to this Global Note, and which may include and result in any of the following, or some combination thereof:

(i) the reduction or cancellation of all, or a portion, of the Amounts Due;

(ii) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer, the Issuer and its consolidated subsidiaries, or another person (and the issue to or conferral on the bearer of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of this Global Note;

(iii) the cancellation of this Global Note; and

(iv) the amendment or alteration of the maturity of this Global Note or amendment of the amount of interest payable on this Global Note, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(b) the variation of the terms of this Global Note, as deemed necessary by the Relevant Spanish Resolution Authority, to give effect to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority.

The exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority pursuant to any relevant laws, regulations, rules or requirements in effect in Spain is not dependent on the application of this paragraph 24.

In this Global Note:

Amounts Due means the nominal amount of or outstanding amount, together with any accrued but unpaid interest, due on this Global Note. References to such amount will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority;

BRRD means Directive 2014/59/EU of 15th May establishing the framework for the recovery and resolution of credit institutions and investment firms or such other directive as may come into effect in place thereof, as implemented into Spanish law by Law 11/2015 and RD 1012/2015, as amended or replaced from time to time and including any other relevant implementing regulatory provisions;

regulated entity means any entity eligible for resolution under the laws of Spain;

Relevant Spanish Resolution Authority means the Fund for Orderly Bank Restructuring (*Fondo de Restructuración Ordenada Bancaria*), the Single Resolution Mechanism, the Bank of Spain, the Spanish Securities Market Commission or any other entity with the authority to exercise any the resolution tools and powers contained in Law 11/2015 from time to time; and

Spanish Bail-in Power means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Spain, relating to the resolution of credit entities and/or transposition of the BRRD, including, but not limited to (i) Law 11/2015 (ii) RD 1012/2015 (iii) Regulation (EU) No. 806/2014 of the European Parliament and the Council of 15th July, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or replaced from time to time, and (iv) any other instruments, rules or standards made or implemented in connection with either (i), (ii) or (iii), pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, transferred or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period).

AUTHENTICATED by **THE BANK OF NEW YORK MELLON, LONDON BRANCH** without recourse, warranty or liability and for authentication purposes only	**SIGNED** on behalf of: **CAIXABANK, S.A.**
By: ..... *(Authorised Signatory)*	By: ..... *(Authorised Signatory)*

Schedule 1[11]

Payments of Interest, Delivery of Definitive Notes and Cancellation of Notes

Date of payment, delivery or cancellation	Amount of interest then paid	Amount of interest withheld	Amount of interest then paid	Aggregate principal amount of definitive Notes then delivered	Aggregate principal amount of Notes then cancelled	New Nominal Amount of this Global Note	Authorised signature

[11] This Schedule should only be completed where the Final Terms specify that the New Global Note form is not applicable.

Schedule 2

Final Terms

[Completed Final Terms to be attached]

Form of Multicurrency Definitive Note

THE SECURITIES REPRESENTED BY THIS DEFINITIVE NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

CAIXABANK, S.A.

(incorporated as a limited liability company (sociedad anónima) in Spain)

€2,000,000,000 Euro-Commercial Paper Programme

Nominal Amount of this Note:

1. For value received, CaixaBank, S.A. (the **Issuer**) promises to pay to the bearer of this Note on the Maturity Date set out in the Final Terms attached to or endorsed on this Note, or, on such earlier date as the same may become payable in accordance with paragraph 3 below (the **Relevant Date**), the Nominal Amount or, as the case may be, the Redemption Amount set out in the Final Terms, together with interest thereon, if this is an interest bearing Note, at the rate and at the times (if any) specified herein and in the Final Terms. Terms defined in the Final Terms attached hereto or endorsed on this Note but not otherwise defined in this Note shall have the same meanings where used in this Note unless the context otherwise requires or unless otherwise stated.

   All such payments shall be made in accordance with an issue and paying agency agreement dated 20 December 2018 (as amended, restated or supplemented from time to time, the **Agency Agreement**) between the Issuer and The Bank of New York Mellon, London Branch as the issuing and paying agent (the **Issuing and Paying Agent**), a copy of which is available for inspection at the offices of The Bank of New York Mellon, London Branch at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below.

   All such payments shall be made upon presentation and surrender of this Note at the offices of the Issuing and Paying Agent by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer (i) in the principal financial centre in the country of that currency or, (ii) in the case of a Note denominated in euro, by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union.

2. All payments in respect of this Note by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Spain or any political subdivision or any authority thereof or therein having power to tax (**a Tax Jurisdiction**) unless such withholding or deduction is required by law. In such event, the Issuer will pay, to the extent permitted by applicable law, such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction, shall equal the amount

which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note:

(a) presented for payment in Spain; or

(b) to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note; or

(c) presented for payment more than 30 days after the date on which such payment first becomes due, except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Business Day; or

(d) to, or to a third party on behalf of, a Spanish-resident legal entity subject to Spanish Corporate Income Tax if the Spanish Tax Authorities determine that the Notes do not comply with applicable exemption requirements including those specified in the Reply to a Non-Binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or

(e) to, or to a third party on behalf of, a holder in respect of whom the Issuer does not receive such information concerning such Noteholder's identity and tax residence as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1065/2007 eventually made by the Spanish tax authorities.

3. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the holders (which notice shall be irrevocable), at the Redemption Amount specified in the Final Terms, together with (if this Note is an interest bearing Note) interest accrued to the date fixed for redemption, if:

(a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 3 above as a result of any change in, or amendment to, the laws or regulations of any Tax Jurisdiction or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date specified in the Final Terms; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver (or, in the case of (b) below, use its best efforts to deliver) to the Issuing and Paying Agent:

(a) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

(b) an opinion of independent legal advisers of recognised standing at the cost of the Issuer to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

4. The Issuer may at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured interest coupons (if this Note is an interest bearing Note) are purchased therewith.

All Notes so purchased by the Issuer otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold.

5. The payment obligations of the Issuer under the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer. In accordance with the Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (the **Insolvency Law**) and Additional Provision 14.2 of Law 11/2015, but subject to any applicable legal and statutory exceptions and subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon insolvency (*concurso de acreedores*) of the Issuer the payment obligations of the Issuer under the Notes in respect of principal (unless they qualify as subordinated claims (*créditos subordinados*) under article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future) will rank (a) *pari passu* among themselves and with any Senior Preferred Obligations and (b) senior to (i) Senior Non Preferred Obligations and (ii) any claims against the Issuer qualifying as subordinated claims (*créditos subordinados*) under article 92 of the Insolvency Law.

Law 11/2015 means Law 11/2015 of 18 June on recovery and resolution of credit institutions and investment firms, as amended from time to time;

Senior Preferred Obligations means any obligations of the Issuer with respect to any ordinary claims (*créditos ordinarios*) against the Issuer, other than the Senior Non Preferred Obligations; and

Senior Non Preferred Obligations means any obligation of the Issuer with respect to any non preferred ordinary claims (*créditos ordinarios no preferentes*) against the Issuer referred to under Additional Provision 14.2 of Law 11/2015 and any other obligations which, by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Senior Non Preferred Obligations.

Pursuant to article 59 of the Insolvency Law, the further accrual of interest shall be suspended from the date of declaration of the insolvency of the Issuer. Claims in respect of interest on the Notes expressly or implicitly accrued but unpaid as of the commencement of any insolvency procedure in respect of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the provisions of article 92 of the Insolvency Law (including, without limitation, junior to claims on account of principal in respect of contractually subordinated obligations of the Issuer, unless otherwise provided by the Insolvency Law and other applicable laws relating to or affecting the enforcement of creditors' rights in the Kingdom of Spain).

6. If the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment

As used in this Note:

Payment Business Day means any day other than a Saturday or Sunday which is either (i) if the Specified Currency set out in the Final Terms is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency set out in the Final Terms (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland respectively or (ii) if the Specified Currency set out in the Final Terms is euro, a day which is a TARGET Business Day; and

TARGET2 means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

TARGET Business Day means any day on which TARGET2 is open for the settlement of payments in Euro.

7. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).

8. If this is an interest bearing Note, then:

   (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date (or, as the case may be, the Relevant Date) remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day;

   (b) upon each payment of interest (if any) prior to the Maturity Date (or, as the case may be, the Relevant Date) in respect of this Note, the Issuer shall procure that the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment; and

   (c) unless otherwise specified in the applicable Final Terms, the final Interest Payment Date shall be the Maturity Date (or, as the case may be, the Relevant Date).

9. If this is a fixed rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:

   (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from (and including) the Issue Date to (but excluding) the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention

specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days at the Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards); and

(b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an **Interest Period** for the purposes of this paragraph.

10. If this is a floating rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:

(a) in the case of a Note which specifies LIBOR as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Final Terms (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days.

As used in this Note (and unless otherwise specified in the Final Terms):

LIBOR shall be equal to the rate defined as "LIBOR-BBA" in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note, (the **ISDA Definitions**)) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Global Note is denominated in Sterling, on the first day thereof (a **LIBOR Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate; and

London Banking Day shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

If the LIBOR rate is no longer being calculated or administered as at the relevant LIBOR Interest Determination Date, LIBOR shall mean any alternative rate which has replaced LIBOR in customary market usage for the purposes of determining floating rates of interest in respect of securities denominated in the Specified Currency, as determined by the Issuer and notified to the Calculation Agent and the holders of the Notes, provided however that if the Issuer determines, and following consultation with the Calculation Agent, that there is no clear market consensus as to whether any rate has replaced LIBOR in customary market usage, the Issuer will appoint in its sole discretion an independent financial advisor (the **IFA**), which shall in good faith and in a commercially reasonable manner determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the

Calculation Agent and the holders of the Notes. If the IFA is unable to determine an appropriate alternative rate, the Rate of Interest shall be determined as at the last preceding LIBOR Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period);

(b) in the case of a Note which specifies EURIBOR as the Reference Rate in the Final Terms, the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Final Terms (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note (and unless otherwise specified in the Final Terms), **EURIBOR** shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a **EURIBOR Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate.

If the EURIBOR rate is no longer being calculated or administered as at the relevant EURIBOR Interest Determination Date, EURIBOR shall mean any alternative rate which has replaced EURIBOR in customary market usage for the purposes of determining floating rates of interest in respect of securities denominated in the Specified Currency, as determined by the Issuer and notified to the Calculation Agent and the holders of the Notes, provided however that if the Issuer determines, and following consultation with the Calculation Agent, that there is no clear market consensus as to whether any rate has replaced EURIBOR in customary market usage, the Issuer will appoint in its sole discretion an independent financial advisor (the **IFA**). which shall in good faith and in a commercially reasonable manner determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Calculation Agent and the holders of the Notes. If the IFA is unable to determine an appropriate alternative rate, the Rate of Interest shall be determined as at the last preceding EURIBOR Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period);

(c) the Calculation Agent specified in the Final Terms will, as soon as practicable after (i) 11.00 a.m. (London time) on each LIBOR Interest Determination Date or (ii) 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. **Rate of Interest** means (A) if the Reference Rate is LIBOR, the rate which is determined in accordance with the provisions of paragraph 10(a) above and (B) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 10(b) above. The Amount of Interest shall be calculated by applying the Rate of Interest to the nominal amount of one Note of each Denomination,

multiplying such product by the Day Count Convention specified in the Final Terms or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;

(d) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph; and

(e) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note is held at the relevant time or, if that is not practicable, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).

11. Instructions for payment must be received at the offices of the Issuing and Paying Agent referred to above together with this Note as follows:

(a) if this Note is denominated in United States dollars or Sterling on or prior to the relevant payment date; and

(b) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, **Business Day** means:

(i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and

(ii) in in the case of payments in Euro, a TARGET Business Day; and

(iii) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Final Terms.

12. This Note shall not be validly issued unless manually authenticated by the Bank of New York Mellon as Issuing and Paying Agent.

13. Paragraphs 5 and 18 of this Note, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law. Subject to the foregoing, this Note and any non-contractual obligations arising from or connected with it are governed by, and shall be construed in accordance with, English law.

14. *English courts*

(a) The courts of England have exclusive jurisdiction to settle any dispute arising from or in connection with this Note (including a dispute relating to any non-contractual obligations arising out or in connection with this Note, or a dispute regarding the existence, validity or termination of this Note or the consequences of its nullity) , except a Bail-in Dispute (as defined below) (a **Dispute**).

(b) The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(c) Paragraph 14(a) above is for the benefit of the bearer only. As a result, nothing in this paragraph 14 prevents the bearer from taking proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.

(d) The Issuer irrevocably appoints CaixaBank S.A., United Kingdom Branch at 8th floor, 63 St Mary Axe, EC3A 8AA, London as its agent for service of process in any proceedings before the English courts in connection with this Note. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Issuing and Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 14(d) does not affect any other method of service allowed by law.

(e) Notwithstanding the above, each of the Issuer and any bearer submits to the exclusive jurisdiction of the Spanish courts, in particular, to the venue of the city of Valencia, in relation to any dispute arising out of or in connection with the application of any Spanish Bail-in Power by the Relevant Spanish Resolution Authority (a **Bail-in Dispute**). Each of the Issuer and any bearer in relation to a Bail-in Dispute further waives any objection to the Spanish courts on the grounds that they are an inconvenient or inappropriate forum to settle any Bail-in Dispute.

15. If the Notes have been admitted to listing on the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin (and/or have been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning the Notes shall be published in accordance with the requirements of Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system).

16. Claims for payment of principal and interest in respect of this Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.

17. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999.

18. Notwithstanding any other term of this Note or any other agreements, arrangements, or understandings between the Issuer and the bearer, by its acquisition of this Note, the bearer acknowledges, accepts, consents to and agrees to be bound by:

    (a) the exercise and effect of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority, which may be imposed with or without any prior notice with respect to this Note, and which may include and result in any of the following, or some combination thereof:

        (i) the reduction or cancellation of all, or a portion, of the Amounts Due;

        (ii) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer, the Issuer and its consolidated subsidiaries, or another person (and the issue to or conferral on the bearer of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of this Note;

        (iii) the cancellation of this Note; and

        (iv) the amendment or alteration of the maturity of this Note or amendment of the amount of interest payable on this Note, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

    (b) the variation of the terms of this Note, as deemed necessary by the Relevant Spanish Resolution Authority, to give effect to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority.

    The exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority pursuant to any relevant laws, regulations, rules or requirements in effect in Spain is not dependent on the application of this paragraph 18.

    In this Note:

    Amounts Due means the nominal amount of or outstanding amount, together with any accrued but unpaid interest, due on this Note. References to such amount will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority;

BRRD means Directive 2014/59/EU of 15th May establishing the framework for the recovery and resolution of credit institutions and investment firms or such other directive as may come into effect in place thereof, as implemented into Spanish law by Law 11/2015 and RD 1012/2015, as amended or replaced from time to time and including any other relevant implementing regulatory provisions;

regulated entity means any entity eligible for resolution under the laws of Spain;

Relevant Spanish Resolution Authority means the Fund for Orderly Bank Restructuring (*Fondo de Restructuración Ordenada Bancaria*), the Single Resolution Mechanism, the Bank of Spain, the Spanish Securities Market Commission or any other entity with the authority to exercise any the resolution tools and powers contained in Law 11/2015 from time to time; and

Spanish Bail-in Power means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Spain, relating to the resolution of credit entities and/or transposition of the BRRD, including, but not limited to (i) Law 11/2015 (ii) RD 1012/2015 (iii) Regulation (EU) No. 806/2014 of the European Parliament and the Council of 15th July, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or replaced from time to time, and (iv) any other instruments, rules or standards made or implemented in connection with either (i), (ii) or (iii), pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, transferred or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period).

AUTHENTICATED by
THE BANK OF NEW YORK MELLON, LONDON BRANCH without recourse, warranty or liability and for authentication purposes only

By: .....
(Authorised Signatory)

SIGNED on behalf of:
CAIXABANK, S.A.

By: .....
(Authorised Signatory)

Schedule 1

Payments of Interest

The following payments of interest in respect of this Note have been made:

Date of payment	Payment from	Payment to	Gross Amount paid	Withholding	Net Amount paid	Notation on behalf of Paying Agent

Schedule 2

Final Terms

[Completed Final Terms to be attached]

TAXATION

The following is a general description of certain tax considerations. The information provided below does not purport to be a complete summary of Spanish tax law (based on the legislation in force as well as administrative interpretations thereof in Spain as at the date of this Information Memorandum, excluding the laws applicable in the Historical Territories of the Community of Navarra and the Basque Country) and practice currently applicable and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rules. Prospective investors who are in any doubt as to their position should consult with their own professional advisers.

Taxation in the Kingdom of Spain

1. Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Information Memorandum:

(a) of general application, Additional Provision One of Law 10/2014 of 26 June, on organization, supervision and solvency of credit institutions (formerly, Law 13/1985 of 25 May), as well as Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes, as amended (**Royal Decree 1065/2007**);

(b) for individuals resident for tax purposes in the Kingdom of Spain who are Personal Income Tax (**PIT**) tax payers, Law 35/2006, of 28 November, on the PIT and on the partial amendment of the Corporate Income Tax Law, Non-Resident Income Tax Law and Wealth Tax Law, as amended (the **PIT Law**), and Royal Decree 439/2007, of 30 March approving the PIT Regulations which develop the PIT Law, as amended, along with Law 19/1991, of 6 June on Wealth Tax, as amended and Law 29/1987, of 18 December on Inheritance and Gift Tax, as amended.

(c) for legal entities resident for tax purposes in the Kingdom of Spain which are Corporate Income Tax (**CIT**) taxpayers, Law 27/2014, of 27 November, on CIT (the **CIT Law**), as amended, and Royal Decree 634/2015, of 10 July 2015, promulgating the CIT Regulations, as amended (the **CIT Regulations**); and

(d) for individuals and entities who are not resident for tax purposes in the Kingdom of Spain which are Non-Resident Income Tax (**NRIT**) taxpayers, Royal Legislative Decree 5/2004, of 5 March, promulgating the Consolidated Text of the NRIT Law, as amended and Royal Decree 1776/2004, of 30 July, promulgating the NRIT Regulations, as amended along with Law 19/1991, of 6 June, on Wealth Tax as amended and Law 29/1987, of 18 December, on Inheritance and Gift Tax, as amended.

Whatever the nature and residence of the Beneficial Owner, the acquisition and transfer of the Notes will be exempt from indirect taxes in the Kingdom of Spain, for example, exempt from Transfer Tax and Stamp Duty, in accordance with the consolidated text of such tax

promulgated by Royal Legislative Decree 1/1993, of 24 September, and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December, regulating such tax.

2. Spanish tax resident individuals

2.1 Personal Income Tax (*Impuesto sobre la Renta de las Personas Físicas*)

Personal Income Tax is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever its source and wherever the relevant payer is established.

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes obtained by individuals who are resident in Spain constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the PIT Law, and must be included in the PIT savings taxable base ("*renta del ahorro*") of each investor and taxed currently at (i) 19 per cent. for taxable income up to €6,000; (ii) 21 per cent. for taxable income between €6,001 and €50,000, and (iii) 23 per cent. for taxable income exceeding €50,000.

Pursuant to section 5 of Article 44 of Royal Decree 1065/2007, if the Notes are registered with a clearing system outside the Kingdom of Spain, any income derived from the Notes will be paid by the Issuer free of Spanish withholding tax provided that the relevant information about the Notes is submitted in the manner detailed in "*Disclosure obligations in connection with Payments on the Notes*". In addition, income obtained upon transfer, redemption or repayment of the Notes may also be paid free of Spanish withholding tax in certain circumstances.

Nevertheless, in the case of Notes registered with a clearing system in the Kingdom of Spain (i.e. Iberclear), or deposited with a Spanish resident entity acting as depositary or custodian, both payments of interests and income deriving from the transfer, redemption or repayment under such Notes may be subject to withholding tax currently at a rate of 19 per cent., which will be made by the Issuer or the depositary or custodian.

Amounts withheld, if any, may be credited by the relevant investors against their final PIT liability.

However, regarding the interpretation of Royal Decree 1065/2007, please refer to *"Risk Factors – Risks relating to Taxation"*.

2.2 Wealth Tax (*Impuesto sobre el Patrimonio*)

According to Wealth Tax regulations as amended most recently by Royal Decree Law 3/2016 (subject to any exceptions provided under relevant legislation in each autonomous region *(Comunidad Autónoma)),* the net worth of any Spanish tax resident individuals in excess of €700,000 is subject to Wealth Tax, regardless of the location of their assets or of where their rights may be exercised.

Therefore, investors who are Spanish tax resident individuals should take into account the value of the Notes which they hold as at 31 December of each year for the purposes of Spanish Wealth Tax. The applicable rates range between 0.2 per cent. and 2.5 per cent. (subject to any exceptions provided under relevant legislation in each autonomous region *(Comunidad Autónoma))*.

In accordance with Second section of Article 1 of the Royal Decree 13/2011, of 16 September, a full exemption (*bonificación del 100%*) on Wealth Tax will apply as from the tax year 2019 unless such exemption is revoked.

2.3 Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Individuals resident in the Kingdom of Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Inheritance and Gift Tax in accordance with the applicable Spanish regional or State rules (subject to any regional tax exemptions being available to them). The general tax rates currently range between *7.65* per cent. and *81.6* per cent., depending on relevant factors.

3. Spanish tax resident legal entities

3.1 Corporate Income Tax (*Impuesto sobre Sociedades*)

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes must be included as taxable income of Spanish tax resident legal entities for CIT purposes in accordance with the rules for this tax, being typically subject to the standard rate of 25 per cent. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Pursuant to either section 4 or 5 of article 44 of Royal Decree 1065/2007, any income derived from the Notes will be paid by the Issuer to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds) free of Spanish withholding tax provided that the relevant information about the Notes is submitted in the manner detailed in *"Disclosure Obligations in connection with payments on the Notes"*.

In the case of Notes held by Spanish resident entities and deposited with a Spanish resident entity acting as a depositary or custodian, payments of interest and income deriving from the transfer, redemption or repayment may be subject to withholding tax, (currently at a rate of *19* per cent.) that will be made by Issuer or the depositary or custodian, unless the Notes comply with the exemption requirements specified in letter (s) of article 61 of the CIT Regulations, as interpreted by the ruling nº 1500/2004 issued by the Spanish General Directorate for Taxes *(Dirección General de Tributos)* dated *27* July *2004,* which requires that (i) the Notes are offered and sold outside the Kingdom of Spain, in other OECD jurisdiction, and (ii) the Notes are admitted to trading in an organised market of a OECD jurisdiction other than the Kingdom of Spain.

Amounts withheld, if any, may be credited by the relevant investors against their final CIT liability.

However, regarding the interpretation of Royal Decree 1065/2007, please refer to *"Risk Factors – Risks relating to Taxation"*.

3.2 Wealth Tax (*Impuesto sobre el Patrimonio*)

In the Kingdom of Spain, legal entities are not subject to Wealth Tax.

3.3 Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Legal entities resident in the Kingdom of Spain for tax purposes which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Inheritance and

Gift Tax but must include the market value of the Notes in their taxable income for Spanish CIT purposes.

4. Individuals and legal entities tax resident outside the Kingdom of Spain

4.1 Non-Resident Income Tax (*Impuesto sobre la Renta de No Residentes*)

(a) Acting through a permanent establishment in the Kingdom of Spain

Ownership of the Notes by investors who are not resident for tax purposes in the Kingdom of Spain will not in itself create the existence of a permanent establishment in the Kingdom of Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in the Kingdom of Spain for tax purposes, the tax rules applicable to income deriving from such Notes shall be, generally, the same as those previously set out for Spanish CIT taxpayers.

(b) Not acting through a permanent establishment in the Kingdom of Spain

Both interest payments periodically received and income deriving from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in the Kingdom of Spain for tax purposes, and who are NRIT taxpayers with no permanent establishment in the Kingdom of Spain, are exempt from NRIT, on the same terms laid down for income from Spanish public debt.

In order for the exemption to apply, it is necessary to comply with certain information obligations relating to the Notes, in the manner detailed under "*Disclosure obligations in connection with payments on the Notes*" as laid down in article 44 of Royal Decree 1065/2007. If these information obligations are not complied with in the manner indicated, the Issuer will withhold at the rate applicable from time to time (currently 19 per cent.) and the Issuer will not pay additional amounts.

In any case, please note that non-resident investors acting without a permanent establishment in the Kingdom of Spain may benefit from a withholding tax exemption or reduced withholding tax rate pursuant to the NRIT Law or an applicable double tax treaty signed by the Kingdom of Spain, subject to certain requirements.

4.2 Wealth Tax (*Impuesto sobre el Patrimonio*)

Individuals resident in a country with which the Kingdom of Spain has entered into a double tax treaty in relation to the Wealth Tax will not be generally subject to such tax on the Notes. Otherwise, under current Wealth Tax regulations non-Spanish resident individuals whose properties and rights located in the Kingdom of Spain (or that can be exercised within the Spanish territory) exceed €700,000 will be subject to Wealth Tax. The applicable rates range between 0.2 per cent. and 2.5 per cent.

However, as the income derived from the Notes is exempted from NRIT, any non-resident individuals holding the Notes will be exempt from Spanish Wealth Tax in respect of such holding.

In accordance with Second section of Article 1 of the Royal Decree 13/2011, of 16 September, a full exemption on Wealth Tax will apply as from the tax year 2019 unless such exemption is revoked.

Legal entities tax resident outside the Kingdom of Spain are not subject to Spanish Wealth Tax.

4.3 Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals not tax resident in the Kingdom of Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy, and who are tax resident in a country with which the Kingdom of Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax will be subject to the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to Inheritance and Gift Tax in accordance with the applicable Spanish regional and State legislation (European Union or European Economic individuals not resident in Spain for tax purposes may apply the regional rules).

Legal entities not tax resident in the Kingdom of Spain which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Inheritance and Gift Tax. They will be subject to NRIT (as described above). If the entity is resident in a country with which the Kingdom of Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

5. Disclosure obligations in connection with payments on the Notes

The Issuer is currently required by Spanish law to file an annual return with the Spanish tax authorities in which it reports on certain information relating to the Notes. In accordance with article 44 of Royal Decree 1065/2007, certain information with respect to the Notes must be submitted to the Issuer at the time of each payment (or, alternatively, for interest payments, before the tenth calendar day of the month following the month in which the relevant payment is made).

According to section 5 of article 44 of Royal Decree 1065/2007 (which would apply if the Notes are registered with clearing systems outside the Kingdom of Spain), such information includes the following:

(a) identification of the Notes;

(b) income payment date (or refund if the Notes are issued at a discount or segregated);

(c) total amount of income (or total amount to be refunded if the Notes are issued at a discount or segregated); and

(d) total amount of the income corresponding to each clearing system located outside Spain.

In particular, the Issuing and Paying Agent must certify the information above about the Notes by means of a certificate the form of which is attached as Annex I to this Information Memorandum. In light of the above, the Issuer and the Issuing and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes by the close of business on the Business Day immediately preceding each relevant Payment Date. If the procedures set out above are complied with, the Issuing and Paying Agent, on behalf of the Issuer, will pay the relevant amount to (or for the account of) the clearing systems without withholdings or deductions for or on account of Spanish taxes. If the statement is not delivered to the Issuer as described above, the Issuer shall pay such additional

amounts as required under the terms of the Notes and pay an appropriate amount to the Spanish tax authorities to the extent required to comply with its obligations with respect thereto. The Issuing and Paying Agent will pay the relevant amount to (or for the account of) the clearing systems.

Regarding the interpretation of Royal Decree 1065/2007 and the new simplified information procedures please refer to "*Risk Factors – Risks related to Notes generally – Risks relating to the Spanish withholding tax*".

6. The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary' market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

According to the above, the Spanish Government is currently proposing an indirect tax which taxes at 0.2% the acquisitions of shares of Spanish listed companies, regardless of the residence of the agents that intervene in the transactions, provided the market value of the capitalisation thereof is greater than 1,000 million euros. The tax payer is the financial traders that transfer or execute the purchase order and must submit an annual tax return.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which, remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

Set out below is Exhibit I. Sections in English have been translated from the original Spanish. In the event of any discrepancy between the Spanish language version of the certificate contained in Exhibit I and the corresponding English translation, the Spanish tax authorities will only hold the Spanish language version of the relevant certificate as the valid one for all purposes.

Exhibit I

Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Don (nombre), con número de identificación fiscal (...)[12], en nombre y representación de (entidad declarante), con número de identificación fiscal (....)[13] y domicilio en (...) en calidad de (marcar la letra que proceda):

Mr. (name), with tax identification number (...)[14], in the name and on behalf of (entity), with tax identification number (....)[15] and address in (...) as (function - mark as applicable):

(a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.

(a) Management Entity of the Public Debt Market in book entry form.

(b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.

(b) Entity that manages the clearing and settlement system of securities resident in a foreign country.

(c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.

(c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.

(d) Agente de pagos designado por el emisor.

(d) Paying Agent appointed by the issuer.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

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12 En caso de personas, fisicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia

13 En caso de personas, fisicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia

14 In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

15 In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

Makes the following statement, according to its own records:

1. En relación con los apartados 3 y 4 del artículo 44:

1. In relation to paragraphs 3 and 4 of Article 44:

1.1 Identificación de los valores

1.1 Identification of the securities

1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)

1.2 Income payment date (or refund if the securities are issued at discount or are segregated)

1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados)

1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)

1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora

1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved

1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).

1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).

2. En relación con el apartado 5 del artículo 44.

2. In relation to paragraph 5 of Article 44.

2.1 Identificación de los valores _____

2.1 Identification of the securities _____

2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados) _____

2.2 Income payment date (or refund if the securities are issued at discount or are segregated) _____

2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados _____

2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated) _____

2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A. _____

2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A. _____

2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B. _____

2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B. _____

2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C. _____

2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C. _____

Lo que declaro en_____a_____de_____de_____

I declare the above in_____on the_____of_____of_____

SUBSCRIPTION AND SALE

1. General

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes and it will not directly or indirectly offer, sell, resell, re offer or deliver Notes or distribute the Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

2. United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Dealer has also represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has offered and sold the Notes, and will offer and sell the Notes (i) as part of its distribution at any time and (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer, of all Notes of the tranche of which such Notes are a part (the **distribution compliance period**), within the United States or to, or for the account or benefit of, U.S. persons, only in accordance with Rule 903 of Regulation S.

Each Dealer has also agreed (and each further Dealer appointed under the Programme will be required to agree) that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer, of all Notes of the tranche of which such Notes are a part, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that neither it, nor its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S.

Terms used above have the meanings given to them by Regulation S.

3. The United Kingdom

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not, or in the case of the Issuer, would not, if it were not an "authorised person", apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

4. Japan

Each Dealer has acknowledged, and each other Dealer appointed under the Programme will be required to acknowledge, that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) and, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

5. Spain

The Notes may not be sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in compliance with the provisions of the consolidated text of the Spanish Securities Market Law approved by Royal Legislative Decree 4/2015 of 23 October (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*). No publicity or marketing of any kind shall be made in Spain in relation to the Notes.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not and will not direct or make any offer of the Notes to investors located in Spain.

Neither the Notes nor this Information Memorandum have been or will be registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore the Information Memorandum is not intended for any public offer of the Notes in Spain.

6. Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore (the **MAS**). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection

with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 2(1) of the SFA) or securities-based derivatives contracts (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law; or

(iv) as specified in Section 276(7) of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

GENERAL INFORMATION

1. Admission to Listing and Trading

It is expected that Notes issued under the Programme may be admitted to listing on the Official List and to trading on the regulated market of Euronext Dublin after 20 December 2018. The admission of the Notes to trading on the regulated market of Euronext Dublin will be expressed as a percentage of their principal amount. Any Notes intended to be admitted to listing on the Official List and admitted to trading on the regulated market of Euronext Dublin will be so admitted to listing and trading upon submission to Euronext Dublin of the relevant Final Terms and any other information required by Euronext Dublin, subject in each case to the issue of the relevant Notes.

However, Notes may be issued pursuant to the Programme which will be admitted to listing, trading and or quotation by such other listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree. No Notes may be issued pursuant to the Programme on an unlisted basis.

2. Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

3. No Significant Change

There has been no significant change in the financial or trading position of the Issuer or the Group since 30 September 2018.

4. Independent Auditors

The auditors of the Issuer for the financial years ended on 31 December 2016 and 31 December 2017 were Deloitte, S.L. (registered as auditors on the *Registro Oficial de Auditores de Cuentas*) who audited the Issuer's accounts for such financial years, without qualification, in accordance with generally accepted auditing standards in Spain.

The current auditors of the Issuer are PricewaterhouseCoopers Auditores, S.L. (registered as auditors on the *Registro Oficial de Auditores de Cuentas*) who will audit the Issuer's accounts for the financial year ended on 31 December 2018, 2019 and 2020.

5. LEI code

The Legal Entity Identifier (LEI) Code of the Issuer is 7CUNS533WID6K7DGFI87.

6. Documents on Display

Electronic or physical copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the office of the Issuing and Paying Agent at One Canada Square, Canary Wharf, E14 5AL, London, United Kingdom, at the registered office of CaixaBank (being Calle Pintor Sorolla, 2-4, 46002, Valencia) for the life of this Information Memorandum

(a) the *estatutos* (constitutive documents of CaixaBank);

(b) the financial information listed in the section "*Documents Incorporated by Reference*" above;

(c) this Information Memorandum, together with any supplements thereto and the information incorporated by reference therein;

(d) the Agency Agreement;

(e) the Deed of Covenant; and

(f) the Issuer-ICSDs Agreement (which is entered into between CaixaBank and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).

7. Litigation

Except as disclosed in the section entitled "Litigation" on pages 100 to 101, there are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

PROGRAMME PARTICIPANTS

ISSUER

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