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REGISTRATION DOCUMENT
CAIXABANK, S.A.

July 2017

This Registration Document was filed with Comisión Nacional del Mercado de Valores (CNMV) on 11 July 2017

In accordance with the provisions of Spanish Royal Decree 1310/2005, of 4 November, and Order EHA 3527/2005, of 10 November, this Registration Document has been drawn up in accordance with the model established in Annex I of Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive

2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

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RISK FACTORS

The risks to which CAIXABANK, SA, (hereinafter, **"CAIXABANK"**, "CaixaBank", the "Company", the "Bank" or the "Issuer") is exposed are set out hereon.

Were they to arise, any of these risks could have a negative impact on the Bank's business, earnings, financial position and/or image and reputation. These risks are also not the only risks that CAIXABANK may have to address; other risks could arise in the future that are not currently known or considered material at present. All references to CAIXABANK, the Company or the Issuer must also be taken to refer to any company in the group of companies of which CAIXABANK is the parent (the "**CAIXABANK Group**" or the **"Group"**).

The principal activity of CAIXABANK's banking business is retail banking (provision of financial services to retail customers by receiving customers' deposits and lending, as well as providing all types of banking and insurance services: payment methods, securities trading, currency exchange, etc.). This business line and CAIXABANK's investment activity are exposed to a variety of risks, the most relevant being those risks inherent to the financial sector, which is subject to a raft of macroeconomic variables beyond the Company's control.

CaixaBank, S.A., an entity supervised by the ECB for prudential regulation purposes, confirms that it has taken into due account the instructions and recommendations received from the ECB and the Bank of Spain when preparing the information contained in this Registration Document, to the extent that those instructions and recommendations could impact the financial statements and the risks presented below.

The CAIXABANK Group has a "Corporate Risk Map" to identify, measure, monitor, control and report on risks.

CAIXABANK's Corporate Risk Map includes a Corporate Risk Catalogue updated in December 2016, which facilitates the internal and external monitoring and reporting of the Group's risks, grouped into three main categories: risks specific to the Bank's financial activity, Business Model Risks, and Operational and Reputational Risk.

The main risks reported periodically to CAIXABANK's management and governing bodies are:

- **Risks specific to the Bank's financial activity**
    - **Credit risk:** risk of the assets of the CAIXABANK Group losing value due to a counterparty defaulting on its obligations.
    - **Market risk:** risk of a decrease in the value of the Group's assets or an increase in the value of its liabilities held for trading or held to maturity, due to fluctuations in interest rates, credit spreads, external factors or prevailing prices in the markets where those assets/liabilities are traded.
    - **Interest rate risk in the banking book:** risk of a negative impact on the economic value of the balance sheet or results, caused by the renewal of assets and liabilities at rates different to those previously established due to changes in the structure of the interest rate curve.
    - **Actuarial risk:** risk of an increase in the value of commitments assumed through insurance contracts with customers (insurance business) and employee pension plans (pension commitments), due to differences between claims estimates and actual performance.
- **Business Model Risk**
    - **Eligible own funds/Solvency:** impairment of the CAIXABANK Group's ability to adapt its level of capital to regulatory requirements or to a change in its risk profile.

  - **Funding and liquidity:** risk of insufficient liquid assets or limited access to market financing to meet contractual maturities of liabilities, regulatory requirements, or the investment needs of the Group.

- **Operational and Reputational Risk**

  - **Legal/regulatory risk:** risk of losses due to errors in the interpretation or application of existing legislation and regulations or adverse judicial rulings. This also includes the risk of legislative or regulatory changes adversely impacting economic value.

  - **Conduct and compliance:** where CAIXABANK's approach or conduct runs contrary to the interests of its customers and stakeholders, including deficient procedures resulting in acts or omissions that are not compliant with the legal or regulatory framework, or with internal codes and rules, and which could result in administrative sanctions or reputational damage.

  - **Technological:** risk of losses due to inadequate hardware or software or failures in technical infrastructure that could compromise the availability, integrity, accessibility and security of the infrastructure and data.

  - **Operating processes and external events:** risk of loss or damage caused by operational errors in processes related to the Bank's activity, due to external events beyond the Bank's control, or due to the actions of third parties unrelated to the Bank, whether accidental and fraudulent.

  - **Reliability of financial information:** deficiencies in the accuracy, integrity and approach to preparing the information needed to assess the financial situations and assets of the CAIXABANK Group.

  - **Reputational risk:** risk associated with reduced competitiveness due to a loss of trust in CAIXABANK by some of its stakeholders, based on their assessment of actions or omissions, real or purported, by the Bank, its senior management or governing bodies.

CAIXABANK has focused on solvency and quality as strategic priorities in order to enhance its customers' confidence in the Bank. Moreover, CAIXABANK has spent the last few years strengthening its control and regulatory structures to minimise the probability of occurrence of acts or omissions such as those recently seen at certain global financial corporations, which have been attracting increasing levels of media attention and have tarnished the sector's image.

The Board of Directors is the most senior risk management body. It approves and regularly reviews the main policies and strategies.

• <u>RISKS SPECIFIC TO THE BANK'S FINANCIAL ACTIVITY:</u>

1. CREDIT RISK

Credit risk refers to the risk of losses from a borrower defaulting on its obligations.

Credit risk is the most significant risk item on the CAIXABANK Group's balance sheet and arises from the banking and insurance business, cash operations and long-term equity investments in financial entities and leading companies. The maximum credit risk exposure at 31 December 2016 of financial instruments recognised as "Financial assets held for trading", "Available-for-sale financial assets", "Loans and receivables", "Held-to-maturity investments" and "Derivatives - Hedge accounting" on the accompanying balance sheet, and "Guarantees given" and "Contingent commitments given" as memorandum items in the accompanying balance sheet, does not differ significantly from the carrying amount.

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The main asset items on the CAIXABANK Group's consolidated balance sheet exposed to credit risk are shown in the following table.

(Thousands of euros)	**2016**	**2015 (*)**
Cash, cash balances at central banks and other demand deposits	**13,259,957**	**6,615,172**
Financial assets held for trading	**11,667,687**	**13,312,220**
Derivatives	9,575,832	9,806,191
Equity instruments	294,923	250,543
Debt securities	1,796,932	3,255,486
Financial assets designated at fair value through profit or loss	**3,139,646**	**1,785,804**
Equity instruments	1,806,976	816,728
Debt securities	1,332,670	969,076
Available-for-sale financial assets	**65,076,973**	**62,997,235**
Equity instruments	2,946,030	3,379,273
Debt securities	62,130,943	59,617,962
Loans and receivables	**207,640,937**	**210,473,400**
Debt securities	561,139	927,655
Loans and advances	207,079,798	209,545,745
Credit institutions	6,741,354	6,649,545
Customers	200,338,444	202,896,200
Held-to-maturity investments	**8,305,902**	**3,820,114**
Derivatives - Hedge accounting	**3,090,475**	**3,917,462**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**134,586**	**3,279**
Guarantees given	**3,486,709**	**3,304,480**
Contingent commitments given	**75,651,105**	**65,374,524**
Total	**391,453,977**	**371,603,870**

(*) 2015 balances restated due to the change in itemisation criteria introduced by CNMV Circular 5/2015 and the reclassifications following the entry into force of Bank of Spain Circular 5/2014.

Further information on these balance sheet items is provided in the CAIXABANK Group's financial statements for 2016, available on the websites of both CAIXABANK and the CNMV**.**

1.1. Overview

The CAIXABANK Group's business is geared towards lending to households and businesses. Credit risk management is characterised by a prudent approvals policy and appropriate coverage. Most loans are to private borrowers and consist primarily of mortgages to first-time homebuyers. Therefore, the loan structure has a significantly low level of risk given the high degree of diversification and fragmentation. In terms of geographic distribution, the CAIXABANK Group lends mainly in Spain.

Headline risk management figures (see Appendix – Alternative performance measures) at 31 December 2016, 31 December 2015 and 31 December 2014 are provided below:

Risk management *(Thousands of euros)*	**2016**	**2015**	**2014**
Non-performing loans	14,754	17,100	20,110
NPL ratio	6.9%	7.9%	9.7%

Loan-loss provisions	6,880	9,512	11,120
NPL coverage ratio	47%	56%	55%
Net foreclosed real estate assets available for sale	6,256	7,259	6,719
Coverage ratio for foreclosed real estate assets available for sale(1)	60%	55%	55%

(1) Initial loan write-downs and charges to provisions associated with the foreclosed real estate assets, divided by the debt cancelled on foreclosure (sum of net carrying amount and coverage).

The following table show loans and advances to customers (gross, excluding valuation adjustments) for 2016, 2015 and 2014, by borrower sector, counterparty and interest rate formula:

(Thousands of euros)	**2016**	**2015**	**2014**
Loan type and status	**206,852,684**	**211,903,981**	**199,200,991**
Public administrations	12,305,908	14,046,653	13,806,850
Commercial loans	8,094,858	7,118,857	6,862,340
Secured loans	118,732,831	123,253,645	116,131,254
Reverse repurchase agreements	1,440,504	4,559,764	782,796
Other term loans	42,426,782	37,953,455	33,474,847
Finance leases	2,700,690	2,438,482	2,202,067
Receivables on demand and others	6,799,713	5,926,458	6,256,967
Doubtful assets	14,351,398	16,606,667	19,683,870
By counterparty	**206,852,684**	**211,903,981**	**199,200,991**
Public sector: Spanish public sector	12,829,892	14,562,185	13,910,251
Public sector: Other countries	113,145	268,413	223,590
Private sector: Resident	183,594,101	188,830,940	179,899,269
Private sector: Non-resident	10,315,546	8,242,443	5,167,881
By interest rate type	**206,852,684**	**211,903,981**	**199,200,991**
Fixed	36,224,915	44,736,793	41,065,723
Floating	170,627,769	167,167,188	158,135,268

The breakdown of home purchase loans at 31 December 2016, 2015 and 2014 is as follows:

(Thousands of euros)	**Gross amount**		
	2016	**2015**	**2014**
Without mortgage collateral	745,922	785,033	790,215
of which: Non-performing	*5,771*	*16,740*	*6,838*
With mortgage collateral	85,853,616	88,881,789	80,356,912
of which: Non-performing	*3,554,446*	*3,359,947*	*3,263,520*
Total home loans (*)	**86,599,538**	**89,666,822**	**81,147,127**

(*) Includes financing for home purchases granted by investee Unión de Créditos para la Financiación Inmobiliaria, EFC, SAU (Credifimo).

Real estate loans granted in 2016 and 2015 to buyers of foreclosed homes sold by CAIXABANK amounted to EUR 504 million and EUR 487 million, respectively, while the average percentages financed were 82% and 87%, respectively.

Home purchase loans with mortgage in 2016, 2015 and 2014, by loan-to-value (LTV) ratio and based on the latest available appraisal, are as follows:

2016

(Thousands of euros)	LTV ranges					
	LTV ≤40%	**40% <LTV ≤60%**	**60% <LTV ≤80%**	**80% <LTV ≤100%**	**LTV > 100%**	**TOTAL**
Gross amount	20,871,387	33,305,676	26,648,797	4,329,456	698,300	85,853,616
of which: Non-performing	*278,267*	*918,962*	*1,633,109*	*532,990*	*191,118*	*3,554,446*

2015

(Thousands of euros)	LTV ranges					
	LTV ≤40%	**40% <LTV ≤60%**	**60% <LTV ≤80%**	**80% <LTV ≤100%**	**LTV > 100%**	**TOTAL**
Gross amount	20,295,267	32,932,773	29,526,924	5,255,027	871,798	88,881,789
of which: Non-performing	*244,861*	*789,609*	*1,548,651*	*540,140*	*236,686*	*3,359,947*

2014

(Thousands of euros)	LTV ranges					
	LTV ≤40%	**40% <LTV ≤60%**	**60% <LTV ≤80%**	**80% <LTV ≤100%**	**LTV > 100%**	**TOTAL**
Gross amount	15,345,802	27,488,184	30,411,023	6,311,877	800,026	80,356,912
of which: Non-performing	*197,651*	*653,929*	*1,601,104*	*615,012*	*195,824*	*3,263,520*

Note: LTV calculated based on appraisals available at the grant date. The ranges are updated for non-performing transactions in accordance with prevailing regulations.

The tables below show financing for real estate developers and developments, including development carried out by non-developers, at 31 December 2016 and 2015.

2016

(Thousands of euros)	**Gross amount**	**Allowances for impairment losses**	**Carrying amount**	**Excess over the value of collateral**
Financing for real estate construction and development (including land)	**8,023,602**	**(1,061,631)**	**6,961,971**	**2,063,420**
Of which: Non-performing	2,434,777	(953,625)	1,481,152	988,580
Memorandum items:				
Asset write-offs	4,410,756			

Memorandum items: Public consolidated balance sheet	**Amount**
Loans and advances to customers excluding public sector (carrying amount)	187,984,625
Total assets (total businesses)	347,927,262
Impairment and provisions for performing exposures	(1,471,859)

2015

(Thousands of euros)	Gross amount	Allowances for impairment losses	Carrying amount	Excess over the value of collateral
Financing for real estate construction and development (including land)	**9,825,444**	**(2,375,004)**	**7,450,440**	**2,733,252**
Of which: Non-performing	4,337,149	(2,208,925)	2,128,224	1,630,638
Memorandum items:				
Asset write-offs	4,302,292			

Memorandum items: Public consolidated balance sheet	**Amount**
Loans and advances to customers excluding public sector (carrying amount)	188,619,485
Total assets (total businesses)	344,255,475
Impairment and provisions for performing exposures	(1,882,316)

At 31 December 2016, the NPL ratio for real estate development risk was 30.4%, while the coverage ratio for real estate development risk was 44% (44.1% and 55% at 31 December 2015, respectively). At 31 March 2017, the NPL ratio was 28.4%, with a coverage ratio of 42%.

The amounts shown in the preceding tables do not include the loans extended by the CAIXABANK Group to the CriteriaCaixa Group's real estate companies, which at 31 December 2016 and 2015 amounted to EUR 588 million and EUR 657 million, respectively.

The following table shows the breakdown of financing for real estate developers and developments, including developments carried out by non-developers, by collateral:

(Thousands of euros)	**Gross carrying amount**		
	2016	**2015**	**2014**
Without mortgage collateral	**1,188,212**	**1,082,542**	**1,698,855**
With mortgage collateral	**6,835,390**	**8,742,902**	**12,369,754**
Buildings and other completed constructions	5,187,722	6,534,443	9,040,157
Homes	*3,390,538*	*4,322,162*	*6,315,031*
Other	*1,797,184*	*2,212,281*	*2,725,126*
Buildings and other work under construction	668,262	643,015	1,068,288

Homes	*598,002*	*540,809*	*923,201*
Other	*70,260*	*102,206*	*145,087*
Land	979,406	1,565,444	2,261,309
Developed urban land	*696,961*	*1,186,723*	*1,535,957*
Other land	*282,445*	*378,721*	*725,352*
Total	**8,023,602**	**9,825,444**	**14,068,609**

At 31 March 2017, financing for real estate developers and developments totalled EUR 7,969 million.

Foreclosed assets: policies and strategies

BuildingCenter, SAU is the CAIXABANK subsidiary responsible for ownership of the Group's real estate assets. BuildingCenter acquires the real estate assets deriving from CAIXABANK's lending activity and manages them through Servihabitat Servicios Inmobiliarios, SL. CAIXABANK held a 49% stake in the latter at 31 December 2016.

Real estate assets are acquired through three different channels: acquisition at auctions held after assets have been foreclosed; acquisition of real estate assets secured through mortgages to individuals, with subsequent subrogation and cancellation of the debts; and acquisition of real estate assets secured through mortgages to companies to cancel their debts.

When attempting to market and sell these assets, the company pursues a strategy of land development, completion of property developments, real estate development through swaps, own real estate development, and renting and selling property.

The table below shows available-for-sale foreclosed assets by source and type of property at 31 December 2016 and 31 December 2015:

2016 - foreclosed real estate assets (*)

(Thousands of euros)

	Gross carrying amount	Allowances for impairment of assets (**)	*of which: Allowances for impairment of assets from time of foreclosure*	Net carrying amount
Real estate assets from loans to real estate constructors and developers	**9,103,128**	**(4,819,323)**	***(2,701,044)***	**4,283,805**
Buildings and other completed constructions	3,887,167	(1,634,838)	*(752,300)*	2,252,329
Homes	*2,794,739*	*(1,188,241)*	*(516,283)*	*1,606,498*
Other	*1,092,428*	*(446,597)*	*(236,017)*	*645,831*
Buildings and other work under construction	840,434	(478,528)	*(168,736)*	361,906
Homes	*797,160*	*(453,611)*	*(154,805)*	*343,549*
Other	*43,274*	*(24,917)*	*(13,931)*	*18,357*
Land	4,375,527	(2,705,957)	*(1,780,008)*	1,669,570
Developed urban land	*2,069,470*	*(1,198,973)*	*(668,240)*	*870,497*
Other land	*2,306,057*	*(1,506,984)*	*(1,111,768)*	*799,073*
Property acquired from mortgage loans to homebuyers	**2,791,270**	**(1,019,676)**	***(462,651)***	**1,771,594**
Other real estate assets foreclosed or received in lieu of payment of debt	**1,337,773**	**(580,817)**	***(232,669)***	**756,956**
Equity instruments foreclosed or received in lieu of payment of debt				**0**
Equity instruments of real estate asset holding companies				**0**

foreclosed or received in lieu of payment of debt				
Finance to real estate asset holding companies foreclosed or received in lieu of payment of debt	**63,963**			**63,963**
Total	**13,296,134**	**(6,419,816)**	***(3,396,364)***	**6,876,318**

(*) Does not include foreclosed assets classified as "Tangible assets – Investment property" amounting to EUR 3,078 million, net, but includes real estate assets in the process of foreclosure at auctions in the amount of EUR 556 million, net.

(**) Cancelled debt associated with the foreclosed assets totalled EUR 16,504 million and total write-downs of this portfolio amounted to EUR 9,691 million, EUR 6,420 million of which are impairment losses recognised in the balance sheet.

2015 - foreclosed real estate assets (*)

(Thousands of euros)

	Gross carrying amount	Allowances for impairment of assets (**)	*of which: Allowances for impairment of assets from time of foreclosure*	Net carrying amount
Real estate assets from loans to real estate constructors and developers	**9,651,226**	**(4,351,929)**	***(2,234,180)***	**5,299,297**
Buildings and other completed constructions	4,428,026	(1,516,923)	*(587,845)*	2,911,103
Homes	*3,229,937*	*(1,097,180)*	*(378,856)*	*2,132,757*
Other	*1,198,089*	*(419,743)*	*(208,989)*	*778,346*
Buildings and other work under construction	810,821	(430,797)	*(145,432)*	380,024
Homes	*741,698*	*(396,929)*	*(128,137)*	*344,769*
Other	*69,123*	*(33,868)*	*(17,295)*	*35,255*
Land	4,412,379	(2,404,209)	*(1,500,903)*	2,008,170
Developed urban land	*2,080,809*	*(1,032,770)*	*(534,431)*	*1,048,039*
Other land	*2,331,570*	*(1,371,439)*	*(966,472)*	*960,131*
Property acquired from mortgage loans to homebuyers	**2,688,088**	**(854,113)**	***(357,376)***	**1,833,975**
Other real estate assets foreclosed or received in lieu of payment of debt	**1,367,690**	**(550,761)**	***(207,832)***	**816,929**
Equity instruments foreclosed or received in lieu of payment of debt				
Equity instruments of real estate asset holding companies foreclosed or received in lieu of payment of debt				
Finance to real estate asset holding companies foreclosed or received in lieu of payment of debt	**64,896**			**64,896**
Total	**13,771,900**	**(5,756,803)**	**(2,799,388)**	**8,015,097**

(*) Does not include foreclosed assets classified as "Tangible assets – Investment property" amounting to EUR 2,966 million, net, but includes real estate assets in the process of foreclosure at auctions in the amount of EUR 692 million, net.

(**) Cancelled debt associated with the foreclosed assets totalled EUR 18,552 million and total write-downs of this portfolio amounted to EUR 10,602 million, EUR 5,757 million of which are impairment losses recognised in the balance sheet.

Foreclosed real estate assets acquired in lieu of payment of debt and held for rent, recognised on the CAIXABANK Group's balance sheet as investment property, amounted to EUR 3,078 million at 31 December 2016. Further information on assets classified as investment property is provided in section 8.1 of this document.

Refinancing

Refinancings or restructurings arise where the customer has, or will foreseeably have, financial difficulty in honouring its payment obligations under the contractually agreed terms, causing the contract to be modified or cancelled and/or a new transaction arranged.

These transactions may derive from: new agreements that fully or partially cancel or modify the contractual terms of existing arrangements, the triggering of contractual clauses that defer repayment or allow for the partial cancellation of the debt without the customer having to provide funds.

The CAIXABANK Group has a detailed customer debt refinancing policy, which complies with Circular 4/2016 and contains the same general principles published by the EBA for this type of operation.

From the very beginning, CAIXABANK has adhered to the Code of Good Practices for the viable restructuring of mortgage debts on primary residences included in Royal Decree-Law 6/2012, of 9 March, on urgent measures to protect mortgagors without funds, as amended by Law 1/2013, of 14 May, on measures to strengthen the protection of mortgage borrowers, debt restructuring and subsidised housing rentals.

The following table shows total refinancings by economic sector at 31 December 2016, as well as those classified as non-performing:

(Thousands of euros)	**Total**		
	Number of transactions	**Gross carrying amount**	**Accumulated impairment in fair value due to credit risk**
Credit institutions	2	5,018	
Public administrations	768	170,780	(832)
Other financial corporations and individual entrepreneurs (financial business)	61	27,458	(24,906)
Non-financial corporations and individual entrepreneurs (non-financial business)	21,794	5,819,149	(1,708,964)
Of which: Financing for real estate construction and development (including land)	*4,493*	*1,696,706*	*(566,891)*
Other households	170,776	5,710,409	(834,341)
Total	**193,401**	**11,732,814**	**(2,569,043)**

(Thousands of euros)	**Non-performing**		
	Number of transactions	**Gross carrying amount**	**Accumulated impairment in fair value due to credit risk**
Credit institutions			
Public administrations	308	56,468	(827)
Other financial corporations and individual entrepreneurs (financial business)	52	25,178	(24,674)
Non-financial corporations and individual entrepreneurs (non-financial business)	16,342	4,008,071	(1,601,245)
Of which: Financing for real estate construction and development (including land)	*3,962*	*1,307,351*	*(521,221)*
Other households	110,543	3,224,378	(715,131)
Total	**127,245**	**7,314,095**	**(2,341,877)**

At 31 March 2017, following the takeover of BPI, refinanced loans totalled EUR 12,955 million. Of this amount, EUR 8,193 million is classified as non-performing. Allowances associated with these transactions total EUR 2,804 million.

1.2. Concentration of risks

Risk concentration is one of the main causes of significant losses and has the potential to impact a financial institution's solvency.

Risk concentration by geographic area at 31 December 2016 was as follows:

(Thousands of euros)	TOTAL	Spain	Rest of the European Union	America	Rest of the world
Central banks and credit institutions	**33,062,955**	**16,518,162**	**14,838,596**	**535,129**	**1,171,068**
Public administrations	**79,169,507**	**75,298,966**	**3,755,248**	**12,351**	**102,942**
Central government	64,991,647	61,123,691	3,753,775	11,752	102,429
Other government bodies	14,177,860	14,175,275	1,473	599	513
Other financial corporations and individual entrepreneurs	**15,051,167**	**8,625,664**	**6,041,849**	**263,388**	**120,266**
Non-financial corporations and individual entrepreneurs	**78,350,032**	**68,599,550**	**5,089,754**	**3,211,986**	**1,448,742**
Real estate construction and development	6,739,498	6,718,439	19,521	610	928
Civil engineering	4,489,447	3,809,723	218,022	439,892	21,810
Other	67,121,087	58,071,388	4,852,211	2,771,484	1,426,004
Large corporations	40,314,846	33,602,264	3,750,901	2,137,797	823,884
SMEs and individual entrepreneurs	26,806,241	24,469,124	1,101,310	633,687	602,120
Other households	**114,870,928**	**112,927,358**	**1,403,690**	**163,084**	**376,796**
Home purchase	90,565,684	89,118,605	998,086	127,031	321,962
Consumer	11,701,383	11,664,762	16,237	9,878	10,506
Other	12,603,861	12,143,991	389,367	26,175	44,328
SUBTOTAL	**320,504,589**	**281,969,700**	**31,129,137**	**4,185,938**	**3,219,814**
TOTAL	**320,504,589**				

Loans and advances to customers by activity at 31 December 2016 were as follows:

(Thousands of euros)				Loans with collateral. Carrying amount based on latest available appraisal (loan to value)				
	TOTAL	*of which: With mortgage collateral*	*of which: Other collateral*	≤ 40%	> 40% ≤ 60%	> 60% ≤ 80%	> 80% ≤100%	>100%
Public administrations	**12,531,618**	***640,599***	***100,419***	**125,635**	**161,165**	**335,232**	**76,303**	**42,683**
Other financial corporations and individual entrepreneurs (financial business)	**7,583,239**	***328,432***	***19,025***	**38,481**	**265,048**	**34,019**	**5,385**	**4,524**
Non-financial corporations and individual entrepreneurs (non-financial business)	**68,657,838**	***22,332,909***	***2,292,158***	**10,121,628**	**8,855,126**	**3,259,569**	**1,218,906**	**1,169,838**
Real estate construction and development	6,731,077	*5,715,143*	*29,539*	2,279,820	2,479,845	806,500	112,943	65,574
Civil engineering	4,485,508	*744,549*	*33,683*	337,186	276,130	127,370	19,159	18,387

Other	57,441,253	*15,873,217*	*2,228,936*	7,504,622	6,099,151	2,325,699	1,086,804	1,085,877
Large corporations	38,794,633	*3,927,722*	*978,252*	1,890,714	1,512,492	730,901	278,441	493,426
SMEs and individual entrepreneurs	18,646,620	*11,945,495*	*1,250,684*	5,613,908	4,586,659	1,594,798	808,363	592,451
Other households	**114,475,394**	***101,445,825***	***752,702***	**29,117,048**	**40,633,279**	**27,600,815**	**3,939,202**	**908,183**
Home purchase	90,561,560	*89,460,252*	*221,202*	23,690,460	36,060,571	25,870,540	3,511,113	548,770
Consumer	11,701,382	*4,029,981*	*199,024*	1,946,847	1,489,935	550,694	151,906	89,623
Other	12,212,452	*7,955,592*	*332,476*	3,479,741	3,082,773	1,179,581	276,183	269,790
SUBTOTAL	**203,248,089**	***124,747,765***	***3,164,304***	**39,402,792**	**49,914,618**	**31,229,635**	**5,239,796**	**2,125,228**
TOTAL	**203,248,089**							
MEMORANDUM ITEMS								
Refinancing, refinanced and restructured transactions	9,163,771	*7,405,688*	*32,063*	2,056,957	3,293,906	1,742,278	223,997	120,615

1.3. Sovereign risk

Using the same methodology as for the private business sector, exposure to the public sector is analysed and monitored on an ongoing basis.

The Group's position in sovereign debt, concentrated mainly at CAIXABANK and the insurance group, is subject to the Company's general risk-taking policy, which ensures that all positions taken are aligned with the target risk profile.

The position in public, regional and local debt is subject to the general concentration and country risk limits established. Regular control procedures are in place for both, preventing new positions from being taken that could increase the credit risk on names or countries in which the Company has a high risk concentration unless express approval is given by the pertinent authority.

For fixed-income securities, a framework is in place regulating the solvency, liquidity and geographical location of all of the Group's fixed-income issuances (e.g. bonds, private fixed-income, public debt, preference shares) and any similar transaction involving payment in cash for the buyer and the assumption of the issuer's credit risk or related collateral. This control is exercised during the risk acceptance phase and throughout the life of the position in the portfolio.

The carrying amounts of the main items related to sovereign risk exposure at 31 December 2016 are shown below.

CaixaBank Group, excluding the insurance group

(Thousands of euros)

Country	Residual maturity	Financial assets held for trading – Debt securities	Financial liabilities held for trading - short positions	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments
Spain	Less than 3 months	178,366	0	2,885,559	967,533	
	Between 3 months and 1 year	681,289	(37,430)	874,544	4,030,415	514,137
	Between 1 and 2 years	164,461	(41,225)	537,292	350,381	
	Between 2 and 3 years	38,156	(44,864)	4,460,214	1,065,573	
	Between 3 and 5 years	350,651	(303,341)	228,716	1,458,765	6,083,828
	Between 5 and 10 years	88,943	(359,813)	3,464,955	2,889,429	259,036

	Over 10 years	64,044	(73,424)	8,061	1,656,078	
	Total	1,565,910	(860,097)	12,459,341	12,418,174	6,857,001
Italy	Less than 3 months	2,999				
	Between 3 months and 1 year	96,863	(27,750)			
	Between 1 and 2 years	2,561				
	Between 2 and 3 years	6,623				
	Between 3 and 5 years	19,370	(9,892)			
	Between 5 and 10 years	50,048		261,844		
	Total	178,464	(37,642)	261,844	0	0
Other	Less than 3 months			351,136	1,885	
	Between 3 months and 1 year			150,390	28,106	
	Between 1 and 2 years				9,875	
	Between 3 and 5 years				6,333	
	Between 5 and 10 years				67,834	
	Total	0	0	501,526	114,033	0
Total countries		**1,744,374**	**(897,739)**	**13,222,711**	**12,532,207**	**6,857,001**

Insurance group

(Thousands of euros)

Country	**Residual maturity**	**Financial assets held for trading – Debt securities**	**Financial liabilities held for trading - short positions**	**Available-for-sale financial assets**	**Loans and receivables**	**Held-to-maturity investments**
Spain	Less than 3 months					
	Between 3 months and 1 year			861,061		
	Between 1 and 2 years			871,245		
	Between 2 and 3 years			959,768		
	Between 3 and 5 years			2,188,740		
	Between 5 and 10 years			8,875,922		
	Over 10 years			26,571,415		
	Total	**0**	**0**	**40,461,800**	**0**	**0**
Belgium	Between 3 months and 1 year			140		
	Between 1 and 2 years			3,049		
	Between 2 and 3 years			682		
	Between 3 and 5 years			10,556		
	Between 5 and 10 years			168		
	Over 10 years			143		
	Total	**0**	**0**	**14,738**	**0**	**0**
Ireland	Between 3 and 5 years			1,795		
	Total	**0**	**0**	**1,795**	**0**	**0**
Italy	Less than 3 months			16,810		
	Between 3 months and 1 year			5,798		
	Between 1 and 2 years			8,717		
	Between 2 and 3 years			129,828		
	Between 3 and 5 years			224,297		
	Between 5 and 10 years			773,191		
	Over 10 years			1,331,604		
	Total	**0**	**0**	**2,490,245**	**0**	**0**
Other	Between 3 months and 1 year			2,198		
	Between 1 and 2 years			109		

	Between 2 and 3 years			3,077		
	Between 3 and 5 years			4,518		
	Between 5 and 10 years			5,628		
	Over 10 years			45,299		
	Total	**0**	**0**	**60,829**	**0**	**0**
Total countries		**0**	**0**	**43,029,407**	**0**	**0**
Total Group (CaixaBank + insurance group)		**1,744,374**	**(897,739)**	**56,252,118**	**12,532,207**	**6,857,001**

1.4. Counterparty risk generated by transactions with derivatives, repos and securities lending

For banking counterparties, the maximum authorised exposure to counterparty credit risk for credit approval purposes is determined using a complex calculation, primarily based on ratings for the entities and on analysis of their financial statements. In transactions with other counterparties, including retail customers, derivative transactions relating to loan applications (loan interest rate risk hedging) are approved jointly with the application. All other transactions are approved in accordance with their compliance with the assigned risk limit (and included in the corresponding derivatives risk line) or their individual assessment by the risk areas in charge of analysis and approval.

Virtually all exposures are with European and US counterparties. Additionally, the distribution by ratings of banking counterparties reflects the significance of operations with counterparties assessed as "investment grade," i.e. those which international rating agencies have considered to be safe due to their high payment capacity.

Counterparty risk at the CAIXABANK Group is controlled through an integrated real-time system that provides information at any given time on the available limit for any counterparty, by product and maturity. Risk is measured both in terms of current market value and future exposure (the value of risk positions in due consideration of future changes to underlying market factors).

To mitigate exposure to counterparty risk, CaixaBank has a solid base of collateral agreements. Virtually all the risks undertaken in connection with derivative instruments are covered by standardised ISDA and/or Spanish CMOF contracts, which provide for the possibility of offsetting the outstanding collection and payment flows between the parties.

Moreover, to mitigate settlement risk with an interbank counterparty, delivery-versus-payment (DVP) settlement systems are used, whereby clearing and settlement of a transaction occur simultaneously and inseparably.

1.5. Risk associated with the investee portfolio

The risk relating to the CAIXABANK Group's investee portfolio is the risk associated with the possibility of incurring losses due to changes in market prices and/or losses on the positions composing the investment portfolio at medium to long term.

For investments not classified as available for sale, the most significant risk is credit risk and the PD/LGD approach[1] is therefore applied. For investments classified as available for sale, the calculation is carried out using the internal Value at Risk model, since the most significant risk is market risk. The risk inherent in market price volatility is calculated by making a statistical estimate of the maximum potential losses based on historical price changes. If the requirements for applying the aforementioned methods are not met, the simple risk-weighting method under Basel III is applied. In addition, these indicators are monitored on an

[1] PD - probability of default: determined by estimating the probability of default on the basis of historical internal data in such a way as to reflect only the loss incurred of both the status of payments by borrowers in each segment and also of any local or national economic conditions that may correlate to defaults on assets in the segment. To this end, it estimates "Point-in-Time" probabilities of default at the end of each reporting period, with a projection at that date of the observed historical probabilities of default through linear regressions with macroeconomic variables providing an explanation thereof.
LGD - Loss given default (severity): estimated to explicitly reflect the present situation, i.e. the loss in the capacity to recover future flows of assets.

ongoing basis to ensure that the most appropriate decisions are always taken on the basis of observed and projected market performance and of the CAIXABANK Group's strategy.

At 31 December 2016, goodwill impairment on the investee portfolio totalled EUR 551 million (EUR 621 million at 31 December 2015). *See section 6.2 of this Registration Document for further information.*

The asset swap with Criteria Caixa, S.A.U. (Criteria) announced on 3 December 2015 was successfully completed on 30 May 2016. Under the arrangement, CAIXABANK transferred to Criteria its stake in The Bank of East Asia, Limited (BEA), representing approximately 17.24% of its share capital, and in Grupo Financiero Inbursa, S.A.B. de C.V. (GFI), representing approximately 9.01% of its capital. Meanwhile, Criteria has transferred to CAIXABANK a number of the latter's treasury shares representing approximately 9.9% of its share capital, plus a cash payment of EUR 642 million. *See section 5.1.5 of this Registration Document for further information.*

2. MARKET RISK

The financial activity of credit institutions involves assuming market risk, which includes exposures from various sources: commercial risk in the banking book arising from interest rate and exchange rate fluctuations, the risk of acquiring cash positions, and the risk associated with equity investments that form part of the CAIXABANK Group's diversification business. In all instances, risk refers to the potential loss of profitability or portfolio value as a result of adverse fluctuations in market rates or prices.

There are two concepts that constitute a common denominator and market standard for the measurement of market risk: sensitivity and VaR (Value at Risk).

These sensitivity analyses provide information concerning the impact on the economic value of positions of a rise in interest rates, exchange rates, prices or volatility in the value of positions, but do not provide any assumptions as to the likelihood of such changes.

In order to standardize risk measurement across the entire portfolio, and to produce certain assumptions regarding the extent of changes in market risk factors, the Value at Risk methodology (VaR: statistical estimate of potential losses from historical data on price fluctuations) is used with a one-day time horizon and a statistical confidence interval of 99% (i.e. under normal market conditions 99 times out of 100 the actual daily losses will be less than the losses estimated using the VaR model).

3. RISKS IN THE BANKING BOOK

3.1. Interest rate risk in the banking book

Interest rate risk is managed and controlled directly by CAIXABANK's management through the Asset and Liability Committee (ALCO).

At 31 December 2016, CAIXABANK used fair value macro-hedges as a strategy to mitigate its exposure to interest-rate risk and to preserve the economic value of its balance sheet. In 2016, CAIXABANK arranged hedges for new fixed-rate loans and for purchases of the long-term fixed-income portfolio.

The following table shows, using a static gap, the breakdown of maturities and interest rate resets at 31 December 2016 of sensitive items on the CAIXABANK balance sheet.

Matrix of maturities and revaluations of the sensitive balance sheet at 31 December 2016

(Thousands of euros)

	1 year	2 years	3 years	4 years	5 years	> 5 years	TOTAL
ASSETS							
Mortgage collateral	99,247,342	13,533,945	1,280,064	1,000,023	918,976	9,588,461	125,568,811
Other guarantees	51,325,994	3,024,802	1,772,221	858,281	761,066	2,659,598	60,401,962
Debt securities	7,246,814	522,214	4,064,468	2,473,386	3,851,800	4,189,484	22,348,166

Total assets	**157,820,150**	**17,080,961**	**7,116,753**	**4,331,690**	**5,531,842**	**16,437,543**	**208,318,939**
LIABILITIES							
Customer funds	110,801,175	14,348,576	6,641,697	6,051,597	6,128,048	30,123,556	174,094,649
Issues	10,015,847	4,282,222	2,163,959	1,506,058	2,641,300	12,085,095	32,694,481
Money market, net	5,466,814	101,843	79,197	26,843,211	20,135	199,209	32,710,409
Total liabilities	**126,283,836**	**18,732,641**	**8,884,853**	**34,400,866**	**8,789,483**	**42,407,860**	**239,499,539**
Assets less liabilities	**31,536,314**	**(1,651,680)**	**(1,768,100)**	**(30,069,176)**	**(3,257,641)**	**(25,970,317)**	**(31,180,600)**
Hedges	**(4,450,735)**	**4,378,835**	**974,331**	**(716,919)**	**1,701,746**	**(1,887,258)**	**0**
Total difference	**27,085,579**	**2,727,155**	**(793,769)**	**(30,786,095)**	**(1,555,895)**	**(27,857,575)**	**(31,180,600)**

The sensitivity to interest rates – explained by the speed at which market rates are transposed and the expected terms to maturity – has been analysed for items without a contractual maturity date (such as demand accounts) on the basis of past experience of customer behaviour, including the possibility that the customer may withdraw the funds invested in this type of product. For other products, in order to define the assumptions for early termination, internal models that capture behavioural variables of customers, own products and seasonal variables are used, and that also consider macro-economic variables to ascertain the future operations of customers.

The sensitivity of net interest income shows the impact on the review of balance sheet transactions caused by changes in the interest rate curve. The one-year sensitivity of net interest income to sensitive balance sheet assets and liabilities, taking account of scenarios of rising and falling interest rates of 100 basis points each, is approximately +6.46% on the rising scenario and -2.35% on the falling scenario. Given the current level of interest rates, it should be noted that the scenario of a 100 basis-point drop does not imply the application of negative interest rates.

The sensitivity of equity to interest rates measures the effect of interest rate fluctuations on economic value. The one-year sensitivity of equity to sensitive balance sheet assets and liabilities, taking account of scenarios of rising and falling interest rates of 100 basis points each, is approximately +3.76% on the rising scenario and -1.25% on the falling scenario, compared to the economic value in the baseline scenario.

3.2. Exchange rate risk in the banking book

The Executive Finance Division at CAIXABANK is responsible for managing the foreign currency risk arising from balance sheet positions denominated in foreign currency, a task performed through the market risk hedging activity undertaken by the Treasury Area. This risk is managed by applying the principle of minimising the assumed currency risks, which explains why the CAIXABANK Group's exposure to this market risk is low or virtually nil.

The equivalent euro value of foreign currency assets and liabilities held by CAIXABANK at 31 December 2016 and 2015 is as follows:

(Thousands of euros)	**2016**	**2015**
Foreign currency assets		
Cash and cash balances at central banks and other demand deposits	1,244,140	784,511
Financial assets held for trading	1,797,646	887,446
Loans and receivables	6,262,541	4,949,625
Investments (1)	17,741	2,216,111
Other assets	56,385	16,954
Total foreign currency assets	**9,378,453**	**8,854,647**

Foreign currency liabilities

Financial liabilities measured at amortised cost	5,560,452	7,952,032
Deposits	5,256,794	7,627,579
Central banks	*2,608,793*	*4,818,326*
Credit institutions	*272,257*	*540,634*
Customers	*2,375,744*	*2,268,619*
Debt securities issued	241,092	233,149
Other financial liabilities	62,566	91,304
Other liabilities	1,898,906	929,554
Total foreign currency liabilities	**7,459,358**	**8,881,586**

(1) At 31 December 2015, there was exposure in Hong Kong dollars and Mexican pesos due to its ownership interests in BEA and Inbursa, respectively.

4. ACTUARIAL RISK

Actuarial risk is the risk associated with the various insurance business arms and types. It is managed in accordance with Spanish insurance law and regulations, specifically Act 20/2015, of 14 July, on the regulation, supervision and solvency of insurance and reinsurance entities (“LOSSEAR” for its initials in Spanish) and Royal Decree-Law 1060/2015, of 20 November, on the regulation, supervision and solvency of insurance and reinsurance entities (“ROSSEAR” for its initials in Spanish) and other rules and regulations emanating from the Directorate General of Insurance and Pension Funds (“DGSFP” for its initials in Spanish).

Actuarial risk reflects the risk of underwriting life and non-life insurance contracts, attending to claims covered and the processes deployed in the exercise of this activity. It can be further broken down into mortality risk, longevity risk, disability risk and morbidity risk. This stable, long-term management is reflected in the actuarial management policies in place, which have been revised and brought into line with Solvency II rules. These policies relate to underwriting and posting reserves and reinsurance. Handling claims and ensuring the adequacy of the provisions are basic principles of insurance management.

Solvency II brings a transformation of the decision-making and risk management model of insurers. In order to comply with these new regulations (which took effect on 1 January 2016), the Insurance Group has been making adaptations in recent years, working actively on implementing Solvency II since the project began, participating in insurance sector working groups and in quantitative and qualitative impact studies conducted by the supervisors, and making the necessary adaptations and improvements to its systems and management processes.

The Solvency II opening balance sheet and definitive periodic quarterly QRTs (Quantitative Reporting Templates) were sent to the supervisor in 2016. The first ORSA (Own Risk and Solvency Assessment) in the final phase of Solvency II was also sent to the supervisor.

II. BUSINESS MODEL RISKS AT CAIXABANK

5. CAPITAL ADEQUACY RISK

Solvency risk arises when the CAIXABANK Group encounters difficulties in bringing its level of equity in line with regulatory requirements or in changing its risk profile.

The Group's ability to operate and its business strategy are affected by its ability to effectively manage capital. In this regard, management of the Bank's capital is heavily shaped by the prevailing legislative framework.

The CAIXABANK Group has set an objective of maintaining a medium-low risk profile and a comfortable level of capital to strengthen its position as one of the most robust entities in the European banking market.

Capital adequacy to cover eventual unexpected losses is measured from two different perspectives and using different methodologies: regulatory capital and economic capital.

The banking sector mainly uses regulatory capital (increasingly during the financial crisis of the past few years) as this is the metric required by regulators and that which investors and analysts can use to compare financial entities. However, the CAIXABANK Group has developed and uses economic capital as an additional benchmark, as it provides a more accurate view of its risk aggregation and diversification policy.

Regulatory capital

Since 1 January 2014, the capital adequacy of financial corporations has been regulated by Regulation (EU) 575/2013 (CRR) and Directive 2013/36/EU of the European Parliament and of the Council, both dated 26 June 2013, which implement the Basel III regulatory framework (BIS III) in the European Union, and by national laws and Bank of Spain circulars implementing and developing these regulations in Spain.

Additionally, following the transposition of European legislation, the Basel Committee and other relevant bodies published a series of additional rules and documents containing new specifications on how to calculate capital. This means that procedures are constantly being updated, and therefore CAIXABANK continuously adapts its processes and systems to ensure the calculation of the capital charge, calculation of own funds and direct deductions from capital are fully aligned with the new established requirements.

CAIXABANK has received a decision of the European Central Bank (ECB) on minimum regulatory capital requirements after analysing the results of the supervisory review and evaluation process (SREP). These requirements require CAIXABANK to maintain a regulatory CET1 ratio of 9.25%. This includes the general minimum Pillar 1 requirement of 4.5%, plus a further 4.75% embracing the specific requirements of Pillar II and the capital conservation buffer of 2.5% that will imply an add-on of 0,625% in 2016. The current transposition of CRD IV into applicable legislation in Spain envisages that these buffers will be applied progressively over four years from 2016. In 2015, CaixaBank also received the Bank of Spain's decision on the capital buffer required due its status as an O-SII from 1 January 2016 (0.25% to be phased in over a period of four years through to 2019). Together, these decisions required CaixaBank to maintain a CET1 ratio of 9,3125% in 2016.

For 2017, the European Central Bank (ECB) has divided Pillar 2 into requirements (known as Pillar 2R) and guidance (known as Pilar 2G). Pillar 2R, which sits between Pillar 1 and the prudential buffers, is binding and makes up part of the minimum requirement. Meanwhile, Pillar 2G is viewed as a supervisory expectation with no automatic consequences when it comes to distributing profit. It therefore comes ahead of the prudential buffers. Pillar 2G is not public information. In 2017, the ECB has required CaixaBank to maintain a regulatory CET1 ratio of 7,375%, which includes: the minimum Pillar 1 requirement of 4.5%; the Pillar 2R requirement of 1.5%; the capital conservation buffer of 1.25% (2.5% to be phased in over 4 years through to 2019); and the O-SII (Other Systemically Important Institution) buffer of 0,125% (0.25% to be phased in over 4 years through to 2019). On a fully loaded basis, the minimum CET1 requirement would therefore be 8.75%.

Similarly, and based on the Pillar 1 requirements of 6% and 8%, the minimum Tier 1 and Total Capital requirements would be 8,875% and 10,875%, respectively, in regulatory terms, and 10.25% and 12.25% fully-loaded, respectively. As stipulated in the regulation, the Group is subject to minimum eligible capital and disclosure requirements at individual and sub-consolidated level. Individually, CaixaBank is subject to neither the Pillar 2R nor the Pillar 2G just discussed, but only Pillar 1 and the prudential buffers.

The composition of the CAIXABANK Group's eligible own funds is as follows:

(Thousands of euros)	31.12.2016		31.12.2015		31.12.2014	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
CET1 Instruments	22,923,375		23,984,443		23,267,499	
Shareholders' equity	23,399,819		23,688,634		23,372,983	
Capital	5,981,438		5,823,990		5,714,955	
Profit	1,047,004		814,46		620,02	
Reserves and others	16,371,377		17,050,184		17,038,007	
Minority interests and unrealised gains/losses	155,743		1,515,916		1,843,320	
Adjustments of comput. of minority int. and unrealised g/l	-111,629		-916,652		1,644,635	
Other adjustments [1]	-520,558		-303,455		-304,169	
Deductions from CET1	**(5,134,157)**		**(5,499,031)**		**(5,172,564)**	
Intangible assets	(4,026,071)		(4,905,186)		(4,879,654)	
Financial investments	0		-238,215		-131,279	
Deferred tax assets	-685,185		-210,748		0	
Other CET1 deductions	-422,901		-144,882		-161,631	
CET1	**17,789,218**	**13.2%**	**18,485,412**	**12.9%**	**18,094,935**	**13%**
TIER 1	**17,789,218**	**13.2%**	**18,485,412**	**12.9%**	**18,094,935**	**13%**
T2 instruments	**4,087,736**		**4,444,175**		**4,517,344**	
Financing of subordinated issues	4,087,736		4,147,222		4,196,824	
Generic provisions and excess of provisions IRB	0		296,953		320,520	
T2 deductions	-85,079		-102,092		-162,208	
TIER 2	**4,002,657**	**3.0%**	**4,342,083**	**3.0%**	**4,355,136**	**3.1%**
TOTAL CAPITAL	**21,791,875**	**16.2%**	**22,827,495**	**15.9%**	**22,450,071**	**16,10%**
Memorandum items: Risk-weighted assets	**134,863,962**		**143,311,652**		**139,729,074**	
Credit risk	*98,190,228*		*99,295,285*		*95,346,300*	
Shareholder risk	*23,703,136*		*28,559,485*		*29,424,130*	
Market risk	*1,688,891*		*4,125,919*		*3,846,806*	
Operational risk	*11,281,707*		*11,330,963*		*11,111,838*	

(1)Mainly forecast of outstanding dividends charged to the financial year

(In million of euros)	**March 2017**	**December 2016**	**Variación**

Common Equity Tier 1 (CET1)	18,228	17,789	439
Capital Total	23,695	21,792	1,903
CET1 ratio	11.9%	13.2%	(1.28)
Minimum resources required on CET1	11,288	12,559	(1,271)
Surplus of minimum resources required on CET1	6,940	5,230	1,710
Risk-weighted assets (RWA)	153,060	134,864	18,196
Leverage ratio	5.6%	5.7%	(0.10)
Common Equity Tier 1 fully loaded	17,586	16,648	938
CET1 ratio fully loaded	11.5%	12.14%	(0.90)

(*) Minimum CET1 requirements (including Pillar 1 + Pillar 2 + buffers): 7.375% of RWAs in 2017 and 9.3125% RWAs in 2016

See section *5.1.5 Important events in the development of the issuer's business*, which describes the takeover of BPI in February of 2017.

Information on capital requirements at December 2016 by type of risk and calculation method is presented below:

Detail of risk-weighted assets by method

(Thousands of euros)	31.12.2016	
	Capital requirements	**%**
Credit risk (1)	**7,855,218**	**72.8%**
Standardised approach	3,905,246	36.2%
IRB approach	3,949,972	38.4%
Shareholder risk	**1,896,251**	**17.6%**
PD/LGD method	1,128,901	10.5%
Simple method	754,158	7.0%
VaR method	13,192	0.1%
Market risk	**135,111**	**1.3%**
Internal models (IMM)		1.3%
Operational risk	**902,537**	**8.4%**
Standardised approach	902,537	8.4%
Total	**10,789,117**	**100.0%**

(1) Including Credit Valuation Adjustments (*CVA*), Deferred Tax Assets (*DTA*) and securitizations

Economic capital

In order to comply with the regulations of Pillar II of Basel II, the CAIXABANK Group developed an economic capital model that uses its own set of criteria to measure all the risks to which the Group's business is exposed.

The economic capital model forms the basis of the internal estimate of capital requirements and supplements the regulatory view of capital adequacy. This is an internal estimate the Bank adjusts according to its level of tolerance to risk, volume, and type of business activity.

CAIXABANK's Board of Directors and Management are responsible for ensuring that it has sufficient capital at all times to respond to any incident, with a high level of confidence.

With this objective, CAIXABANK uses the same level of confidence as that used in the Pillar I calculations, i.e. 99.9% of Basel II, which allows it to maintain its desired target rating in alignment with best sector practices.

Hence, economic capital is not a substitute for regulatory capital, but a supplement which is used to better offset the actual risk assumed by the CAIXABANK Group and it includes risks that have not been factored in at all or only partially, by the regulatory measures.

In addition to the risks referred to in Pillar 1 (credit, market and operational risk), it includes interest rate risk in the banking book, liquidity risk and other risks (business, reputational, concentration and actuarial).

- **Risk of a credit rating downgrade**

Any downgrading of CAIXABANK's credit rating could increase its borrowing costs, restrict access to the capital markets, and negatively affect the sale or marketing of products and involvement in transactions, especially those involving longer terms and derivatives.

This could reduce the Group's liquidity and have an adverse effect on its operating profit and financial position.

At the date of this Registration Document, CAIXABANK has been assigned the following credit ratings:

Agency	Review date	Short-term rating	Long-term rating	Outlook
Standard & Poor's Credit Market Services Europe Limited, Sucursal en España	09/02/2017	A-2	BBB	Positive
Moody's Investors Services España, S.A.	10/05/2017	P-2	Baa2	Stable
Fitch Ratings España, S.A.U.	07/042017	F2	BBB	Positive
DBRS	16/03/2017	R-1 (low)	A (low)	Stable

Credit rating agencies are registered with the European Securities and Markets Authority (ESMA) pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council, of 16 September 2009, on credit rating agencies.

6. LIQUIDITY RISK

The CAIXABANK Group manages liquidity to maintain sufficient levels so that it can comfortably meet all its payment obligations on time and to prevent its investment activities from being affected by a lack of lendable funds.

The following table shows certain headings on CAIXABANK's 2016 balance sheet, by contractual term to maturity, at 31 December 2016, excluding valuation adjustments, in a scenario of normal market conditions:

Residual term of transactions at 31 December 2016

(Millions of euros)	Demand	< 1 month	1-3 months	3-12 months	1-5 years	> 5 years	Total
Assets							
Cash and cash balances at central banks and other demand deposits	12,974						12,974
Financial assets held for trading – Derivatives		558	133	774	2,270	12,269	16,004
Financial assets held for trading – Debt securities		59	136	785	601	216	1,797
Available-for-sale financial assets – Debt securities		1,247	1,989	1,823	5,526	3,967	14,552
Loans and receivables	17,630	7,246	6,762	19,245	68,416	104,161	223,460
Loans and advances	*17,630*	*7,246*	*6,349*	*19,170*	*68,125*	*103,907*	*222,427*
Debt securities			*413*	*75*	*291*	*254*	*1,033*
Held-to-maturity investments				1,034	7,027	245	8,306
Derivatives – Hedge accounting		87	35	26	1,171	1,782	3,101
Total assets	**30,604**	**9,197**	**9,055**	**23,687**	**85,011**	**122,640**	**280,194**
Liabilities							
Financial liabilities held for trading – Derivatives		455	73	408	2,007	12,880	15,823
Financial liabilities measured at amortised cost	126,175	32,413	17,187	27,200	43,364	12,295	258,634
Deposits	125,858	29,835	15,002	25,348	34,020	626	230,689
Central banks		*1,309*	*896*	*1,044*	*26,819*		*30,068*
Credit institutions		*3,817*	*1,076*	*134*	*478*	*269*	*5,774*
Customers	*125,858*	*24,709*	*13,030*	*24,170*	*6,723*	*357*	*194,847*
Debt securities issued		2,016	1,108	1,423	9,344	11,314	25,205
Other financial liabilities	317	562	1,077	429		352	2,737
Derivatives – Hedge accounting		2	1	2	162	459	626
Total liabilities	**126,175**	**32,870**	**17,261**	**27,610**	**45,533**	**25,634**	**275,083**
Assets less liabilities	**(95,571)**	**(23,673)**	**(8,206)**	**(3,923)**	**39,478**	**97,006**	**5,111**

The calculation of the gap in the total balance included in the above table projects transaction maturities according to their residual maturity and contractual term, irrespective of any assumption that the assets and/or liabilities will be renewed.

For the insurance business, liquidity that emerges from commitments (liabilities) arising from insurance contracts, mainly life savings insurance, sold by the CAIXABANK Group through VidaCaixa, is managed through the actuarial financial estimate of cash flows arising from the aforementioned contracts. Financial immunisation techniques are also applied based on estimated actuarial financial maturity, i.e. not necessarily contractual, and the financial assets affected.

In this regard, it should be noted that the liquidity of the consolidated balance sheet is managed separately for the insurance business and other businesses, mainly banking, and for this reason the maturities of the insurance group's portfolio of financial assets, mainly classified as held for sale, are not presented in the matrix of maturities.

The following table presents a breakdown of the CAIXABANK Group's liquid assets at 31 December 2016 and 2015 based on the criteria established for determining high quality liquid assets (HQLA) when calculating the LCR (Liquidity Coverage Ratio):

Liquid assets (*)

(Thousands of euros)	2016		2015	
	Market value	**Applicable weighted amount**	**Market value**	**Applicable weighted amount**
Level 1 assets	34,231,671	34,231,671	39,653,030	39,652,967
Level 2A assets	80,962	68,818	77,945	66,253
Level 2B assets	4,629,488	2,669,560	3,778,867	2,030,134
Total liquid assets	**38,942,121**	**36,970,049**	**43,509,842**	**41,749,354**

(*) Criteria established to determine the LCR (*liquidity coverage ratio*)

Banking liquidity, as shown by high quality liquid assets (HQLA) used to calculate the LCR, plus the balance that can be drawn on the credit facility with the European Central Bank that does not comprise the aforementioned assets, amounted to EUR 50,408 million and EUR 62,705 million at 31 December 2016 and 2015, respectively.

The LCR, which came into force on 1 October 2015, has been complied with since 1 January 2016, with a ratio of 70%. This involves maintaining an adequate level of high-quality liquid assets (HQLA) available to meet liquidity needs for a 30 calendar day stress scenario that considers a combined financial sector-wide and entity-specific crisis. The applicable regulatory limit is 70% from 1 January 2016, rising to 80% from 1 January 2017 and 100% from 1 January 2018. Key figures for this ratio:

In 2016, the LCR held steady above 130%, which is the target under the Strategic Plan. Accordingly, it was above the regulatory limit applicable in 2016 (70%) and the requirement from 2018 onward (100%). Key figures for the CAIXABANK Group in relation to this ratio are:

LCR (*)

(Thousands of euros)	**2016**	**2015**
High quality liquid assets (numerator)	36,970,049	41,749,353
Total net cash outflows (denominator)	23,116,298	24,253,890
Cash outflows	28,322,907	28,293,577
Cash inflows	5,206,609	4,039,687
LCR (%)	**160%**	**172%**

(*) According to Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to liquidity coverage requirement for credit institutions.

At 31 March 2017, the LCR was 158%.

As part of this approach to managing liquidity risk and to allow it to anticipate potential needs for lendable funds, the CAIXABANK Group has various mechanisms in place affording it access to the market and expediting the financing process.

Financing obtained from the European Central Bank through various monetary policy instruments was EUR 26,819 million at 31 December 2016, compared to EUR 18,319 million at 31 December 2015. The amount at 31 December 2016 relates to the extraordinary round of TLTRO II liquidity auctions maturing in September 2020 (a balance of EUR 24,319 million in June and EUR 2,500 million in December), while the balance drawn down at 31 December 2015 corresponded to the TLTRO extraordinary liquidity auctions (maturing in September 2018). In 2016, TLTRO was replaced by TLTRO II, featuring a longer maturity and more attractive financing terms and conditions, and the position taken was increased by EUR 8,500 million.

At year-end 2016, the CAIXABANK Group ensures its long-term access to resources through the renewal of the fixed income securities and promissory notes issue programmes, with the following amounts:

Debt issuance capacity

(Thousands of euros)	Total issuance capacity	Nominal used at 30/12/2016
Promissory notes programme (1)	3,000,000	24,775
Fixed-income programme (2)	15,000,000	4,024,600
EMTN (Euro Medium Term Note) programme (3)	10,000,000	0

(1) Promissory notes programme registered with the CNMV on 14/07/2016.
(2) Base prospectus for non-participating securities registered with the CNMV on 21/07/2016.
(3) Registered with the Irish Stock Exchange on 13/06/2016. This programme was renewed on 20/06/2017 for the sum of 10,000,000 euros in total issuance capacity.

Covered bond issuance capacity

(Thousands of euros)	2016
Mortgage covered bond issuance capacity	4,000,171
Public sector covered bond issuance capacity	1,493,769

At 31 March 2017, CAIXABANK had an unused (available) mortgage and public sector covered bond issuance capacity of EUR 7,978 million.

The CAIXABANK Group's financing policies seek a balanced distribution of issue maturities, preventing concentrations and diversifying financing instruments so as to reduce the Group's reliance on wholesale markets. Wholesale financing maturities (net of own securities acquired) were as follows at 31 December 2016:

Wholesale financing maturities (net of own securities acquired)

(Thousands of euros)	Up to 1 month	1-3 months	3-12 months	1-5 years	>5 years	Total
Promissory notes	0	0	0	0	0	0
Mortgage covered bonds	1,959,550	1,323,900	608,000	10,279,039	8,831,090	23,001,579
Public sector covered bonds	0	0	0	87,800	0	87,800
Senior debt	0	0	871,400	780,019	103,519	1,754,938
Subordinated debt and preference shares	0	0		0	793,056	793,056
Exchangeable bonds	0	0	0	0	0	0
Total wholesale issuance maturities	**1,959,550**	**1,323,900**	**1,479,400**	**11,146,859**	**9,727,665**	**25,637,374**

The following securities have been issued in 2017 through to the date of this Registration Document:

- issuance of ten-year mortgage-covered bonds worth EUR 1,500 million
- issuance of ten-year subordinated bonds worth EUR 1,000 million
- issuance of seven-year senior debt worth EUR 1,000
- issuance of seven-year contingent convertibles ("*Additional Tier 1 Preferred Securities"*) worth EUR 1,000 million.
- issuance of 25-year subordinated bonds worth EUR 150 million.

Meanwhile, following CaixaBank's takeover of BPI, the first quarter of the year saw CaixaBank fully subscribe BPI's EUR 300 million placement of subordinated debt.

On 5 July 2017, the financial terms of a new subordinated bond issue worth EUR 1,000 million and maturing in 11 years were released.

RISKS AFFECTING BUSINESS CONTINUITY

7. LEGAL/REGULATORY RISK

Legal and regulatory risk is associated with a loss or decrease in profitability as a result of changes to the regulatory framework or court rulings that go against the Issuer.

A class action is under way in which the claimants are seeking to disapply the use of floor causes in certain mortgage loans in the Bank's portfolio.

A judgement was issued on 7 April 2016 rendering null and void, due to insufficient transparency, the floor clauses contained in the general terms and conditions of the mortgage loan agreements entered into with consumers that were identical to those affected by the class action. As a result, banks must now: eliminate those clauses from their mortgage contracts; (ii) stop using them in a non-transparent manner; and (iii) repay to affected consumers the amounts unduly charged as a result of applying the null and void clauses as from the date of the Supreme Court judgement of 9 May 2013, plus any applicable interest payable by law. The Group duly eliminated these floor clauses in 2015, with an estimated annual impact on annualised net interest income of EUR -220 million.

This judgement is not final and has therefore been appealed by several parties, including CaixaBank. In its appeal, the ADICAE consumer association called for reimbursements not to be limited to the amounts collected since 9 May 2013 but to include, in each case, all amounts collected since each mortgage loan was arranged. The Public Prosecutor has opposed this request (unless the European Court of Justice rules otherwise). For the CaixaBank Group this means a maximum exposure of approximately EUR 1,250 million.

On 13 July 2016, the Advocate General of the European Union, which issues his opinion prior to the ruling handed down by the Court of Justice of the European Union (CJEU), decided in favour of the Spanish Supreme Court's decision to limit repayments back to May 2013 (this being the doctrine applied by Commercial Court 11). However, on 21 December 2016 the judgment handed down by the CJEU failed to heed the reports issued by the Advocate General and upheld full retroactive reimbursement in relation to the abusive floor clauses.

Given the circumstances, in 2015 the Group posted a total provision of EUR 515 million under Other provisions - Losses from agreements not formalised and other risks to cover the best estimated value of disbursements that it was expected could derive from this case, based on what the Bank deemed to be the most probable outcome. In view of how the case is unfolding and the uncertainty surrounding the outcome, an additional provision of EUR 110 million was recognised at year-end 2016 to cover any reasonably expected payouts based on best estimates. The final provision therefore totals EUR 625 million. This amount is also sufficient for the scenario envisioned in Royal Legislative Decree 1/2017, on urgent measures to protect consumers in relation to floor clauses.

The best estimate on which this provision was calculated is based on an external report prepared by EY, which contains experience-based analyses, projections and calculations that are useful here and also address the impact of Royal Legislative Decree 1/2017.

Although this new enhanced provision is based on best estimates, the Bank will continue to closely monitor and analyse its sufficiency every three months while drawing on its experience and lessons learned, and will increase and/or enhance the provision accordingly as and when needed.

Aware of the influence that the regulatory framework can have on the Bank's activities and its potential impact on its long-term sustainability, the CaixaBank Group continuously monitors all regulatory changes.

Senior management, especially through the Regulation Committee set up as an offshoot of the Management Committee, carefully considers the transcendence and scope of any new regulatory measures.

The Regulation Division, which belongs to the Legal Advisory Area, is tasked with continuously monitoring regulatory changes and handling regulatory alerts while coordinating accordingly with the different areas and departments.

8. COMPLIANCE RISK

Compliance risk is defined as risk arising from deficient procedures that generate actions or omissions that are not aligned with the legal or regulatory frameworks or with internal codes and rules, and which could result in administrative sanctions or reputation damage.

The CAIXABANK Group's objective is to minimise the probability of occurrence of compliance risk and, if it occurs, to detect, report and address the weaknesses promptly.

Compliance risk affects the entire Bank. All employees must ensure compliance with prevailing regulations, applying procedures that reflect those regulations when going about their activities.

9. OPERATIONAL RISK

Operational risk is defined as: "The risk of loss arising from inadequate or failed internal processes, people and systems or from external events". It includes legal and regulatory risk, but excludes strategic, reputational and business risk. Operational risk management addresses losses relating to credit risk or market risk triggered by operational risk.

The CAIXABANK Group's overall objective is to improve the quality of business management, supplying information on operational risks to allow decisions to be made that ensure long-term continuity within the organisation, improvements to its processes and the quality of both internal and external customer service, in accordance with the regulatory framework established, and the optimisation of capital charges.

There was a joint effort in 2016 to further integrate operational risk management, provide training across all levels of the organisation, and prepare for the introduction of the future Standardised Measurement Approach (SMA) for calculating regulatory capital.

Although the method used to calculate regulatory capital is the standard method, the operational risk measurement and management model used by the Group is designed to support management with risk-sensitive approaches, in line with market best practices. It aims to establish an operational risk model based on policies, processes, tools and methodologies that improve operational risk management at the companies and ultimately help reduce operational risk and the associated future losses.

The CAIXABANK Group has arranged corporate insurance policies to cover the main risks to which its business activities are exposed.

The Group's Business Continuity Plan is part of the Business Continuity Management System. Its aim is to protect the business and therefore the company from disasters and/or unforeseen events and resume or continue its operations. Business continuity at the Group is structured through the Business Continuity Management System, which is ISO 22301:2012 certified.[1]

10. REPUTATIONAL RISK

[1] International Organization for Standardization. ISO 22301:2012 Societal Security – Business Continuity Management Systems – Requirements.

Reputational risk is the risk of loss of competitiveness due to a loss of trust in the CAIXABANK Group by one or more of its stakeholders, based on their appraisal of the acts or omissions, real or purported, of the Bank, its Senior Management and governance bodies.

The Corporate Social Responsibility and Corporate Reputation Area of CAIXABANK, under the supervision of CAIXABANK's Corporate Responsibility and Reputation Committee, is entrusted with monitoring any reputational risk which, should it materialise, could adversely affect CAIXABANK's reputation.

The responsibilities of the Corporate Responsibility and Reputation Committee, composed of areas whose management has the greatest impact on reputation, include analysing the risks that might affect the Bank's reputation and proposing actions to manage the risks detected.

One of the main tools used to manage and mitigate risks that may potentially affect the Group's reputation is the Reputational Risk Map, which identifies the risks with the greatest potential impact on its reputation and ranks them by criticality based on the potential damage to reputation and the degree of coverage of preventative policies. Indicators have been established for the most significant risks so that they can be monitored accordingly. The Group's reputation is measured using the Reputation Scorecard, which includes various internal and external indicators on the Bank's reputation. The scorecard sets out who CAIXABANK's stakeholders are and key reputational values, weighting them according to their importance to the Bank. This provides a Global Reputation Index: a global metric enabling data to be compared over time and benchmarked against peers.

Translation for information purposes only, in case of discrepancy between this English version and the original Spanish version of the Registration Document, the Spanish version shall prevail.

I. INFORMATION ON THE ISSUER (ANNEX I OF COMMISSION REGULATION (EC) NO 809/2004 OF 29 APRIL 2004)

1. PERSONS RESPONSIBLE

1.1. Identification of the persons responsible for the share registration document

Matthias Bulach, Head of Financing Accounting, Control and Capital, for and on behalf of CAIXABANK, S.A., ("**CAIXABANK**", the "**Company**" or the "**Issuer**"), by virtue of the resolution adopted by the Board of Directors on 25 May 2017, assumes responsibility for the content of this registration document (the "**Registration Document**"), the content of which is in line with Annex I of Commission Regulation (EC) No 809/2004 of 29 April 2004.

1.2. Declaration by the persons responsible for the share registration document

Matthias Bulach, for and on behalf of CAIXABANK, declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of his knowledge, accurate and truthful and does not omit anything likely to affect its import.

2. STATUTORY AUDITORS

2.1. Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body)

The individual and consolidated financial statements for 2014, 2015 and 2016 were audited by Deloitte, S.L., with registered address at Plaza de Pablo Ruiz Picasso, número 1, Torre Picasso, Madrid, and have been filed in the corresponding public registers of the CNMV.

Deloitte, S.L. is filed with the Companies Registry of Madrid at sheet M-54,414, folio 188, volume 13,650, section 8, and with the Official Registry of Auditors (ROAC) under registration number S0692.

2.2. If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material

Deloitte, S.L. has not resigned or been removed as auditor of CAIXABANK over the last three years.

Shareholders voted to re-elect Deloitte, S.L. as auditor for 2016 and 2017 at the Annual General Meetings held on 23 April 2015 and 28 April 2016, respectively.

A resolution was carried at the Annual General Meeting held on 6 April 2017 to ratify the appointment of PricewaterhouseCoopers Auditores, S.L. as financial auditor of CAIXABANK and its consolidated group for 2018 through to 2020, following the reasoned recommendation and preference issued by the Audit and Control Committee, after completing the selection process carried out in accordance with the criteria set out in Regulation (EU) 537/2014 of 16 April on specific requirements regarding statutory audit of public-interest entities.

PricewaterhouseCoopers Auditores, S.L., with registered office at Paseo de la Castellana 259 B, Torre PWC, 28046 Madrid, is filed with the Companies Registry of Madrid at sheet number M-87250-1, folio 75, volume 9,267, section 3, and with the Official Registry of Account Auditors (ROAC) under number S0242.

3. SELECTED FINANCIAL INFORMATION

3.1 Selected historical financial information regarding the Issuer, presented for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information

The CAIXABANK Group's key management indicators at 31 December 2016, 2015 and 2014 are provided below. The CAIXABANK Group's financial information for 2016 is based on audited accounting records. Financial information for 2015 and 2014 is presented for comparison purposes only.

The information taken from the consolidated income statement and balance sheet has been prepared in accordance with the regulatory financial reporting framework applicable to the Group, which is set forth in the International Financial Reporting Standards ("IFRS"), as adopted by the European Union through EU Regulations, in accordance with Regulation No 1606/2002 of the European Parliament and of the Council of 19 July 2002, and subsequent amendments. It has also been prepared with due regard to Bank of Spain Circular 4/2004 of 22 December ("the Circular"), on public financial and inside information and standard formats for presenting the financial statements of credit institutions, showing how Spain has adapted the IFRS adopted by the European Union to Spanish credit institutions, and subsequent amendments.

The accounting policies, principles and criteria specified in Note 2 to the 2016 consolidated financial statements have been applied.

The basis of presentation for the balance sheet and income statement has been established in accordance with Circular 5/2015 of the Spanish securities market regulator (CNMV). Therefore, figures for 2015 have been restated accordingly.

Following the entry into force of Bank of Spain Circular 5/2014 and so as to allow the 2015 income statement to be compared with the financial information relating to 2016, the proceeds obtained from the purchase and sale of currencies in customer transactions have been reclassified and are therefore no longer presented under "Exchange differences (net)" and "Gains/(losses) on financial assets and liabilities held for trading (net)" and are presented instead under "Fee and commission income".

Moreover, proceeds from sales of strategic investments were also not presented in 2016 under "Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" and were presented instead under "Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net" in trading income.

Information relating to 2014 is presented for information purposes only and has not been restated.

In accordance with the Guidelines on Alternative Performance Measures (APMs) published by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057), the appendices hereto provide definitions of certain alternative financial measures and, where appropriate, the reconciliation with the items contained on the financial statements for the period in question.

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€ million	2016	Annual change %	2015	Annual change %	2014
	January - December				
INCOME STATEMENT HEADINGS					
Net interest income	4,157	(4.5%)	4,353	4.8%	4,155
Gross income	7,827	0.0%	7,824	12.7%	6,940
Pre-impairment income stripping out extraordinary expenses	3,832	1.9%	3,761	18.8%	3,167
Pre-impairment income	3,711	15.3%	3,218	1.6%	3,167
Profit/(loss) attributable to the Group	1,047	28.6%	814	31.4%	620

€ million	December 2016	Change	December 2015	Change	December 2014
BALANCE SHEET					
Total assets	347,927	1.1%	344,255	1.7%	338,623
Equity	23,556	(6.5%)	25,205	(0.1%)	25,232
Customer funds	303,895	2.5%	296,599	9.1%	271,758
Loans and advances to customers, gross	204,857	(0.8%)	206,437	4.7%	197,185
EFFICIENCY AND PROFITABILITY (last 12 months)					
Cost-to-income ratio	52.6%	(6.3)	58.9%	4.5	54.4%
Cost-to-income ratio stripping out extraordinary expenses [1]	51.0%	(0.9)	51.9%	(2.5)	54.4%
ROE	4.5%	1.1	3.4%	0.7	2.7%
ROTE	5.6%	1.3	4.3%	0.9	3.4%
ROA	0.3%	0.1	0.2%	0.0	0.2%
RORWA	0.8%	0.2	0.6%	0.1	0.5%
RISK MANAGEMENT					
Non-performing loans (NPL)	14,754	(2,346)	17,100	(3,010)	20,110
Non-performing loan ratio	6.9%	(1.0)	7.9%	(1.8)	9.7%
Cost ok risk[2]	0.46%	(0.3)	0.73%	(0.3)	1.00%
Provisions for non-performing loans	6,880	(2,632)	9,512	(1,608)	11,120
NPL coverage ratio	47%	(9)	56%	1	55%
Net foreclosed available for sale real estate assets	6,256	(1,003)	7,259	540	6,719
Foreclosed available for sale real estate assets coverage ratio	60%	5	55%	0	55%
LIQUIDITY					
Total Liquid assets	50,408	(12,299)	62,707	-	n.d.
Loan to deposits	110.9%	4.8	106.1%	1.8	104.3%
Liquidity Coverage Ratio	160%	(12)	172%	(3)	175%
CAPITAL ADEQUACY[3]					
Common Equity Tier 1 (CET1)	13.2%	0.3	12.9%	(0.1)	13.0%
Total Capital	16.2%	0.3	15.9%	(0.2)	16.1%
Risk-weighted assets (RWAs)	134,864	(8,448)	143,312	3,583	139,729
Leverage ratio	5.7%	0.0	5.7%	0.0	5.7%
Fully loaded Common Equity Tier 1 (CET1)	12.4%	0.8	11.6%	(0.5)	12.1%
SHARE INFORMATION					
Share price (€/share)	3.140	(0.074)	3.214	(1.147)	4.361
Market capitalization	18,768	66	18,702	(6,209)	24,911
Book value per share (€/share)	3.94	(0.39)	4.33	(0.09)	4.42
Tangible book value per share (€/share)	3.26	(0.21)	3.47	(0.07)	3.54
Number of outstanding shares excluding treasury stock (millions)	5,977	158	5,819	107	5,712
Net income attributable per share (€/share) (12 months)	0.18	0.04	0.14	0.03	0.11
Average number of shares excluding treasury stock (millions) (12 months)	5,842	22	5,820	108	5,712
PER (Price/Profit)	17.52	(5.45)	22.97	(16.68)	39.65
Tangible PBV (Market value/ book value of tangible assets)	0.96	0.03	0.93	(0.30)	1.23
BANKING BUSINESS AND RESOURCES (Units)					
Customers (millions)	13.8	0.0	13.8	0.4	13.4
Employees	32,403	161	32,242	1,032	31,210
Branches in Spain	5,027	(184)	5,211	(40)	5,251
ATMs	9,479	(152)	9,631	87	9,544

(1) 2016: does not include EUR 121 in extraordinary expenses in connection with the labour agreement. 2015: does not include EUR 543 million in extraordinary expenses associated with the integration of Barclays Bank, SAU and the labour agreement.

(2) The December 2016 ratio excludes the release of EUR 676 million in provisions carried out in the fourth quarter of 2016.

(3) Figures at December 2016 updated to reflect final COREP adjustments.

Clarifications for a number of business indicators (loans and funds) shown in the above table and prepared using management criteria, are provided below. See also *Appendix – Alternative Performance Measures*.

Reconciliation with the consolidated balance sheet included in the consolidated financial statements as per IFRS in relation to customer loans and funds, gross.

Loans and advances to customers, gross

December 2016 **€ million**	
Loans and advances to customers (Public Balance Sheet)	**200,338**
NPL provisions	6,684
Other, non-retail, financial assets (asset under the asset protection scheme and others)	(724)
Reverse repurchase agreement (public and private sector)	(1,441)
Gross loans and advances to customers	**204,857**

Liabilities under insurance contracts

December 2016 **€ million**	
Liabilities araising from insurance contracts (Public Balance Sheet)	**45,804**
Capital gains/(losses) on insurance assets available for sale	(9,253)
Unit-links [1]	3,764
Liabilities araising from insurance contracts, under management criteria	**40,315**

(1) Recognised under Financial liabilities designated at fair value through profit or loss in the public balance sheet.

Customer funds

December 2016 **€ million**	
Financial liabilities at amortised cost (Public Balance Sheet)	**254,093**
Non-retail financial liabilities	**(77,285)**
Deposits from central banks	(30,029)
Deposits from credit institutions	(6,316)
Other financial liabilities	(2,873)
Institutional issues [2]	(27,691)
Counterparties and other	(10,376)
Liabilities under insurance contracts, under management criteria	**40,315**
Total on-balance sheet customer funds	**217,123**
Assets under management (mutual funds, managed accounts, SICAVs and pension plans)	81,890
Other accounts [3]	4,882
Off-balance sheet funds	**86,772**
Total customer funds	**303,895**

(2) Recognised for accounting purposes under: Debt securities issued (€27,708 million) and Customer deposits (€4,306 million) on the public balance sheet..

(3) Includes, among others, funds associated with the agreements to distribute insurance products from Barclays Bank, SAU and a subordinated debt issue of "la Caixa" (currently at CriteriaCaixa).

3.2 If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year must also be provided, except that the requirement for comparative balance sheet information is satisfied by presenting the year-end balance sheet information

This Registration Document includes interim consolidated financial information for the Group at 31 March 2017 and 31 March 2016, prepared using the Company's internal accounting records and those of the other Group companies. The information contained in this section must be read alongside the consolidated financial information included in section 20.6 of this Registration Document.

CAIXABANK's quarterly consolidated financial information has not been audited by the Company's auditors.

The basis of presentation for the balance sheet and income statement has been established in accordance with Circular 5/2015 of the Spanish securities market regulator (CNMV). Therefore, figures for the first quarter of 2016 have been restated accordingly.

Last but not least, following the entry into force of Bank of Spain Circular 5/2014, in relation to the income statement for the first quarter of 2016, the proceeds obtained from the purchase and sale of currencies in customer transactions have been reclassified. They are therefore no longer presented under “Exchange differences (net)” and “Gains/(losses) on financial assets and liabilities held for trading (net)” and are presented instead under “Fee and commission income”.

The following table shows the headline figures appearing on the Bank’s consolidated income statement and other business and management information for the period from 1 January through to 31 March 2017, as well as a comparison with the income reported in the same period a year earlier and with the balance sheet figures at the reporting close of the previous year (see section *5.1.5 Important events in the development of the Issuer’s business,* which describes the takeover of BPI in February of 2017).

Translation for information purposes only, in case of discrepancy between this English version and the original Spanish version of the Registration Document, the Spanish version shall prevail.

€ million	January - March 2017	2016	Annual change %
INCOME STATEMENT HEADINGS			
Net interest income	1,153	1,020	13.1%
Gross income	1,893	1,922	(1.5%)
Pre-impairment income stripping out extraordinary expenses	802	919	(12.7%)
Pre-impairment income	792	919	(13.8%)
Profit/(loss) attributable to the Group	403	273	47.9%

€ million	March 2017	December 2016	Change
BALANCE SHEET			
Total assets	370,267	347,927	6.4%
Equity	24,779	23,556	5.2%
Customer funds	338,053	303,895	11.2%
Loans and advances to customers, gross	227,934	204,857	11.3%
EFFICIENCY AND PROFITABILITY (last 12 months)			
Cost-to-income ratio	54.0%	52.6%	1.4
Cost-to-income ratio stripping out extraordinary expenses	52.4%	51.0%	1.4
ROE	5.1%	4.5%	0.6
ROTE	6.2%	5.6%	0.6
ROA	0.3%	0.3%	
RORWA	0.9%	0.8%	0.1
RISK MANAGEMENT			
Non-performing loans (NPL)	16,135	14,754	1,381
Non-performing loan ratio	6.7%	6.9%	(0.2)
Cost ok risk[1]	0.46%	0.46%	
Provisions for non-performing loans	7,985	6,880	1,105
NPL coverage ratio	49%	47%	2
Net foreclosed available for sale real estate assets[2]	6,285	6,256	29
Foreclosed available for sale real estate assets coverage ratio	59%	60%	(1.0)
LIQUIDITY			
Total Liquid assets	55,256	50,408	4,848
Loan to deposits	112.7%	110.9%	1.8
Liquidity Coverage Ratio	158%	160%	(2)
CAPITAL ADEQUACY[3]			
Fully-loaded Common Equity Tier 1 (CET1)	11.5%	12.4%	(0.9)
Fully-loaded total capital	15.1%	15.4%	(0.3)
Fully-loaded Risk-Weighted Assets (RWAs)	152,874	134,385	18,489
Fully-loaded leverage ratio	5.4%	5.4%	
Common Equity Tier 1 (CET1)	11.9%	13.2%	(1.3)
SHARE INFORMATION			
Share price (€/share)	4.029	3.140	0.889
Market capitalization	24,085	18,768	5,317
Book value per share (€/share)	4.08	3.94	0.14
Tangible book value per share (€/share)	3.37	3.26	0.11
Number of outstanding shares excluding treasury stock (millions)	5,978	5,977	1
Net income attributable per share (€/share) (12 months)	0.20	0.18	0.02
Average number of shares excluding treasury stock (millions) (12 months)	5,752	5,842	(90)
PER (Price/Profit)	19.68	17.52	2.16
Tangible PBV (Market value/ book value of tangible assets)	1.20	0.96	0.24
OTHER DATA (units)			
Customers (millions)	15.8	13.8	2.0
Employees	37,638	32,403	5,235
Branches[4]	5,525	5,027	498

NOTE: Following the takeover of BPI, the shareholding has been reported since 7 February 2017 using the full consolidation method, having hitherto been reported using the equity method.

(1) The ratio excludes the release of EUR 676 million in provisions carried out in the fourth quarter of 2016.

(2) Exposure in Spain.

(3) Figures at December 2016 updated to reflect final COREP adjustments.

(4) Does not include branches outside Spain or representative offices.

4. RISK FACTORS

See section I (Risk Factors) of this Registration Document.

5. INFORMATION ABOUT THE ISSUER

5.1 History and development of the issuer

5.1.1 Legal and commercial name of the issuer

The complete corporate name of the Issuer is “CAIXABANK, SA”, as per Article 1 of its Bylaws.

5.1.2 Place of registration of the issuer and its registration number

The Company is filed with the Barcelona Companies Registry at volume 42,657, folio 33, sheet B-41232, entry 109, with tax number A-08663619. It is also entered on the Special Administrative Register of the Bank of Spain under number 2100.

5.1.3 Date of incorporation and length of life of the issuer, except where indefinite

The Company was incorporated under the name Grupo de Servicios, S.A. for an indefinite period of time through a public instrument executed on 12 December 1980 before Barcelona notary, Eduardo Blat Gimeno, under number 2,375 of his protocol. It subsequently changed its name to GDS-Grupo de Servicios, SA in a public instrument executed on 22 December 1983 before Barcelona notary public, Antonio-Carmelo Agustín Torres.

The Company amended its Bylaws to comply with the Public Limited Companies Act then in force in a public instrument executed on 1 June 1992 before Barcelona notary public, Ladislao Narváez Acero, under number 1,124 of his protocol.

On 1 June 2000, GDS-Grupo de Servicios, S.A. absorbed CaixaHolding, SAU, a dormant company, and acquired the latter’s corporate name. The merger was executed through a public instrument executed on 11 July 2000 before Barcelona notary, Tomás Giménez Duart, under number 4,011 of his protocol, giving rise to entry number 35 on the sheet open in the Company’s name at the Companies Registry of Barcelona. In July 2000, Caixa d’Estalvis i Pensions de Barcelona, ”la Caixa” contributed almost all its portfolio of investees to the Company so as to streamline its control and management.

The Company then changed its corporate name of “CaixaHolding” to “CriteriaCaixaCorp, S.A.,” as decided by its sole shareholder on 19 July 2007. The sole shareholder’s decision was executed in public instrument on 2 August 2007 before Barcelona notary public, Tomás Giménez Duart, under number 3,511 of his protocol, registered as entry 56 on the sheet open in the Company’s name at the Barcelona Companies Registry.

In October 2007, the Company’s shares were admitted to trading on the Spanish stock exchanges following an initial public offering.

On 27 January 2011, ”la Caixa”, the Company (then called Criteria CaixaCorp, S.A.) and Microbank de ”la Caixa”, S.A.U. signed a framework agreement governing the reorganisation of the ”la Caixa” Group, which involved the following actions to restructure the ”la Caixa” Group: (i) by virtue of deed of transfer executed on 27 June 2011 before Barcelona notary public, Tomás Giménez Duart, under number 2,617 of his protocol, ”la Caixa” transferred to Microbank de ”la Caixa”, S.A.U. all the assets and liabilities comprising its financial activity; (ii) under a swap arrangement, ”la Caixa” transferred to Criteria all Microbank shares post-split, while Criteria transferred to ”la Caixa” a series of equity interests, giving Criteria full ownership of Microbank’s entire share capital; (iii) by virtue of public instrument executed before the aforesaid Barcelona notary public on 30 June 2011 under number 2,685 of his protocol, the Company and Microbank de ”la Caixa”, S.A.U. merged with the former absorbing the latter. The legal entity Microbank de ”la Caixa”, S.A.U. was wound up without liquidation and all its assets and liabilities were transferred en bloc to the Company, which adopted its current name of CAIXABANK, S.A. This business was registered as entry 109 on the sheet open in the Company’s name at the Barcelona Companies Registry.

As a result of this restructuring activity, the Company became a listed bank through which ”la Caixa” indirectly carried on its financial activity.

However, in compliance with Transitional Provision One of Act 26/2013, of 27 December, on savings banks and banking foundations, ”la Caixa'', as a savings bank indirectly carrying on its activity as a credit institution through a bank and given its characteristics, had to become a banking foundation before 29 December 2014. Until that time, applicable law took the form of Act 31/1985, of 2 August, regulating the basic rules of the governing bodies of savings banks and its implementing regulations, as well as the applicable provisions of Royal Legislative Decree 11/2010, of 9 July, on the governing bodies and other matters concerning the legal regime of savings banks, including their tax regime, and article 8.3.d) of Act 13/1985, of 25 May, on investment ratios, capital and reporting obligations for financial intermediaries.

To comply with this legal requirement, the ”la Caixa” General Assembly held on 22 May 2014 approved the conversion of ”la Caixa” into a banking foundation. The deed of conversion of ”la Caixa” into a banking foundation was entered on the Foundations Register on 16 June 2014, resulting in the conversion of the entity and, therefore, ”la Caixa” ceasing to indirectly carry on its activity as a credit institution through CAIXABANK.

The task of transforming ”la Caixa” into a Banking Foundation was carried out through a restructuring of the ”la Caixa” Group, a process that involved: firstly, the split and transfer to Criteria CaixaHolding –a wholly owned subsidiary of the current ”la Caixa” Banking Foundation– of the stake previously held by the current ”la Caixa” Banking Foundation in CAIXABANK. As a result, and as of 14 October 2014, the banking foundation's stake in CAIXABANK is held through Criteria, along with the debt instruments issued by “la Caixa”; and secondly the dissolution and liquidation of the former ”la Caixa” Foundation through the en bloc transfer of its assets and liabilities to the current ”la Caixa” Banking Foundation (this liquidation was recorded in the Catalonian Foundations Register on 16 October 2014).

The resolution carried by the Board of Trustees of Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, ”la Caixa”, changing the corporate name from Criteria CaixaHolding, S.A.U. to Criteria Caixa, S.A.U. (“Criteria” or “CriteriaCaixa”), was notarised in public instrument before notary on 7 October 2015.

With the reorganisation now completed, the ”la Caixa” Banking Foundation performs the following main activities: direct management of Welfare Projects through CriteriaCaixa and management of both its stake in CAIXABANK (40.0% at 31 March 2017) and the investments in various non-financial sectors (mainly Gas Natural and Abertis).

This reorganisation means that ”la Caixa” is no longer a credit institution (savings bank), although as a banking foundation it is now supervised by the Bank of Spain with regard to its stake in CAIXABANK, as set forth in Act 26/2013.

On 26 May 2016, CriteriaCaixa and ”la Caixa” Banking Foundation announced their intention to take steps to fulfil the conditions laid down by the European Central Bank to deconsolidate CAIXABANK from CriteriaCaixa for prudential purposes before the end of 2017. See related information in section 7.1. *If the Issuer is part of a group, a brief description of the group and the Issuer's position within it.*

5.1.4 Domicile and legal form of the Issuer, legislation under which the Issuer operates, country of incorporation, and address and telephone number of its registered office (or principal place of business if different from its registered office)

5.1.4.1 Domicile and legal form

CAIXABANK, S.A., the parent of the CAIXABANK Group, with LEI code 7CUNS533WID6K7DGFI87, is domiciled at Avenida Diagonal, 621, 08028, Barcelona (contact telephone numbers: 902 223 223 or 0034 93 404 60 00). It is a Spanish commercial enterprise structured as a public limited company and is therefore subject to the revised text of the Spanish Corporate Enterprises Act ("Corporate Enterprises Act"), enacted by Royal Legislative Decree 1/2010 of 2 July.

Since 2007 the shares representing the whole of CAIXABANK's share capital have been admitted to trading on the electronic stock market of the Madrid, Barcelona, Valencia and Bilbao stock exchanges. As a listed company, it is subject to Royal Legislative Decree 4/2015, of 23 October, enacting the consolidated text of the Securities Market Act ("Securities Market Act") and its implementing regulations.

CAIXABANK's majority shareholder is presently the banking foundation into which Caixa d'Estalvis i Pensions de Barcelona ("la Caixa") has become, which held 45.32% and 40.00% of CAIXABANK's capital at 31 December 2016 and 31 March 2017, respectively (*see section 18.1 of this document*).

5.1.4.2 Regulatory framework affecting CAIXABANK's banking business

CAIXABANK is a financial institution subject to special legislation governing credit institutions in general, and the supervision, control and regulations of the European Central Bank and the Bank of Spain, in particular.

5.1.5 Important events in the development of the Issuer's business

From CAIXABANK's incorporation to date

CAIXABANK resulted from the conversion of Criteria CaixaCorp, S.A. as part of the reorganisation of the "la Caixa" Group's activities, which culminated on 30 June 2011 with CAIXABANK being entered in the Bank of Spain's Registry of Banks and Bankers and its listing on the Spanish stock markets –as a financial institution– on the following day, 1 July 2011.

Key events in CAIXABANK's life over the last three years

2014:

- "***la Caixa" Group passed the comprehensive assessment of the ECB with a CET1 capital ratio of 9.3% in the adverse scenario; CaixaBank's ratio would stand at 10.3%***

The "la Caixa" Group comfortably passed the comprehensive assessment conducted by the European Central Bank (ECB), which involved a detailed asset quality review (AQR) and a strict stress test coordinated by the European Banking Authority (EBA).

The European authorities performed the test on the entire "la Caixa" Group, including the industrial stakes and real estate assets of Criteria, and based on the consolidation level at 31 December 2013 in Caja de Ahorros y Pensiones de Barcelona, which became a banking foundation in 2014. Based on this perimeter, the "la Caixa" Group obtained a capital surplus of EUR 6,777 million under the adverse scenario, with a Common Equity Tier 1 (CET1) ratio of 9.3%.

Applying the same methodology and macroeconomic scenario in an internal assessment of CAIXABANK resulted in surplus capital of EUR 7,706 million and a Common Equity Tier 1 (CET1) ratio of 10.3%. Factoring in the conversion into shares of the mandatory convertible bonds in the first half of 2014, CAIXABANK's CET1 ratio would climb to 11.4% under the adverse scenario – more than double the required minimum, with a surplus of around EUR 9,500 million based on internal estimates.

On the subject of the asset quality review (AQR), the authorities conducted an in-depth analysis of the quality of the assets contained in the portfolios selected by the European watchdog (those comprising SMEs, companies, large companies, corporations, real estate developers and real estate). Together, these account for more than EUR 52,000 million of the risk-weighted assets of the "la Caixa" Group (over 50% of the total for credit risk).

The process concluded that practically no further provisioning is required, confirming that the Bank comfortably meets its coverage requirements and applies a prudent policy of flagging and provisioning for impaired assets.

In February 2016, the European Banking Authority (EBA) announced a new methodology and macroeconomic scenarios for the 2016 stress test, covering 70% of the European banking sector and aimed at assessing the ability of European banks to fulfil minimum capital requirements in an adverse economic scenario (see "*Results of the stress test in 2016 coordinated by the European Banking Authority (EBA)).*

- ***Sale of the stake in Bolsas y Mercados Españoles***

On 16 January 2014, an accelerated bookbuilding process was undertaken for 4,189,139 shares in Bolsas y Mercados Españoles, the holding company of Mercados y Sistemas Financieros, S.A., which represented around 5.01% of the company's share capital and CAIXABANK's entire stake. All shares were placed with institutional and/or qualified investors.

The placement amounted to EUR 124 million, generating consolidated gross gains of EUR 47 million.

- ***CAIXABANK bolsters its strategic agreement with the Erste Foundation, raising its stake in Erste Group Bank to 9.9%***

On 15 December 2014, a public announcement was made of the renewal of the strategic agreement signed in 2009 with the Erste Foundation, the Erste Group Bank's main shareholder.

Under the terms of the new agreement, and after receiving the go-ahead from the Austrian market watchdog, CAIXABANK became a stable shareholder of Erste Group Bank, joining a group of Austrian savings banks and a number of their foundations, along with the holding company, WSW. Together, they hold a 30% stake in Erste Group Bank.

In addition, CAIXABANK increased its stake in Erste Group Bank on the same date from 9.1% to 9.9% after acquiring 3.5 million shares from the Erste Foundation. At 31 March 2017, the stake amounted to 9.92%.

At the May 2015 Annual General Meeting of Erste Group Bank, the appointment of a second member of Erste Group Bank's Supervisory Board was approved, as proposed by CAIXABANK.

- ***Purchase of Zurich Insurance Company Ltd.'s stake in CAN Seguros Generales and its subsequent sale to SegurCaixa Adeslas, S.A.***

In line with the plan to reorganise Banca Cívica's insurance portfolio, in June 2014 CAIXABANK purchased Zurich Insurance Company Ltd.'s 50% stake in CAN Seguros Generales, thus winding up the joint venture between both companies.

The total amount paid was EUR 32,000 thousand, which included the penalty for early termination specified in the partnership agreements signed with the Zurich insurance group. Further, as part of the purchase price allocation for Banca Cívica, CAIXABANK had previously recognised an accounting provision to cover the aforementioned penalty, which was applied in the transaction.

Immediately after the purchase, and by virtue of the agreements in place between CAIXABANK and the Mutua Madrileña Group, the Company sold 100% of CAN Seguros Generales to SegurCaixa Adeslas, SA de Seguros y Reaseguros for EUR 46,700 thousand.

- ***Stake in The Bank of East Asia, LTD (BEA)***

In 2014, CAIXABANK acquired shares in BEA for the sum of EUR 160,075 thousand. As part of the scrip dividend programme carried out by BEA in March 2014, CAIXABANK opted to receive shares with a market value of EUR 23,996 thousand. CAIXABANK's stake at 31 December 2014 was 18.68%.

2015:

- ***2015-2018 Strategic Plan***

CaixaBank continues to base its actions on its 2015-2018 Strategic Plan, "Committed to trustworthy and profitable banking", as it seeks to consolidate its leadership in Spain and be recognised for its quality of service, social responsibility, financial robustness and capacity to innovate.

As planned from the outset, the plan was reviewed at the end of 2016, having reached its halfway point. While certain objectives and courses of action have been recalibrated as a result of the process, the five strategic lines remain the same:

- Customer focus: being the best bank for quality and reputation
- Attaining recurring returns above the cost of capital
- Active capital management
- Leading the digitalisation of the banking world
- Having the best-prepared and most-dynamic team possible

CaixaBank aims to accomplish the following financial and operational objectives in 2018, among others, following the review process completed in late 2016: (i) ROTE of between 9% and 11%; (ii) recurring cost-to-income of around 55%; (iii) average annual core income growth for the 2016-18 horizon of 4% (excluding Banco BPI); (iv) stable recurring operating expenses (excluding Banco BPI) in respect of those reported in 2014 (pro-forma with Barclays España); (v) reducing the cost of risk to below 40 bp; (vi) maintaining a fully loaded CET1 ratio of between 11% and 12%; (vii) maintaining a Total Capital ratio in excess of 14.5%; (viii) maintaining a cash dividend payout ratio of 50% or more; and (ix) possibility of paying out a special dividend and/or buying back shares if the CET1 ratio fully loaded exceeds 12%.

- ***Acquisition of Barclays Bank, SAU***

On 31 August 2014, CAIXABANK announced an agreement with Barclays Bank PLC to acquire Barclays Bank, SAU.

On 2 January 2015, CAIXABANK acquired the entire capital of Barclays Bank, SAU, after securing the necessary clearance from the regulatory authorities.

The arrangement embraces the retail banking, wealth management and corporate banking arms of Barclays Bank in Spain, but excludes the investment banking and card businesses.

CAIXABANK paid Barclays Bank PLC a final price of EUR 815.7 million.

Value of Barclays Bank, SAU's assets and liabilities

Following the acquisition and provisional allocation of the purchase price, certain adjustments were made to the equity of Barclays Bank, SAU so as to ensure that its assets and liabilities were measured at fair value at 31 December 2014

With these adjustments to Barclays Bank, SAU's equity now completed (EUR -249 million, net), negative goodwill in respect of the price actually paid stands at EUR 602 million, net.

Inclusion of the assets and liabilities of Barclays Bank, SAU's business since 1 January 2015 has led to growth of approximately 5-6% in CAIXABANK's total pre-integration assets, affecting all balance sheet headings. The integration of Barclays Bank, SAU has led to increases of 4-8% across the various headings of the Group's income statement.

Approval of the take-over merger

On 30 March 2015, the Boards of Directors of CAIXABANK and Barclays Bank, SAU approved the provisional terms of the merger between CAIXABANK (absorbing company) and Barclays Bank (absorbed company).

This merger entailed: (i) dissolving Barclays Bank; and (ii) the transfer en bloc of its assets and liabilities to CAIXABANK, which acquired, by universal succession, all the former's rights and obligations. The public instrument formalising the takeover merger of Barclays Bank, S.A.U. (absorbed company) by CAIXABANK (absorbing company) was placed on record in the Barcelona Companies Register on 14 May 2015.

- ***Agreement to sell the stake in Boursorama and Self Trade Bank***

On 18 June 2015, CAIXABANK announced the sale of its entire stake in Boursorama to the Société Générale Group in a deal worth EUR 218.5 million. The stake accounted for 20.5% of the company's share capital and voting rights. The price paid by Société Générale was the same as that offered to the minority shareholders during the simplified takeover bid and squeeze-out procedure of 2014, i.e. EUR 12 per share.

The sale marked an end to the alliance between Société Générale and CAIXABANK, which began in 2006 following the sale of CaixaBank France to Boursorama. As a result, the shareholders agreement signed in May 2006 and renegotiated by both companies in March 2014 is also considered terminated.

CAIXABANK also announced the sale to Boursorama of its entire stake in Self Trade Bank, the joint venture that both entities held in Spain. The stake represented 49% of the bank's share capital. The transaction signalled the end of the joint venture and of the agreements signed by Boursorama and CAIXABANK in July 2008.

Consolidated after-tax gains from both deals totalled approximately EUR 38 million and had an impact of roughly 19 basis points on *CAIXABANK's* fully loaded CET1 ratio. The transactions formed part of the 2015-2018 Strategic Plan to cut the capital charge on the investee portfolio.

- ***Stake in The Bank of East Asia, LTD (BEA)***

Change in the stake in The Bank of East Asia from 18.68% to 17.24% at 31 December 2014 and 2015, respectively, as a result of the net impact of an increase on deciding to receive shares by way of two scrip dividends, totalling EUR 53,995 thousand, and the dilution stemming from the private placement of shares by The Bank of East Asia for Sumitomo Bank.

2016:

- ***Tender offer for BPI***

On 18 April 2016, CaixaBank announced that its Board of Directors had decided to launch a non-hostile takeover bid to acquire Banco BPI (BPI). The offered price was set at EUR 1,113 per share and was subject to: (i) the Portuguese bank lifting its voting cap; (ii) CaixaBank eventually obtaining more than 50% of BPI's share capital; and (iii) securing regulatory clearance. This price was equivalent to the weighted average of the quoted price of BPI shares over the six-month period leading up to the announcement of the tender offer.

The General Shareholders' Meeting of BPI agreed to lift the cap on voting rights at a meeting held on 21 September 2016. Following the decision to lift the cap and because at that time CaixaBank's equity interest exceeded 33.3% in the share capital of BPI, the Portuguese Comissão do Mercado de Valores Mobiliários (stock market commission) decided to end the exemption previously granted to CaixaBank in 2012 (temporarily releasing it from its obligation to launch a mandatory bid for the shares in BPI), thus requiring CaixaBank to effectively launch the takeover bid. This means that the planned takeover of BPI, which was initially envisaged as a voluntary move, became compulsory and the share price was raised to EUR 1,134, equivalent to the weighted average of the quoted price of BPI shares over the six-month period leading up to 21 September 2016.

On 5 January 2017, BPI completed the sale of 2% of its stake in BFA to the company Unitel, SA, whose stake in BFA therefore climbed to 51.9% while BPI's interest dropped to 48.1%. The parties also entered into a new shareholder agreement in respect of BFA. This deal had been previously approved at the extraordinary General Shareholders' Meeting of BPI on 13 December 2016. The arrangement has allowed for the deconsolidation of BFA from BPI's consolidated balance sheet, thus allowing BPI to resolve its risk exposure breach due to its controlling stake in BFA.

On 16 January 2017, the Portuguese securities market regulator (CMVM) filed the prospectus for the mandatory takeover bid for BPI, with the acceptance period ending on 7 February 2017.

CaixaBank's stake in BPI amounted to 84.5% following completion, on 7 February 2017, of the acceptance period for the mandatory takeover bid filed by the Portuguese CMVM on 16 January 2017. The offered price for the bid was EUR 1,134 per share and with demand totalling 39.01% of BPI's share capital, the total payout was therefore EUR 644.5 million.

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.

The Group's 2017 consolidated income statement includes a positive net impact in the quarter of EUR 159 million, resulting from:

- On 5 January 2017, BPI completed the sale of 2% of its stake in BFA to the company Unitel, SA, whose stake in BFA therefore climbed to 51.9% while BPI's interest dropped to 48.1%. The parties also entered into a new shareholder agreement in respect of BFA.

  The arrangement allows for the deconsolidation of BFA from BPI's consolidated balance sheet, thus allowing BPI to resolve its risk exposure breach due to its controlling stake in BFA. The transaction generated a negative attributable impact of EUR 97 million for CaixaBank, which was recognised under the equity method.

- The net result of measuring BPI's assets and liabilities at fair value as of the effective takeover date, as a result of the business combination, was EUR 256 million.

This net result will allow the Group to meet future restructuring costs, which were estimated at EUR 250 million, net (approximately EUR 155 million, net, attributable to the Group) when the takeover bid was announced.

- ***Stake in Repsol, SA and early full redemption of bonds exchangeable for Repsol shares***

On 28 January 2016, CaixaBank's Board of Directors resolved to fully call the bond issue exchangeable for Repsol shares titled "Unsecured Mandatory Exchangeable Bonds due 2016" ("Exchangeable Bonds").

The Exchangeable Bonds were redeemed by delivering the underlying Repsol shares to the bondholders. The redemption date of the Exchangeable Bonds was 3 March 2016, and the underlying shares were delivered on 10 March 2016. Approximately 5,479.45 Repsol shares were delivered for each Exchangeable Bond, plus a cash amount of EUR 1,340.16 for interest accrued, and a further cash amount of EUR 3,048.90 as a make-whole fee, all in accordance with the terms and conditions of the Exchangeable Bonds.

Accordingly, and after deducting the Exchangeable Bonds held by the Bank itself, CaixaBank delivered a total of 29,824,636 shares representing 2,069% of Repsol's share capital and paid out a total cash sum of EUR 23,889,653.58.

- ***Swap with CriteriaCaixa of stakes in The Bank of East Asia and Grupo Financiero Inbursa in exchange for treasury shares and cash***

On 3 December 2015, the Board of Trustees of the "la Caixa" Banking Foundation and the boards of directors of both CaixaBank and CriteriaCaixa, S.A.U. (Criteria or CriteriaCaixa) agreed to sign a swap agreement whereby CaixaBank would transfer to CriteriaCaixa its stake in The Bank of East Asia and in Grupo Financiero Inbursa in exchange for a mix of CaixaBank shares and cash (the "Swap Agreement").

On 30 May 2016, this asset swap arrangement was successfully completed, having previously secured all necessary administrative authorisations and having satisfied the terms of the swap agreement.

As a result, CaixaBank transferred to Criteria its stake in The Bank of East Asia, Limited (BEA), representing approximately 17.3% of its share capital, and its stake in Grupo Financiero Inbursa, S.A.B. de C.V (GFI), representing approximately 9.01% of its share capital. In exchange, Criteria transferred to CaixaBank a number of CaixaBank shares representing approximately 9.89% of its share capital, plus a cash sum of EUR 678 million.

As a result of the transfers envisaged under the swap agreement, the agreements with BEA and GFI have since been amended to allow Criteria to take over from CaixaBank as their new shareholder. CaixaBank will remain as a banking partner to both banks so as to continue cooperating with them in commercial activities. When making strategic investments in banks that operate on the American continent and in the Asia-Pacific, CaixaBank will honour its commitment to making those investments through GFI and BEA respectively, unless, in the case of GFI, that bank decides not to take part in the investment.

The transfers following the swap agreement had a net negative impact of EUR 14 million on CaixaBank's consolidated earnings at the close of the operation, and an impact on the Tier 1 regulatory capital (CET1) ratio of roughly -0.3% and +0.2% (fully loaded).

The swap has allowed CaixaBank to accomplish the objective set out in the 2015-2018 Strategic Plan, which calls for a one-third reduction in the weight of the capital charge of the investee portfolio to bring it from 16% at year-end 2014 to below 10% before the end of 2016. Thanks to the deal, the weight of the capital charge of minority holdings at year-end 2016 has fallen below 7%.

At 31 March 2017, CriteriaCaixa held stakes in GFI and BEA of 9.0% and 17.4%, respectively.

- ***Sale of treasury shares to qualified investors***

On 22 September 2016, CaixaBank decided to make use of the power conferred on the Board of Directors by the General Shareholders' Meeting on 28 April 2016, thus proceeding to sell a package of treasury shares through a private placement among qualified investors. Most of these shares had recently been acquired from its shareholder CriteriaCaixa under the terms of the swap agreement discussed previously.

A total of 585,000,000 treasury shares were successfully sold, representing 9.9% of CaixaBank's share capital (including treasury shares worth EUR 380 million transferred to two institutional investors committed to remaining with the Bank). The price per treasury share was set at EUR 2.26, thus offering investors a 3.67% discount on the quoted price of the CaixaBank share on the transaction date.

CaixaBank obtained a total of EUR 1,322 million in proceeds from the sale.

The placement allowed CaixaBank to strengthen its regulatory capital ratio in view of the tender offer for BPI shares described previously, thus allowing it to meet the objective under its strategic plan of maintaining a fully-loaded Common Equity Tier 1 (CET1) ratio of 11-12%.

- ***Stake in Visa Europe Ltd.***

Visa Inc.'s acquisition of Visa Europe Ltd was completed on 21 June 2016. Given the CAIXABANK Group's stake in Visa Europe Ltd., classified as available-for-sale, this transaction involved recognising a gross gain of approximately EUR 165 million (EUR 115 million, net) in the Group's consolidated income statement for the second quarter of 2016.

- ***Prudential minimum capital requirements of the European Central Bank and the Bank of Spain***

In the fourth quarter of 2016, CaixaBank received the updated decision of Banco de España in relation to the capital buffer required of it due to its status as an Other Systemically Significant Institutions (O-SII). This buffer remains unchanged at 0.25%. The buffer is to be phased in over four years, commencing on 1 January 2016, meaning that in 2017 it will apply a requirement of 0,125% in regulatory capital adequacy.

In November 2016, the European Central Bank (ECB) handed Criteria the minimum regulatory capital requirements after analysing the results of the supervisory review and evaluation process (SREP), requiring the CaixaBank Group to maintain a regulatory Common Equity Tier 1 (CET1) ratio of 7,375%, which includes: the minimum Pillar 1 requirement (4.5%); the Pillar 2 requirement of the ECB (1.5%); the capital conservation buffer (1.25%); and the O-SII buffer (0,125%). On a fully loaded basis, the minimum CET1 requirement would therefore be 8.75%. Similarly, and based on the Pillar 1 requirements of 6% and 8%, the minimum Tier 1 and Total Capital requirements would be 8,875% and 10,875%, respectively, in regulatory terms, and 10.25% and 12.25% fully-loaded, respectively.

The ECB's decision means that the regulatory CET1 level below which the CaixaBank Group would be required to limit dividend payments in 2017, as well as variable pay and interest to holds of additional tier 1 capital instruments -commonly referred to as the maximum distributable amount trigger (MDA trigger)- is 7,375%.

- ***Outcome of the stress test coordinated by the European Banking Authority (EBA)***

The stress test conducted by the European authorities extended to the whole CriteriaCaixa Group, including not only the CaixaBank Group, but also the industrial stakes and real estate assets held by Criteria, as per the maximum level of prudential consolidation at 31 December 2015. Under this perimeter, the CriteriaCaixa Group obtained a regulatory CET1 ratio of 9.0% at the end of the adverse scenario (2018) and a fully-loaded ratio of 7.8%, applying all, capital regulations envisioned for 2023.

CaixaBank, as part of the CriteriaCaixa Group, conducted an internal estimate of its own individual results by relying on the same methodology and official scenarios as those relied on by the CriteriaCaixa Group. Applying the same methodology and adverse macroeconomic scenario to CaixaBank on its own, the Bank's Common Equity Tier 1 (CET1) ratio would be 9.8% at December 2018 (regulatory view) and 8.5% fully loaded.

If we factor in the swap agreement between CaixaBank and Criteria discussed previously, CaixaBank's CET1 ratio at the end of the adverse scenario (2018) would improve to 10.1% (regulatory view) and to 9.1% (fully loaded) due to the release of deductions deriving from the financial stakes transferred to Criteria.

On 21 December 2016, the EBA announced its decision to conduct the next stress test in 2018, and to carry out its regular annual transparency exercise in 2017.

- ***Intended prudential deconsolidation of CriteriaCaixa from CaixaBank***

On 26 May 2016, CriteriaCaixa announced through a significant event filing, with the following key aspects, that the European Central Bank (ECB) had responded to its request for information, indicating the threshold below which it would consider that CriteriaCaixa no longer exerts control over CaixaBank for prudential purposes.

For CriteriaCaixa, the relevant deconsolidation conditions established by the ECB that the market should rely on are, among others, that CriteriaCaixa's voting and dividend rights in CaixaBank no longer exceed 40% of the total rights; that CriteriaCaixa's proprietary board members at CaixaBank no longer exceed 40% of the total number of board members, plus a number of other corporate governance requirements; and lastly that CaixaBank will no longer be permitted to grant loans or financing to CriteriaCaixa and/or ”la Caixa” Banking Foundation once twelve months have elapsed from the deconsolidation date.

If the requirements announced by the ECB are met, it will duly confirm that control over CaixaBank has been relinquished and in the absence of other controlling stakes in other banks, Criteria will cease to be a mixed financial holding company for the purposes of Regulation (EU) No 575/2013, and consequently, the CriteriaCaixa consolidated group will no longer be required to comply with the capital requirements set out in the above mentioned regulation.

The Board of Trustees of the ”la Caixa” Banking Foundation and the Board of Directors of CriteriaCaixa have agreed to put on record their desire to honour the above conditions so as to bring about the prudential deconsolidation of CriteriaCaixa from the CaixaBank Group before the end of 2017.

At 31 December 2016, CriteriaCaixa was the majority shareholder of CaixaBank, with a stake of 45.32%, and holding also a majority of voting rights (40.0% at 31 March 2017).

2017:

- ***Subordinated notes issue***

CaixaBank announced that on 7 February 2017 it had established the financial terms of a subordinated notes issue (Fixed Rate Reset Subordinated Notes) totalling EUR 1,000 million (the “Issue” and the “Subordinated Notes”) under the terms of its “EURO 10,000,000,000 Euro Medium Term Note Programme”, the base prospectus of which, dated 13 June 2016 (supplements added on 1 September 2016, 26 September 2016, 1 November 2016, 12 December 2016 and 3 February 2017), has been approved by the competent supervisory authority, namely the Central Bank of Ireland.

The Subordinated Notes were issued on 15 February 2017, coinciding with the payment date and closure of the Issue. A request was promptly made to include the Notes on the official list and for the instruments to be admitted for trading on the regulated market of the Irish Stock Exchange.

CaixaBank requested that the Subordinated Notes qualify as Tier 2 capital under the terms of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June. The was subsequently approved by the European Central Bank on 10 May 2017.

The Subordinated Notes have a nominal unit value of EUR 100,000 and an issue price of 99,973%. They will pay interest from the issue date (inclusive) through to 15 February 2022 (exclusive) at an annual rate of 3.50%. From that date (inclusive), the Subordinated Notes will pay a fixed annual coupon equal to the applicable five-year mid-swap rate (5-year EUR Mid-Swap), plus a margin of 3.35%.

The final maturity date of the Issue falls on 15 February 2027. CaixaBank may redeem the Subordinated Notes on 15 February 2022 after obtaining permission to do so from the competent authority. The Subordinated Notes can also be redeemed at any time following a change in the way they are taxed, provided it can be shown -to the satisfaction of the competent authority- that redemption is necessary and was not reasonably foreseeable at the time the notes were issued; or following a capital event (i.e. where a change in the regulatory classification of the Subordinated Notes means that the notes no longer qualify as Tier 2 capital instruments) after obtaining permission from the competent authority.

- ***Paid early retirements and resignations***

On 19 May 2017 it was announced that under the terms of the agreement reached with the workers’ representatives, a total of 610 employees have voluntarily adhered to the paid early retirement and resignation plan for employees born before 1 January 1962, with the workers in question to leave the company at the end of the second and third quarters of 2017.

The estimated provision for this agreement is EUR 304 million, gross, which is due to be posted in the second quarter of 2017, while the annual cost savings under the plan are expected to reach EUR 65 million, gross.

- ***Issue of preference shares***

On 1 June, CaixaBank announced the approval of an issue of contingent convertibles (convertible into new-issue shares) (Additional Tier 1) worth EUR 1,000 million, with the pre-emptive subscription right disapplied. The terms of the placement were decided that same day.

The Issue, available only to qualified investors, was made at par value and the coupon on the CoCos, payment of which is subject to certain conditions and is also discretionary, was set at 6.75% per year for the first seven years. Thereafter, it will be revised to equal the applicable five-year mid swap rate (5-year EUR Mid Swap Rate) plus 649.8 basis points. Payment of the coupon (where payable) will be quarterly in arrears.

While the CoCos are perpetual, they may be redeemed under specific circumstances at the option of CaixaBank. They will be converted into new-issue common shares of the Bank if CaixaBank or the CaixaBank Group reports a Common Equity Tier 1 ratio (CET1) of less than 5,125%, calculated in accordance with Regulation 575/2013 (EU) of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms.

The conversion price of the CoCos will be the highest of: (i) the volume-weighted daily average price of the CaixaBank share in the five trading days prior to the day the corresponding conversion is announced; (ii) EUR 2,803 (Floor Price); and (iii) the par value of the CaixaBank shares at the time of conversion (on today's date, the par value of the share is one euro (EUR 1)).

- ***Cecabank***

On 28 June 2017, CaixaBank announced that through its mediation CaixaBank Asset Management SGIIC, SAU and VidaCaixa, SAU de Seguros y Reaseguros had reached an agreement with Cecabank, SA whereby the latter will continue to act though to 31 March 2027 as exclusive depository of 80% of the assets held in investment funds, securities investment companies (SICAVs) and individual system pension funds managed by CaixaBank AM and VidaCaixa, respectively. Meanwhile, Cecabank will act as the exclusive custodian of the remaining 20% until 31 March 2022, except for a small percentage, for which the exclusive arrangement will be phased out between 31 March 2025 and 31 March 2027. This new arrangement is effectively a continuation of the original agreement reached in 2012, when Cecabank began acting as depository for the two CaixaBank subsidiaries.

Under the agreement, CaixaBank received payment of EUR 115 million, which was recognised as income in the second quarter of 2017. In the next ten years, based on the performance of Cecabank's depository business, CaixaBank could receive further variable payments for a total amount of up to EUR 85 million.

- ***Subordinated notes issue***

On 5 July 2017, CaixaBank announced the financial terms of an issue of subordinated notes worth EUR 1,000 million (the "Issue" and the "Subordinated Notes") under its "EURO 10,000,000,000 Euro Medium Term Note Programme", the base prospectus of which, dated 20 June 2017, has been approved by the competent supervisory authority, namely the Central Bank of Ireland.

The Subordinated Notes will have a nominal unit value of EUR 100,000 and an issue price of 99,973%. They will pay interest from the issue date (inclusive) through to 14 July 2023 (exclusive) at an annual rate of 2.75%. From that date on (inclusive), the Subordinated Notes will pay a fixed annual coupon equal to the applicable five-year mid-swap rate (5-year EUR Mid-Swap), plus a margin of 2.35%.

The final maturity date of the Issue will be 14 July 2028. CaixaBank may redeem the Subordinated Notes on 14 July 2023 after obtaining permission to do so from the competent authority. The Subordinated Notes can also be redeemed at any time after obtaining permission from the competent authority in response to any of the following events: a) following a change in the way the Subordinated Notes are taxed; or b) following a capital event, in both cases in accordance with the requirements laid down in Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 (“CRR”).

The Subordinated Notes are due to be issued on 14 July 2017, coinciding with the payment date and close of the Issue. A request will be made to include the Notes on the official list and for the instruments to be admitted for trading on the regulated market of the Irish Stock Exchange.

CaixaBank will request that the Subordinated Notes be counted as Tier 2 capital under the terms of the CRR.

5.2 <u>Investments</u>

5.2.1 Description (including the amount) of the Issuer’s principal investments for each financial year for the period covered by the historical financial information up to the date of the Registration Document

The CAIXABANK Group’s most significant equity investments and divestments in 2016, 2015 and 2014 are those discussed in the previous section. The following table shows the most significant transactions.

(in € million)	31.12.16		31.12.15		31.12.14		TOTAL 2014-2015-2016	
	Acquisitions	Disposals	Acquisitions	Disposals	Acquisitions	Disposals	Acquisitions	Disposals
The Bank of East Asia	26	1,526	54		184		264	1,526
Repsol	62	576	101		76		239	576
Erste Group Bank					68		68	
GF Inbursa		561						561
Telefónica	80		569	470	74	72	723	542
Bolsas y Mercados Españoles SHMSF						77		77
Banco BPI	22						22	
Treasury shares	2,009	2,014	39	30	61	57	2,109	2,101
Total quoted	**2,200**	**4,677**	**763**	**500**	**463**	**206**	**3,426**	**5,383**
Boursorama, SA				179				179
Self Trade Bank SA				39				39
Brilliance-Bea Auto Finance			23				23	
GP Brasil Serviços Pagamento			6				6	
GP Caixa Adq.Corp.	7						7	
Investbya Holding, SL				11				11
GDS-Risk Solutions, Correduria de Seguros SL				4				4
Fomento de Construcciones y Contratas, SA		14						14
Inversiones Financieras Agval						69		69
Can Seguros Generales					32	54	32	54
Total non-quoted	**7**	**14**	**29**	**233**	**32**	**123**	**68**	**370**
Total investments	**2,207**	**4,691**	**792**	**733**	**495**	**329**	**3,494**	**5,753**

Changes in the goodwill relating to the associated investments is shown in the following table.

(in € million)	31.12.16	31.12.15	31.12.14
The Bank of East Asia	(712)		38
GF Inbursa	(273)		
Boursorama		(66)	
Others	7	(4)	(12)
Total investments in associates	**(977)**	**(70)**	**26**

Pre-tax gains or losses from the most significant divestments are as follows:

(In € million)	31.12.16	31.12.15	31.12.14
GF Inbursa	113		
Boursorama, SA y Self Trade Bank, SA (*)		38	
Telefónica		99	18
Bolsas y Mercados Españoles SHMSF			47
Inversiones Financieras Agval			26
The Bank of East Asia	(124)		
Repsol	(147)		
Visa Europe	165		
Total	**7**	**137**	**91**

(*) Worth net of taxes

No individually material divestments took place in the first quarter of 2017. A particular highlight here was the takeover of BPI on 7 February 2017 (*see section 5.1.5: Important events in the development of the issuer's business*).

Meanwhile, on 21 June 2016 Visa Inc. successfully completed its acquisition of Visa Europe Ltd. Given the CAIXABANK Group's stake in Visa Europe Ltd., classified as available-for-sale, this transaction led to the recognition of a gross gain of approximately EUR 165 million (EUR 115 million, net) on the Group's consolidated income statement for the second quarter of 2016.

See details of these transactions under section *5.1.5 Important events in the development of the Issuer's business*.

5.2.2 Description of the Issuer's principal investments that are in progress, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external)

At the date of this Registration Document, there are no potentially significant investments in progress at CAIXABANK. See information on the takeover of BPI in section 5.1.5.

5.2.3 Information concerning the Issuer's principal future investments on which its management bodies have already made firm commitments

At the date of this Registration Document, CAIXABANK has no future investments in mind.

6. BUSINESS OVERVIEW

6.1 Principal activities

6.1.1 Description of, and key factors relating to, the nature of the Issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information

General considerations on the main activities and businesses of CAIXABANK.

CAIXABANK's businesses at 31 December 2016 were as follows:

Banking and insurance business: shows the results of the Group's banking, insurance and asset management activities. Universal banking model, focusing on quality, proximity and expertise, with a wide range of products and services tailored to customers' various needs and an extensive multi-channel distribution network.

Equity investments business: essentially the stakes in Banco BPI (45.50%), Erste Group Bank (9.92%), Repsol (10.05%) and Telefónica (5.15%) at 31 December 2016.

This business includes the contribution of the attributable earnings on the stakes in BEA and GFI through to May 2016, which saw the effective completion of the asset swap agreement with Criteria, whereby CAIXABANK transferred to Criteria its stakes in BEA and GFI. *See section 5.1.5 of this Registration Document for further information.*

Meanwhile, the takeover of BPI in February 2017 prompted CAIXABANK to create a new business segment called BPI (*for further information see section 20.6 of this document*).

Non-core real estate business: During the first half of 2015, the developer loan management model was redefined by setting up a team and centres staffed by managers who specialise in developer loans that require special monitoring and management. Based on this model, the results of the non-core real estate business started to be reported separately within the banking and insurance business for 2015.

Therefore, business segmentation for 2014 is presented for information purposes only as per the segments in effect at that time: banking and insurance business and the equity investments business.

Quantitative information by business segment is provided in section 6.2 of this document.

BANKING AND INSURANCE BUSINESS

As the CAIXABANK Group's core business, it includes the entire banking business (retail banking, business banking, corporate and institutional, cash management and markets) and the insurance business, all carried out primarily in Spain through the Group's branch network (5,027 branches in Spain; 4,851 of which are retail branches) and the other complementary channels. It encompasses the activity and the profits generated from the Group's 13.8 million customers at December 2016, including individuals, companies and public bodies. It also includes liquidity management and ALCO (Asset and Liability Committee), income from lending activity and other businesses and corporate activities across the entire Group.

a. ***Individual and Business Banking***

Targeted at individuals with net worth of up to EUR 60,000 and at businesses (retail establishments, freelance workers, self-employed professionals, micro-companies and farmers) with annual turnover of up to EUR 2 million. Individual banking has a premium multi-channel platform staffed by teams focused on increasing customer interaction opportunities and boosting sales effectiveness.

Its market share for customers at 31 December 2016 was 29.5%, 25.7% of whom consider CAIXABANK their preferred bank (source: FRS Inmark).

The market share for direct salary deposits –a key customer engagement indicator– rose to 26.0% at 31 December 2016 (source: prepared in-house based on Social Security figures).

b. ***Premier Banking***

This division offers made-to-measure solutions for customers with assets of between EUR 60,000 and EUR 500,000, with a highly specialised team focused on solving customer needs.

c. ***Private banking***

CAIXABANK's specialist arm managing wealth of over EUR 500,000 through one of the country's most accomplished teams in private banking.

d. ***Business Banking:***

Offers expert service to companies that invoice between EUR 2 million and EUR 200 million. As well as being served by business managers, companies are supported by CAIXABANK specialists in finance and services, cash management and foreign trade.

e. ***Corporate and Institutional Banking***

Business division geared towards large corporations and public bodies. The division is the product of the decision to merge Corporate Banking, Institutional Banking and other areas that provide service to customers, such as Treasury and Capital Markets.

CIB serves over 500 groups of companies with turnovers upwards of EUR 200 million, providing them with a highly specialised, tailor-made service as its seeks to anticipate their needs and in the process become their preferred bank.

f. ***Insurance and asset management business***

CAIXABANK rounds out its catalogue of banking products and services with a specialised offering of life insurance, pension plans and general insurance products.

The insurance business is run through VidaCaixa, a wholly-owned subsidiary of CAIXABANK. The company offers a wide range of solutions when it comes to life insurance and pensions.

It forges relations with its customers through CAIXABANK's branches and other face-to-face channels (brokers and consultants), and through direct, telephone and online communication channels.

VidaCaixa operates in the life business and is a leading shareholder of SegurCaixa Adeslas, which focuses on the non-life business, holding a 49.92% stake (Mutua Madrileña is SegurCaixa Adeslas' controlling shareholder with a 50% stake).

The VidaCaixa Group posted an after-tax profit of EUR 492 million in 2016 (EUR 340 million in 2015). The insurance group also generated EUR 9,492 million of accrued premiums in 2016 (EUR 7,189 million in 2015).

At year-end 2016, VidaCaixa led the Spanish market with a 17.4% share of the life insurance market, 22.9% of pension plans in terms of funds under management, and 24.5% of savings insurance in terms of funds under management (source: ICEA *(Investigación Cooperativa entre Entidades Aseguradoras)* and INVERCO (*Asociación de Instituciones de Inversión Colectiva y Fondos de Pensiones)*).

In the retail segment, VidaCaixa sells risk-life insurance linked and not linked to bank loans. It also has a wide range of complementary savings products featuring various types of life insurance and a broad spectrum of pension plans. Life insurance products include: life annuities, individual systematic savings plans ("PIAS" for their initials in Spanish), individual long-term savings insurance ("SIALP" for its initials in Spanish), and guaranteed pension plans ("PPA" for their initials in Spanish).

VidaCaixa has a specific offering of pension plan and life insurance products for SMEs and self-employed professionals, all specifically tailored to their insurance and pension requirements. Last but not least, VidaCaixa serves large companies and groups under the VidaCaixa Previsión Social brand, offering a plethora of made-to-measure risk-life insurance, savings-life insurance and pension plans, in accordance with the specific characteristics of each large group.

SegurCaixa Adeslas (49% at 31 December 2016) is the leading health insurance company in Spain, boasting a 28.3% share of the health insurance market. It is the second largest home insurance provider (source: ICEA).

CaixaBank Asset Management (100% at 31 March 2017) is the leading manager of investment funds in Spain when it comes to both investor numbers and assets under management. Its share in the investment fund market at March 2017 stood at 18.20% (source: INVERCO).

International Business

CAIXABANK supports its customers outside Spain and collaborates with businesses through a direct presence in the form of operational branches and representative offices; and through banking investees and long-term relationships with multilateral bodies and central banks.

- **Operational branches**

CaixaBank has operational branches in Poland, Morocco and the United Kingdom, offering financing and financial services to Spanish companies with interests and activities in those countries and to local businesses that have commercial ties with Spain.

- **Representative offices**

The representative offices in Europe, located in Italy (Milan), France (Paris) and Germany (Frankfurt), provide advisory services to multinationals with subsidiaries in Spain, in relation to the products and services CAIXABANK can offer them to meet their financing needs in Spain.

Outside the European Union, CAIXABANK has representative offices in China (Beijing and Shanghai), Turkey (Istanbul), Singapore, United Arab Emirates (Dubai), India (Delhi), Egypt (Cairo), Chile (Santiago), Colombia (Bogota), the US (New York), South Africa (Johannesburg) and Brazil (São Paulo). It is also in the process of opening offices in Algeria (Algiers), Hong Kong and Peru (Lima).

The representative offices advise Spanish companies with projects abroad and provide them with information on tender processes and how to take part. They also serve as a link with local financial institutions and guide customers in their local banking arrangements.

In those countries where CaixaBank has no direct presence or indirect presence (through its associate banks), CAIXABANK has a **network of correspondent banks** -over 1,200- which help its customers with their business operations abroad.

To help it expand and become more competitive on a global scale, CAIXABANK **enters into strategic long-term alliances with multinational institutions** whose areas of influence coincide with its priority growth markets.

g. Business support: Group investees

CAIXABANK's subsidiaries provide operational support to the banking activity, thus helping to achieve the Bank's commercial targets and ensuring excellent levels of customer service. The main subsidiaries and investees –split into two groups: those offering specialised financial services and those offering real estate and other service subsidiaries– are listed below, along with details of their business activity and the ownership interest held at 31 December 2016.

Banking and insurance business

Company name	% interest	Line of business
CaixaBank Asset Management, SGIIC, SAU	100%	Management of collective investment institution
CaixaBank Consumer Finance	100%	Consumer finance
Nuevo MicroBank , SAU	100%	Financing on micro-credits
CaixaBank Payments EFC EP, SA	100%	Finance
GestiCaixa, SGFT, SA	100%	Securitisation fund management
Comercia Global Payments EDP, SL	49%	Payment entity
CaixaBank Electronic Money, EDE, SL	80%	Payment entity

Other services

Company name	% interest	Line of business
Silk Aplicaciones, SL	100%	Provision of IT services
CaixaBank Digital Business, SA	100%	Electronic channel management
GDS-CUSA, SA	100%	Services

NON-CORE REAL ESTATE BUSINESS

Includes the results, net of the related financing charge, of non-core real estate assets, which include:

- Non-core lending to real estate developers.
- Foreclosed real estate assets (available for sale and rental) mainly owned by real estate subsidiary BuildingCenter.
- Other real estate assets and interests.

The main subsidiaries and investees offering real estate services at 31 December 2016 were as follows:

Company name	% interest	Line of business
BuildingCenter, SAU	100%	Real estate services
Servihabitat Servicios Inmobiliarios, SL	49%	Real estate services

Meanwhile, at 31 December 2016 CAIXABANK held a 12.24% stake in SAREB.

EQUITY INVESTMENTS BUSINESS

At 31 December 2016, CAIXABANK held stakes in a number of international banking groups, service providers and other companies.

- **Banco BPI (45.50% at 31/12/16; 84.5% at 31/03/17)**

The BPI Group –the parent of which is Banco BPI (BPI)– operates mainly in Portugal, offering retail banking, asset management, insurance, investment banking and private equity services to companies, public institutions and individuals. The BPI Group offers its services through an extensive multi-channel distribution network featuring a total of 545 branches to cover business in the bank's home country.

Banco BPI is Portugal's fifth largest bank in terms of assets, with a 9% and 10.5% share of the lending and customer funds markets, respectively. It is also the leading bank when it comes to customer satisfaction *(source: Banco de Portugal, ESCI Portugal 2016 - National customer satisfaction index)*.

At 31 December 2016, assets at the BPI Group totalled EUR 38,285 million.

CaixaBank's stake in BPI amounted to 45.5% at 31 December 2016. Meanwhile, the BPI Group holds stakes in financial institutions in Angola (50.1% in BFA) and in Mozambique (Banco Comercial e de Investimentos, where it owns 30%).

See section 5.1.5 for further information on CAIXABANK's stake in BPI following completion of the takeover process and on the reduction of the stake in BFA in January 2017 to 48.1% *. Important events in the development of the Issuer's business.*

- **Erste Group Bank AG (9.92% at 31/12/16 and 31/03/17)**

Erste Group Bank AG is one of the largest banks in Austria and in central and East Europe when it comes to total assets. It operates in Austria, the Czech Republic, Romania, Slovakia, Hungary, Croatia and Serbia, serving over 16 million customers. It has 2,648 branches and total assets of around EUR 208,227 million. *(Source: Erste Group Bank's 2016 financial statements).*

CAIXABANK's stake in the bank has remained at 9.92% since 15 December 2014.

- **Repsol (10.05% at 31/12/16; 9.84% at 31/03/17)**

Repsol is an international vertically integrated (exploration & production, refining & marketing) oil and gas company with a presence in more than 40 countries. It has total assets of approximately EUR 64,849 million *(source: Repsol 2016 financial statements and website).*

- **Telefónica (5.01% at 31/12/16; 5.15% at 31/03/17)**

Telefónica is an integrated telecommunications operator, with a presence in 21 countries in Europe and Latin America, where it is mainly focusing its growth. It generates over 71% of its revenue outside Spain, and is the benchmark carrier in the Spanish- and Portuguese-speaking markets. It has total assets exceeding EUR 124,000 million *(source: 2016 financial statements and annual report of Telefónica and website).*

Further information on equity investments

The following section provides additional information on the Group's investments and recognition and valuation criteria.

- Investments accounted for using the equity method are measured on the basis of the best available estimate of their underlying carrying amount at the date of preparation of the financial statements.

- For listed companies, the latest public figures are used.

- For other stakes, the Group uses the latest actual or estimated data available at the date of preparation of the CAIXABANK Group's annual report.

Investment in associates and joint ventures

(Thousands of euros)	**31.12.2016**	**31.12.2015**	**31.12.2014**
Investments in associates	5,777,723	9,151,876	8,781,837
Investments in joint ventures	1,193,999	1,142,809	1,159,001
Subtotal	**6,971,722**	**10,294,685**	**9,940,838**
Less:			
Impairment allowances	(551,012)	(620,991)	(674,441)
Total	**6,420,710**	**9,673,694**	**9,266,397**

The CAIXABANK Group has a formal procedure for conducting a quarterly assessment of potential signs of impairment in the carrying amount of these companies. Specifically, it assesses non-listed investees' business performance and, where applicable, the companies' share prices throughout the period and the target prices published by reputable independent analysts. The Group uses this data to determine the fair value of the investment. If this is found to exceed the carrying amount, then it considers that there are no indications of impairment.

The CAIXABANK Group has carried out impairment tests to assess the recoverable amount of its investments and verify the valuation adjustments recognised.

The tests carried out at 31 December 2016 did not reveal the need to recognise any significant impairment losses.

Provisions for equity investments at 31 December 2016 amounted to EUR 551 million (EUR 621 million at 31 December 2015), as shown below.

Thousand of euros		2016	2015
Opening balance		**620,991**	**674,441**
Plus:			
	Allowances recognised in profit or loss	3,986	65
	Transfers and others	45,862	91,004
Less:			
	Funds available in prior years		-132,787
	Amounts used	-119,827	-11,732
Closing balance		**551,012**	**620,991**

The following table presents the main listed companies at 31 December 2016, 2015 and 2014 classified under "Investments – Associates":

(Thousands of euros)	31.12.2016		31.12.2015		31.12.2014	
Company	**% interest[1]**	**Market value**	**% interest[1]**	**Market value**	**% interest[1]**	**Market value**
Repsol, SA	10.05%	1,976,047	12.14%	1,720,158	11.89%	2,495,322
Grupo Financiero Inbursa (2)			9.01%	987,801	9.01%	1,280,346
The Bank of East Asia, LTD (2)			17.24%	1,556,516	18.68%	1,454,995
Erste Group Bank, AG	9.92%	1,186,298	9.92%	1,232,556	9.92%	820,070
Banco BPI, SA (3)	45.50%	749,727	44.10%	700,927	44.10%	659,167
Market value		**3,912,072**		**6,197,958**		**6,709,900**

(1) Direct and indirect stakes.

(2) On 30 may 2016, the swap with Criteria Caixa, announced on 3 December 2015, entered into effect and the resulting handover of the stakes was executed. See significant events related to the business activity of the issuer in section 5.1.5.

(3) See significant events related to the business activity of the issuer in section 5.1.5.

The table below presents a breakdown of the percentage of ownership interests and market value of the investments in the main listed companies classified as available-for-sale equity instruments, as it is considered that the CAIXABANK Group does not exercise significant influence at those companies.

(Thousands of euros)	31.12.2016		31.12.2015		31.12.2014	
Company	% interest	Market value	% interest	Market value	% interest	Market value
Telefónica, SA	5.15%	2,288,453	5.01%	2,553,453	5.25%	2,912,160
Market value		**2,288,453**		**2,553,453**		**3,010,691**

SEGMENT REPORTING

Information on the CAIXABANK Group's consolidated income statement by business segment is provided below.

CAIXABANK Group income statement, by business segment

	Banking and insurance January - December		Non-core real estate January - December		Equity investments January - December		Total Group January - December	
€ million	2016	2015	2016	2015	2016	2015	2016	2015
Net interest income	**4,387**	**4,658**	**(66)**	**(89)**	**(164)**	**(216)**	**4,157**	**4,353**
Dividends and share of profit/(loss) of entities accounted for using the equity method	159	122	18	21	651	435	828	578
Net fee and commission income	2,089	2,113	1	2			2,090	2,115
Gains/(losses) on financial assets and liabilities and others	846	742		5	2	116	848	863
Income and expense arising from insurance or reinsurance contracts	311	214					311	214
Other operating income and expense	(156)	(81)	(251)	(218)			(407)	(299)
Gross income	**7,636**	**7,768**	**(298)**	**(279)**	**489**	**335**	**7,827**	**7,824**
Recurring administrative expenses, depreciation and amortisation	(3,875)	(3,954)	(116)	(105)	(4)	(4)	(3,995)	(4,063)
Extraordinary expenses	(121)	(543)					(121)	(543)
Pre-impairment income	**3,640**	**3,271**	**(414)**	**(384)**	**485**	**331**	**3,711**	**3,218**
Pre-impairment income stripping out extraordinary expenses	**3,761**	**3,814**	**(414)**	**(384)**	**485**	**331**	**3,832**	**3,761**
Impairment losses on financial assets and other provisions	(769)	(1,698)	(136)	(655)	(164)	(163)	(1,069)	(2,516)
Gains/(losses) on disposal of assets and others	21	446	(1,034)	(680)	(91)	170	(1,104)	(64)
Profit/(loss) before tax	**2,892**	**2,019**	**(1,584)**	**(1,719)**	**230**	**338**	**1,538**	**638**
Income tax expense	(904)	(408)	459	521	(37)	68	(482)	181
Profit/(loss) after tax	**1,988**	**1,611**	**(1,125)**	**(1,198)**	**193**	**406**	**1,056**	**819**
Profit/(loss) attributable to minority interest and others	9	5					9	5
Profit/(loss) attributable to the Group	**1,979**	**1,606**	**(1,125)**	**(1,198)**	**193**	**406**	**1,047**	**814**

The 2014 income statement of the CAIXABANK Group broken down for each business segment is provided below for information purposes.

€ million	Banking and insurance January - December 2014	Equity investments January - December 2014	Total Group January - December 2014
Net interest income	**4,463**	**(308)**	**4,155**
Dividends and share of profit/(loss) of entities accounted for using the equity method	112	379	491
Net fees and commisions	1,825		1,825
Gains on financial assets and exchange rate differences	396	73	469
Gross income	**6,796**	**144**	**6,940**
Recurring expenses	(3,770)	(3)	(3,773)
Pre-impairment income	**3,026**	**141**	**3,167**
Impairment losses on financial assets and others	(2,579)		(2,579)
Gains/(losses) on disposal of assets and others	(404)	18	(386)
Profit/(loss) before tax	**43**	**159**	**202**
Income tax expense	350	68	418
Profit/(loss) after tax	**393**	**227**	**620**
Profit/(loss) attributable to minority interest and others			
Profit/(loss) attributable to the Group	**393**	**227**	**620**

In 2015, the allocation of capital to the equity investments business was brought into line with the Group's new corporate objective of maintaining a fully-loaded Common Equity Tier 1 (CET1) ratio of 11-12%. The capital allocated to this business reflects both the consumption of capital for risk-weighted assets at 11% (10% in 2014) and all applicable deductions.

Therefore, as the CAIXABANK Group's entire capital is distributed, the difference between eligible own funds and capital allocated to the equity investments and non-core real estate business is allocated to the banking and insurance business.

Operating expenses for each business segment include both direct and indirect costs, which are assigned according to internal distribution methods.

a. Banking and insurance business

Profit at 31 December 2016 totalled EUR 1,979 million (+23.4%).

Gross income came to EUR 7,636 million (-1.7%).

Recurring administrative expenses, depreciation and amortisation were down 2.0% year on year after unlocking synergies and implementing cost saving measures.

Pre-impairment income was up 11.3% year on year to EUR 3,640 million (-1.4% stripping out extraordinary expenses).

The cost-to-come ratio stripping out extraordinary expenses was 50.7%.

Significant reduction in impairment losses on financial assets and other provisions (-54.7 %), following improvements in asset quality and upgrades made to the internal models used to estimate coverage for insolvency risk in the fourth quarter of 2016. This heading also includes, in both years, coverage of contingencies relating to floor clauses.

In 2015, Gains/(losses) on disposal of assets and others included mainly the negative goodwill (EUR 602 million) generated from the acquisition of Barclays Bank, SAU.

NPL ratio of 5.8% and coverage ratio of 48%.

ROTE was 10.8%, stripping out one-off impacts (release of loan provisions and extraordinary operating expenses).

Meanwhile, CaixaBank holds a 100% stake in VidaCaixa, S.A., which owns 49.92% of SegurCaixa Adeslas, S.A.

The VidaCaixa Group posted an after-tax profit of EUR 492 million in 2016 (EUR 340 million in 2015). The insurance group also generated EUR 9,492 million of accrued premiums in 2016 (EUR 7,189 million in 2015).

b. Non-core real estate business

The non-core real estate business generated losses of EUR 1,125 million in 2016 (versus EUR 1,198 million in losses in 2015) in response to provisioning efforts and sound management of non-performing assets, which led to a 15.5% reduction in the balance of this business in 2016.

Results for 2016 include, among others, the impact of the additional provisions posted in the fourth quarter of the year, largely in relation to foreclosed real estate assets available for sale following the use of internal models. They also reflect the positive proceeds on sales of real estate assets, as well as the significant reduction in impairment losses on financial assets.

Net loans under management amounted to EUR 1,906 million, down 34.4% in the year.

Net foreclosed real estate assets available for sale totalled EUR 6,256 million, net (EUR -1,003 million in 2016), while those held for rent amounted to EUR 3,078 million, net.

Properties rented or sold amounted to EUR 1,809 million in 2016, with positive results on sales of property since the fourth quarter of 2015. The following table shows changes in the key figures for this business.

(in € million)	2016	2015	Change (%)
Average equity	*1,579*	*1,651*	*-4.4*
Total assets	*12,949*	*15,317*	*-15.5*
Non-performing loan ratio	*80.0%*	*81.8%*	*-1.8*
NPL coverage ratio	*41%*	*53%*	*-12*

c. Equity investment business

Gross income totalled EUR 489 million (+45.7%), following the swap agreement with CriteriaCaixa in May 2016, lower finance costs for the business and dividends received from The Bank of East Asia and Grupo Financiero Inbursa, which are accounted for using the equity method. Income from Repsol was also up in the year due to the extraordinary provisions posted in the fourth quarter of 2015.

Profit attributable to the Group at 31 December 2016 was EUR 193 million (-52.7%). Also affecting the annual performance -aside from the positive trend in income just discussed- were a number of one-off events, including:

- The impact in the fourth quarter of the tax reforms ushered in by Royal Decree-Law 3 of 2 December 2016, imposing restrictions on the deductibility of losses on transfers of shares and other equity interests.

- Other one-off events associated with the extraordinary write-downs made to a number of unlisted stakes and the negative impact stemming from the early repayment of Repsol bonds exchangeable for shares (essentially the impact of delivering the shares and of cancelling the embedded derivative on the instrument, which was recognised in equity due to its consideration as cash flow hedge).

ROTE for this business stood at 15.7%, excluding the impact of the tax reform.

6.1.2 An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of development

The main new products and services sold by CAIXABANK are as follows:

- Fixed-rate subrogation of developer loan. Mortgage loan to subrogate an existing developer loan, wherein the subrogating party (end customer) may choose between a floating rate pegged to the Euribor or a fixed rate (modal interest rate published quarterly in Annex 1 of Banco de España plus a fixed value). The collateral is the primary residence or second home. A maximum interest rate discount of 1.20% is offered in exchange for arranging various products and services. Term of up to 30 years.
- BuildingCenter Personal Guarantee Loan: Loan to finance the purchase or cost of low-cost real estate assets (parking spaces, storage rooms, property renovations, etc.). Terms of up to 6 years at a fixed rate (nominal interest rate of 9.45%), drawn in one lump sum and then repaid in fixed instalments of the same amount over the life of the loan (French system). No principal grace period and with arrangement and appraisal fees of 2% and 0.5%, respectively.

6.2 Principal markets

Geographical diversification

The following table shows the CAIXABANK Group’s income by business segment and region for 2016 and 2015.

Geographical information: distribution of ordinary income (*)								
(Million of euros)	**Banking and insurance**		**Non-core real estate**		**Equity investments**		**Total Group**	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Spain	11,086	12,363	289	321	385	166	11,760	12,850
Other countries	28	17			267	385	295	402
Total ordinary income	**11,114**	**12,380**	**289**	**321**	**652**	**551**	**12,055**	**13,252**

(*) Corresponds to the following headings of the CaixaBank Group's public income statement, calculated pursuant to Circular 5/2014 of Banco de España: interest income, dividend income, share of profit/(loss) of entities accounted for using the equity method, fee and commission income, gains/(losses) on financial assets/liabilities, gains/(losses) from hedge accounting, other operating income and income on assets under insurance and reinsurance contracts.

For information purposes, the following table shows the CAIXABANK Group's income by business segment and geographical region at 31 December 2014.

Geographical information: distribution of ordinary income (*)			
(Million of euros)	**Banking and insurance**	**Equity investments**	**Total Group**
	2014	**2014**	**2014**
Spain	12,511	376	12,887
Other countries	15	(15)	0
Total ordinary income	**12,526**	**361**	**12,887**

(*) Corresponds to the following headings of the CaixaBank Group's public income statement, calculated pursuant to Circular 6/2008 of Banco de España: Interest and similar income, return on equity instruments, share of profit/(loss) from entities accounted for using the equity method, fees and commission received, gains/(losses) on financial assets and liabilities (net), and other operating income.

The distribution of CAIXABANK's operational branch network in 2016, 2015 and 2014 is as follows:

Translation for information purposes only, in case of discrepancy between this English version and the original Spanish version of the Registration Document, the Spanish version shall prevail.

Autonomous communities and cities	31.12.2016	31.12.2015	31.12.2014
	Number of branches		
Catalonia	1,315	1,380	1,406
Andalusia	897	917	917
Madrid	580	637	677
Valencia	438	443	436
Canary Islands	253	258	262
Castile-Leon	246	250	237
Balearic Islands	197	207	207
Galicia	196	199	194
Basque Country	187	188	186
Navarre	149	157	158
Castila-la-Mancha	149	153	149
Murcia	124	122	124
Aragón	88	87	87
Asturias	64	70	68
Extremadura	67	64	64
Cantabria	45	47	47
La Rioja	26	26	26
Ceuta	4	4	4
Melilla	2	2	2
Total branches in Spain	**5,027**	**5,211**	**5,251**
Total representative offices	15	14	13
Foreign branches	4	3	3
Total international branches[1]	**19**	**17**	**16**
Total branches	**5,046**	**5,228**	**5,267**

(1) See information on International business in section 6.1.1.

The Group actively manages the branch network through openings and mergers, always with the aim of ensuring the best possible service for CAIXABANK customers. Case-by-case analyses are conducted to ensure the best regional coverage and proximity to customers.

CAIXABANK serves 93% of towns and cities with more than 5,000 inhabitants.

6.3 <u>Where the information given pursuant to items 6.1. and 6.2. has been influenced by exceptional factors, mention that fact</u>

The information given in sections 6.1. and 6.2. has been influenced by:

- the integration of Barclays Bank, SAU in January 2015, which led to growth of approximately 5-6% in CAIXABANK's total pre-integration assets, affecting all balance sheet headings, and the inclusion of 266 branches. The Barclays Bank, SAU integration led to increases of 4-8% across various headings of the Group's income statement.

- the CAIXABANK Group views cost-to-income as a key strategic target. Consequently and in a bid to optimise and contain costs, a total of EUR 121 million were recognised in 2016 in connection with the labour agreement and EUR 160 million in relation to the early retirement agreement. In 2015, non-recurring costs of EUR 259 million were posted in relation to the Barclays Bank, SAU integration, along with EUR 284 million in connection with the labour agreement, for the voluntary termination of 700 employment contracts in regions with an oversupply of personnel.

  CAIXABANK has also launched various early retirement schemes *(see section 5.1.5 of this Registration Document).*

- in 2016, the CAIXABANK Group furthered its use of internal models for the collective estimation of allowances and to determine the adjustments to be applied on the main valuations given in full individual appraisals or on the results generated by automatic valuation methods for foreclosed assets. These internal models, which are compliant with Circular 4/2016 of Banco de España, have been used to re-estimate the losses incurred from credit risk and the impairment of foreclosed assets at 31 December 2016. The new estimation of loan-loss allowances at 31 December 2016 has reduced the provisioning requirements for the loan portfolio by EUR 676 million and has prompted the recognition of EUR 656 million in provisions for real estate assets.

- the non-exceptional aspects described in sections 5.1.5 and 20.1 of this Registration Document.

6.4 If material to the Issuer's business or profitability, give summary information regarding the extent to which the Issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes

The CAIXABANK Group's activities are not dependent on or significantly influenced by patents or licences, industrial contracts, new manufacturing processes or special commercial or financial contracts beyond those disclosed in section 11 of this Registration Document.

6.5 The basis for any statements made by the Issuer regarding its competitive position

The Issuer always cites the source of any data on its competitive position included in this Registration Document.

7. ORGANISATIONAL STRUCTURE

7.1 If the Issuer is part of a group, a brief description of the group and the Issuer's position within it

CAIXABANK, SA and its subsidiaries compose the CAIXABANK Group (hereinafter "the CAIXABANK Group" or "the Group").

CAIXABANK is a public limited company (*sociedad anónima*) whose shares are admitted to trading on the Barcelona, Madrid, Valencia and Bilbao stock exchanges and on the continuous market. It has been listed on the IBEX 35 index since 4 February 2008.

On 30 June 2011, as part of the Group restructuring process, "la Caixa" transferred its banking business (except for certain assets, mainly real estate, and certain liabilities) to Criteria, now CAIXABANK, a banking group, while the latter transferred to "la Caixa" part of its industrial shareholdings and newly-issued shares for a total amount of EUR 2,044 million.

CriteriaCaixa is a wholly-owned holding company of "la Caixa" Banking Foundation, which manages the Foundation's business assets, comprising its stake in CAIXABANK, as well as its stakes in strategic sectors, including energy, infrastructure, services, international banking and real estate.

CAIXABANK is a leader in the Spanish market in both the financial and insurance segments. Meanwhile, the bank is diversifying into other areas, with highlights here including its controlling stake in BPI (Portuguese market) and other listed companies such as Erste, Telefónica and Repsol.

"la Caixa" Welfare Projects is the hallmark of "la Caixa" Banking Foundation. Its mission is to channel part of the Group's financial earnings into worthy social projects in order to provide solutions to the new challenges and needs facing communities today. Welfare Projects aims to help bring about sustainable social transformation while creating opportunities for all.

According to Act 26/2013 on savings banks and banking foundations, and following approval by the ”la Caixa” General Assembly held on 22 May 2014, the public instrument effectively transforming Caixa d’Estalvis i Pensions de Barcelona, ”la Caixa” into a banking foundation was filed with the Foundations Registry on 16 June 2014, thus creating the foundation and marking an end to the indirect exercise of ”la Caixa” banking activities through CaixaBank, S.A. The new banking foundation is called Caixa d’Estalvis i Pensions de Barcelona Banking Foundation, ”la Caixa”, and is subject to the supervision of Banco de España in relation to its stake in CAIXABANK pursuant to the law on savings banks and banking foundations.

The task of transforming ”la Caixa” into a banking foundation was carried out through a restructuring of the ”la Caixa” Group, a process that involved: firstly, the split and transfer to Criteria CaixaHolding –a wholly owned subsidiary of the current ”la Caixa” Banking Foundation– of the stake previously held by the current ”la Caixa” Banking Foundation in CAIXABANK. As a result, and as of 14 October 2014, the Banking Foundation’s stake in CAIXABANK is held through Criteria, along with the debt instruments issued by ”la Caixa”; and secondly the dissolution and liquidation of the former ”la Caixa” Foundation through the en bloc transfer of its assets and liabilities to the current ”la Caixa” Banking Foundation (this liquidation was recorded in the Catalonian Foundations Register on 16 October 2014).

With the reorganisation now completed, the ”la Caixa” Banking Foundation performs the following main activities: direct management of Welfare Projects through Criteria and management of both its stake in CAIXABANK and the investments in various non-financial sectors (mainly Gas Natural and Abertis).

On 26 May 2016, CriteriaCaixa filed a significant event notice, reporting that:

I. At its request, the European Central Bank (“ECB”) had informed it of the conditions under which it would be considered CriteriaCaixa would no longer exercise control over CAIXABANK for prudential purposes.

II. For CriteriaCaixa, the relevant conditions established by the ECB that the market must take into consideration are:

1. The voting and dividend rights of Criteria Caixa 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.

2. Proprietary directors of Criteria Caixa at CAIXABANK must not exceed 40% of all directors. This same threshold must also be respected on the relevant Board committees. Any board member proposed by a shareholder that has an agreement with Criteria Caixa will be considered a proprietary director of Criteria for these purposes. Accordingly, board members proposed by the savings banks (now foundations) formerly comprising Banca Cívica (which was absorbed by CAIXABANK) will be considered proprietary directors of Criteria Caixa.

3. In relation to appointments of directors elected by the Board itself (co-opted), Criteria Caixa’s proprietary directors may vote only for the directors proposed by Criteria Caixa and shall abstain in all other cases. With regards to appointments of directors by shareholders at the General Meeting, Criteria Caixa may not object to the appointments proposed by the Board.

4. A lead director must be appointed from among the independent directors of CAIXABANK. This lead director will have extensive powers, including the authority to liaise with shareholders in corporate governance matters. On 22 June 2017, CaixaBank’s Board of Directors agreed to appoint Francesc Xavier Vives Torrents (independent director) as Lead Director, in view of a report issued by the Appointments Committee supporting his appointment. This appointment shall take effect once the modification to the Bylaws approved by the Annual General Meeting on 6 April 2017 (Significant Event 250402) is authorised by the European Central Bank.

5. CAIXABANK may not grant Criteria Caixa and/or ”la Caixa” Banking Foundation financing that exceeds 5% of the eligible own funds at the sub-consolidated level of the CAIXABANK Group in the

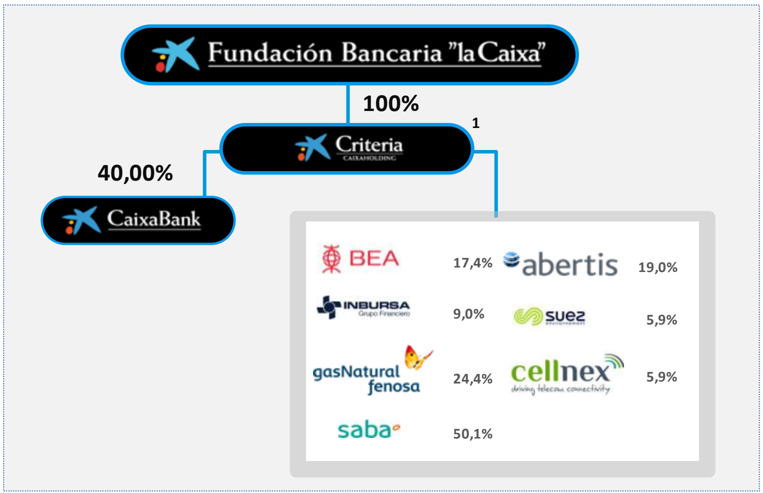
12-month period following the deconsolidation, and thereafter the financing must be zero. In addition, indirect financing may not be provided by distributing debt instruments among CAIXABANK's customers.

III. If the conditions set by the ECB are met, then the ECB will evaluate whether Criteria has effectively relinquished control over CaixaBank. If the ECB confirms that control over CAIXABANK has been relinquished and in the absence of other controlling stakes in other banks, Criteria would cease to be a mixed financial holding company for the purposes of Regulation (EU) No 575/2013, and consequently, CriteriaCaixa's consolidated group would no longer be required to comply with the capital requirements set out in that regulation.

IV. In view of the aforementioned conditions, and taking into account the disincentive measures for maintaining control contained in Spanish Law 26/2013 governing savings banks and banking foundations, as well as the likelihood that the European Banking Resolution Authorities would define the scope of resolution at Criteria Group level, which would effectively commit all of Criteria's sole shareholder's net worth to one single investment, the Board of Trustees of "la Caixa" Banking Foundation and Criteria's Board of Directors agreed to place on record their intent to comply, before the end of 2017, with the aforementioned conditions such that the prudential deconsolidation of Criteria with respect to the CaixaBank Group may proceed.

V. It is CriteriaCaixa's understanding that under International Financial Reporting Standards (IFRS 10 - Consolidated Financial Statements), compliance with the above conditions (for prudential deconsolidation) would also entail accounting deconsolidation.

The structure of "la Caixa" Banking Foundation at 31 March 2017 is as follows:



(1) Also includes the stakes in Caixa Capital Risc, Mediterránea Beach and Golf Community, Aigües de Barcelona, Aguas de Valencia and the real estate business. Since 30 May 2016, it also includes the stakes in The Bank of East Asia and Grupo Financiero Inbursa.

CAIXABANK's main investees at 31 March 2017 are as follows:

March 31, 2017	
Main quoted investments	
Banco BPI	84.51%
Erste Group Bank	9.92%
Repsol	9.84%
Telefónica	5.15%
Real estate	
BuildingCenter	100%
ServiHabitat Servicios Inmobiliarios	49.00%
Sareb	12.24%
Insurance	
VidaCaixa	100%
SegurCaixa Adeslas	49.92%
Financial services	
Comercia Global Payments	49.00%
CaixaBank Consumer Finance	100%
CaixaBank Asset Management	100%
Nuevo MicroBank	100%
CaixaBank Payments	100%
CaixaBank Titulización	100%
CaixaBank Electronic Money	80%
Other activities	
SILK Aplicaciones	100%
CaixaBank Digital Business	100%
GDS-Cusa	100%

7.2 A list of the Issuer's significant subsidiaries, including name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held

A list of the subsidiaries and jointly controlled entities in the CAIXABANK Group at 31 December 2016 is provided below.

Translation for information purposes only, in case of discrepancy between this English version and the original Spanish version of the Registration Document, the Spanish version shall prevail.

CaixaBank investments in subsidiaries of the CaixaBank Group

(Thousands of euros)

Company name and line of business	Registered office	% interest		Share capital	Reserves	Profit/(loss)	Cost of direct ownership interest net
		Direct	Total				
Aris Rosen, SAU Services	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	15	-37	2.163	3.999
Arquitrabe activos, SL Holder of property assets	Av. Diagonal, 621-629 028 Barcelona	100.00	100.00	98.431	31.907	28.794	129.658
Barclays Factoring, SA, EFC Factoring	C/Mateo Inurria, 15 28036 Madrid	100.00	100.00	5.2	28.21	80	32.618
Barclays Finance Agente de Banca, SA Operating leases	C/Mateo Inurria, 15 28036 Madrid	99.98	99.98	61	161	-	222
Biodiesel Processing, SL Research, creation, development and sale of biofuel manufacturing projects Production and sale of biodiesel and all types of oils	Av. Diagonal, 621-629 08028 Barcelona	0.00	100.00	100	-4.613	-	0
Bodega Sarría, SA Production and sale of wine	Finca Señorío de Sarría, s/n 31100 Puente la Reina Navarre	0.00	100.00	5.745	14.2	910	21.178
BuildingCenter, SAU Real estate services	Provençals, 35 - 37 08019 Barcelona	100.00	100.00	2,000,060	1,797,570	(1,074,245)	3,689,088
Caixa Capital Biomed, SCR de Régimen Simplificado Venture capital company	Av. Diagonal, 613 3er A 08028 Barcelona	90.91	90.91	17	-4.511	-3.861	9.161
Caixa Capital Fondos, SCR de Régimen Simplificado, SAU Venture capital company	Av. Diagonal, 613 3er A 08028 Barcelona	100.00	100.00	1.2	94.466	-585	98.749
Caixa Capital Micro, SCR de Régimen Simplificado, SAU Venture capital company	Av. Diagonal, 613 3er A 08028 Barcelona	100.00	100.00	1.2	3.82	498	5.004
Caixa Capital TIC SCR de Régimen Simplificado, SA Venture capital company	Av. Diagonal, 613 3er A 08028 Barcelona	80.65	80.65	1.209	10.592	2.819	11.3
Caixa Corp, SA Holding company	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	361	349	-6	585
Caixa Emprendedor XXI, SA Development of business and entrepreneurial initiatives	Av. Diagonal, 613 3er B 08028 Barcelona	0.00	100.00	1.007	23.481	-208	-
CaixaBank Asset Management, SGIIC, SAU Management of collective investment institutions	Av. Diagonal, 609-615 Pl. 5 08028 Barcelona	100.00	100.00	81.91	45.623	62.531	89.35
CaixaBank Brasil Escritório de representaçao, LTDA (1) Money intermediation	Av. Presidente Juscelino Kubitschek, 1327 18º anda 04523-001 Sao Paulo, Brazil	100.00	100.00	1.2	0	-237	345
Caixabank Business Intelligence Development of digital projects	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	100	-	-	100
CaixaBank Consumer Finance, EFC, SAU Consumer finance	Gran Via Carles III, 87, baixos 1er. B 08028 Barcelona	100.00	100.00	135.156	48.579	58.146	132.391
CaixaBank Digital Business, SA Electronic channel management	Provençals, 35 08019 Barcelona	100.00	100.00	13.67	10.09	-221	21.144

Translation for information purposes only, in case of discrepancy between this English version and the original Spanish version of the Registration Document, the Spanish version shall prevail.

(Thousands of euros)

Company name and line of business	Registered office	% interest Direct	% interest Total	Share capital	Reserves	Profit/(loss)	Cost of direct ownership interest net
CaixaBank Electronic Money, EDE, SL Payment entity	Gran Via Carles III, 84-98 Torre Est, pl. 1ª 08028 Barcelona	0.00	80.00	350	1.621	1.141	-
CaixaBank Equipment Finance, SAU Vehicle and machinery rentals	Gran Via Carles III, 87 08028 Barcelona	0.00	100.00	10.518	36.735	9.74	-
CaixaBank Payments 1 EFC, SA Finance	Gran Via Carles III, 94 entresol - Edifici Trade Oest 08028 Barcelona	100.00	100.00	261.803	57.475	280.355	261.98
Caja Guadalajara participaciones preferentes, SA Finance	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	61	249	-18	309
Caja San Fernando Finance, SA Finance	Plaza San Francisco, 1 41004 Seville	100.00	100.00	60	21.417	-8.476	18.397
Cestainmob, SL Property management	Av. Diagonal, 621-629 08028 Barcelona	0.00	100.00	120	746	-226	-
Corporación Hipotecaria Mutual, EFC, SA Mortgage lending	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	3.005	77.611	3.999	80.666
Credifimo - Unión de crédito para la financiación mobiliaria e immobiliaria, EFC, SA Mortgage lending	Riera de Sant Miquel, 3 1er 08006 Barcelona	100.00	100.00	70.415	-73.71	-2.949	33.115
Estugest, SA Administrative activities and services	Av. Diagonal, 611 08028 Barcelona	100.00	100.00	661	1.716	18	2.381
GDS-CUSA, SA Services	Provençals, 39 (Torre Pujades) 08019 Barcelona	100.00	100.00	1.803	14.03	1.302	9.579
GestiCaixa, SGFT, SA Securitisation fund management	Pere i Pons, 9-11 9è 3ª Edifici Màsters 08034 Barcelona	91.00	100.00	1.502	2.281	-374	4.723
Grupo Aluminios de precisión, SL (*) Smelting	Merindad de Cuesta Urria, 26 09001 Burgos	100.00	100.00	3	3.656	1.39	3.36
Grupo Riberebro integral, SL (*) Vegetable processing	P.I. la Llaneda 26540 Alfaro, La Rioja	0.00	60.00	-	-	1.594	-
Guadalcorchos, SA (L) Wood and cork industry	Plaza de Villasis, 2 41003 Seville	0.00	100.00	60	-	-	137
HipoteCaixa 2, SL Mortgage loan management company	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	3	184.024	3.87	173.843
Hiscan Patrimonio, SAU Holding company	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	46.867	364.028	-132.978	254.56
Hodefi, SAS Holding company	176, Avenue Charles de Gaulle 92200 Neuilly-sur-Seine Paris, France	0.00	100.00	136.11	7.98	-2.256	-
Holret, SAU Real estate services	Av. Diagonal, 621-629 Torre II Pl. 5 08028 Barcelona	100.00	100.00	156.433	32.54	27.957	202.396
Inversiones corporativas digitales, SL Holding company	Av. Diagonal, 621-629 08028 Barcelona	0.00	100.00	3	-3.11	44	-
Inversiones Inmobiliarias Teguise Resort, SL Services	Av. Del Jablillo, 1 (Hotel Teguise Playa) (Urbanizació 35509 Teguise-Lanzarote, Las Palmas	60.00	60.00	7.898	6.051	6.605	11.218
Inversiones Valencia Capital, SA Holding company	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	10.557	-17.935	-1.42	2.105

(Thousands of euros)

Company name and line of business	Registered office	% interest Direct	% interest Total	Share capital	Reserves	Profit/(loss)	Cost of direct ownership interest net
Inversiones vitivinícolas, SL Production and sale of wine	Av. Carlos III, 8 31002 Pamplona, Navarre	0.00	100.00	3	-404	-65	-
Líderes de empresa Siglo XXI, SL Custody, security and protection services	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	378	401	1	753
Negocio de Finanzas e Inversiones II, SL Finance	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	6	17.513	3.034	20.169
Nuevo MicroBank , SAU Financing of micro-credits	Alcalá, 27 28014 Madrid	100.00	100.00	90.186	119.271	52.72	90.186
PromoCaixa, SA Product marketing	Gran Via Carles III, 105 1ª pl. 08028 Barcelona	99.99	100.00	60	2.357	6.777	1.644
Puerto Triana, SA Real estate developer specialised in shopping centres	Gonzalo Jiménez de Quesada, 2 41092 Seville	100.00	100.00	64.29	103.205	-10.566	140.385
Recouvrements Dulud, SA Finance	176, Avenue Charles de Gaulle 92200 Neuilly-sur-Seine Paris, France	0.00	100.00	5.928	1.195	2	-
Sercapgu, SL Holding company	Av. Eduardo Guitián, 11 19002 Guadalajara	100.00	100.00	4.23	783	-492	632
Servicio de Prevención Mancomunado del Grupo la Caixa, CB Health and safety advisory and prevention service and development of preventive activities at companies	Gran Via Carles III, 103 08028 Barcelona	70.00	83.33	30	-	-	21
Silc Immobles, SA Real estate management and administration	Sabino Arana, 54 08028 Barcelona	0.00	100.00	40.07	106.403	112	-
Silk Aplicaciones, SL Provision of IT services	Sabino Arana, 54 08028 Barcelona	100.00	100.00	15.003	100.202	1.813	176.211
Sociedad de gestión hotelera de Barcelona (formerly Sihabe Inversiones 2013) Real-estate operations	Av. Diagonal, 621-629 08028 Barcelona	0.00	100.00	8.144	9.439	-437	-
Suministros Urbanos y Mantenimientos, SA Project management, maintenance, logistics and procurement	Provençals, 39 (Torre Pujades) 08019 Barcelona	100.00	100.00	1.803	1.963	4.446	2.053
Telefónica Consumer Finance, EFC, SA Consumer financing and financing for commercial transactions	Caleruega,102 planta 9 28033 Madrid	0.00	50.00	5	23.795	5.844	-
VidaCaixa Mediació, Sociedad de Agencia de Seguros Vinculada, SAU Insurance agency	Juan Gris, 2 - 8 08014 Barcelona	0.00	100.00	60	3.242	991	-
VidaCaixa, SA de Seguros y Reaseguros Sociedad Unipersonal Direct life insurance, reinsurance and pension fund management	Complex Torres Cerdà. Juan Gris, 20 - 26 08014 Barcelona	100.00	100.00	1,347,462	1,473,933	452.173	2,251,712

(L) Companies in liquidation.

(*) Companies classified as non-current assets held for sale

Note: The information corresponding to non-listed companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to these financial statements.

Data relating to paid up capital, reserves and profit/(loss) have been standardised in the consolidated CaixaBank financial statements in accordance with IFRS.

(1) All data except cost are in local currency: Brazilian real (thousand).

Investments in joint ventures of CaixaBank

(Thousands of euros)

Company name and line of business	Registered office	% interest Direct	% interest Total	Assets	Liabilities	Ordinary income	Share capital	Reserves	Profit/(loss)	Total comprehensive income	Cost of direct ownership interest (net)	Dividends accrued in the year on total ownership interest
Banco europeo de finanzas, SA Activities of a wholesale or investment bank	Bolsa, 4 Planta Baja 29015 Malaga	39.52	39.52	95.154	141	548	60.702	23.133	11.17	19	32.057	-
Cartera Perseidas, SL Holding company	Paseo de Recoletos, 29 28004 Madrid	40.54	40.54	1.861	608	35	12.339	13.854	-59.442	-11.058	-	-
Comercia Global Payments, Entidad de Pago, SL Payment entity	Gran Via Carles III, 98 entresol 08028 Barcelona	49.00	49.00	304.527	127.496	110.607	4.425	153.21	33.792	24.172	89.148	15.57
Global Payments South America, Brasil – Serviços de Pagamentos, SA (1) Payment methods	Rua dos Pinheiros, 610 - Cj. 83 05422-001 Sao Paulo, Brazil	50.00	50.00	276.04	297.788	25.016	94.363	-84.46	-31.652	1.62	-	-
Inversiones Alaris, SA Holding company	Av. Carlos III, 8 31002 Pamplona, Navarre	33.33	66.67	201	91	97	-	-	38.044	6	-	14.955
SegurCaixa Adeslas, SA de Seguros Generales y Reaseguros Non-life insurance	Complex Torres Cerdà. Juan Gris, 20 - 26 08014 Barcelona	0.00	49.92	3,850,188	2,293,082	2,709,611	469.67	948.703	254.65	181.685	-	85.029
Vivienda protegida y suelo de Andalucía, SA Real estate development	Exposición, 14 - 2 Polígono PISA 41927 Mairena del Aljarafe, Seville	0.00	50.00	12.599	15.367	3.345	60	13	-1.046	-1.046	-	-

(1) All data except cost are in local currency: Brazilian real (thousand).

Note: The information corresponding to non-listed companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to these financial statements.

Data relating to paid up capital, reserves and profit/(loss) have been standardised in the consolidated CaixaBank financial statements in accordance with IFRS.

Following 31 December 2016 through to the date of filing of this document, no other significant change has occurred that might affect the preceding information, aside from the takeover of BPI (see information on changes in CAIXABANK's stake in BPI under section *5.1.5. Important events in the development of the Issuer's business*).

8. PROPERTY, PLANT AND EQUIPMENT

8.1 Information regarding any existing or planned tangible assets, including leased properties, and any major encumbrances thereon

CAIXABANK property, plant and equipment

- Tangible assets on the CAIXABANK Group's consolidated balance sheet, which included tangible assets for own use and investment property, totalled EUR 6,436,908 thousand in 2016 (EUR 6,293,319 thousand in 2015).

- The properties classified as tangible assets deriving from the integrations were recognised at fair value at their respective business combination dates, calculated by updating available appraisal values and in line with movements in the price of premises and offices according to their location and use.

Changes in items of "Tangible assets" and of the related accumulated depreciation in 2016 and 2015 are as follows:

- **Own use and leased out under operating leases**

(Thousands of euros)	31-12-2016			31-12-2015		
	Land and buildings	Furniture, facilities and other	Total	Land and buildings	Furniture, facilities and other	Total

Cost						
Opening balance	2,805,518	3,514,768	6,320,286	2,813,637	3,679,576	6,493,213
Additions due to business combinations			0	28,808	94,029	122,837
Additions	29,155	224,619	253,774	52,871	172,338	225,209
Disposals	(26,375)	(203,697)	(230,072)	(2,904)	(421,227)	(424,131)
Transfers	(188,644)	32,604	(156,040)	(86,894)	(9,948)	(96,842)
Closing balance	**2,619,654**	**3,568,294**	**6,187,948**	**2,805,518**	**3,514,768**	**6,320,286**
Accumulated depreciation						
Opening balance	(499,048)	(2,751,842)	(3,250,890)	(480,778)	(2,867,616)	(3,348,394)
Additions due to business combinations			0	(10,354)	(60,081)	(70,435)
Additions	(24,262)	(121,388)	(145,650)	(33,590)	(138,669)	(172,259)
Disposals	21,386	182,916	204,302	2,626	281,781	284,407
Transfers	29,193	3,380	32,573	23,048	32,743	55,791
Closing balance	**(472,731)**	**(2,686,934)**	**(3,159,665)**	**(499,048)**	**(2,751,842)**	**(3,250,890)**
Impairment allowances						
Opening balance	(17,481)	(12,092)	(29,573)	(3,249)		(3,249)
Additions due to business combinations			0			0
Allowances	(5,689)	(167)	(5,856)	(8,151)		(8,151)
Reversals	10,150	1,281	11,431			0
Transfers	(52)	(383)	(435)	(6,081)	(12,092)	(18,173)
Amounts used	812		812			0
Closing balance	**(12,260)**	**(11,361)**	**(23,621)**	**(17,481)**	**(12,092)**	**(29,573)**
Own use, net	**2,134,663**	**869,999**	**3,004,662**	**2,288,989**	**750,834**	**3,039,823**

Property, plant and equipment for own use is allocated to the Banking Business cash generating unit (CGU). At 31 December 2016 and 2015, impairment tests were performed on the net amount of the assets associated with the Banking Business CGU. The results of the tests did not reveal any need to make allowances for the assets included under this heading.

However, the Bank carries out regular valuations of property for own use classified as “Land and buildings”. The market value of these assets at 31 December 2016 did not differ significantly from their carrying amounts.

In 2016 and 2015, property and equipment no longer in use was derecognised, leading to write-offs of EUR 17,903 thousand and EUR 139,243 thousand, respectively, both recognised under “Impairment/(reversal) of impairment on non-financial assets”.

At 31 December 2016, the Group had fully depreciated items of property, plant and equipment amounting to EUR 2,198 thousand.

The CAIXABANK Group does not have significant commitments to acquire items of property, plant and equipment. Sales made in previous years with sale and leaseback agreements include buy options that may be exercised by CAIXABANK on termination of the lease agreement at the market value of the offices at that date, to be determined where appropriate by independent experts. In such sale and leaseback transactions, prospective monitoring of the transaction takes place, paying special attention to changes in market office rental prices compared to the contractual rents CAIXABANK is required to pay and the condition of the assets sold. The most significant of this type of transaction was in 2012, when 439 branches were sold to Soinmob Inmobiliaria, SAU and simultaneously leased under an operating lease for a mandatory period of 25 years. The lease expense under this agreement is EUR 35,531 thousand a year.

Of the total number of CAIXABANK offices and branches, 3,103 were owned at 31 March 2017, while 2,125 were leased at an annual cost of EUR 123 million.

- **Investment property**

(Thousands of euros)	31-12-2016			31-12-2015		
	Land and buildings	**Furniture, facilities and other**	**Total**	**Land and buildings**	**Furniture, facilities and other**	**Total**
Cost						
Opening balance	4,229,060	62,839	4,291,899	3,985,455	70,941	4,056,396
Additions due to business combinations			0	26,926		26,926
Additions	199,622	6,098	205,720	190,518	6,010	196,528
Disposals	(196,756)	(9,684)	(206,440)	(194,061)	(8,709)	(202,770)
Transfers	394,402	30,753	425,155	220,222	(5,403)	214,819
Closing balance	**4,626,328**	**90,006**	**4,716,334**	**4,229,060**	**62,839**	**4,291,899**
Accumulated depreciation						
Opening balance	(126,104)	(10,078)	(136,182)	(172,640)	(32,398)	(205,038)
Additions due to business combinations			0	(66)		(66)
Additions	(54,096)	(7,356)	(61,452)	(50,046)	(3,701)	(53,747)
Disposals	11,945	2,995	14,940	10,145	4,622	14,767
Transfers	(3,781)	(805)	(4,586)	86,503	21,399	107,902
Closing balance	**(172,036)**	**(15,244)**	**(187,280)**	**(126,104)**	**(10,078)**	**(136,182)**
Impairment allowances						
Opening balance	(902,221)	0	(902,221)	(590,213)	(1,548)	(591,761)
Additions due to business combinations			0	(11,794)		(11,794)
Allowances	(248,547)		(248,547)	(488,285)		(488,285)
Reversals	214,175		214,175	294,527		294,527
Transfers	(219,914)		(219,914)	(180,330)	1,548	(178,782)
Amounts used	59,699		59,699	73,874		73,874
Closing balance	**(1,096,808)**	**0**	**(1,096,808)**	**(902,221)**	**0**	**(902,221)**
Investment property	**3,357,484**	**74,762**	**3,432,246**	**3,200,735**	**52,761**	**3,253,496**

Investment property is appraised and valued annually using statistical methods, except for appraisals over two years' old commissioned for special properties or those not used for regular business activities. The appraisals led to the recognition of an impairment loss on investment property at 31 December 2016 and 2015 of EUR -34,372 thousand and EUR -197,115 thousand, respectively. Additionally, write-offs of EUR 14 thousand and EUR 3,357 thousand were made in 2016 and 2015 respectively.

In light of the valuations available at 31 December 2016, the fair value of the portfolio of investment properties was EUR 4,129 million.

Rental income accrued on the operation of investment property is recognised under "Other operating income" on the income statement, totalling EUR 148.6 million in 2016, and operating expenses under "Other operating expenses", totalling EUR 42 million in 2016.

Foreclosed real estate assets acquired in lieu of payment of debt and held for rent, recognised on the CAIXABANK Group's balance sheet as investment property, amounted to EUR 3,261 million at 31 December 2016. The occupancy rate for these properties at 31 March 2017 was 90%. Further information on foreclosed assets classified as non-current assets and inventories is provided in section I (Risk factors) of this document.
The carrying amounts of the assets do not differ significantly from their market value.

8.2 Description of any environmental issues that may affect the Issuer's utilisation of the tangible assets

No significant tangible asset items at the Group are affected by environmental issues of any type.

9. OPERATING AND FINANCIAL REVIEW

9.1 Financial condition

See sections 3, 10, 20.1 and 20.6 of this Registration Document.

9.2 Operating results

Information on CAIXABANK's operating results

The income statement prepared in accordance with applicable International Financial Reporting Standards (IFRS) as per the management format, is shown below.

Income statement

CAIXABANK's income statement using the management format is as follows:

	January - December		Change %
€ million	**2016**	**2015**	
Interest income	6,753	8,372	(19.3)
Interest expense	(2,596)	(4,019)	(35.4)
Net interest income	**4,157**	**4,353**	**(4.5)**
Dividend income	199	203	(2.0)
Share of profit/(loss) of entities accounted for using the equity method	629	375	67.5
Net fee and commission income	2,090	2,115	(1.2)
Gains/(losses) on financial assets and liabilities and others	848	863	(1.7)
Income and expense arising from insurance or reinsurance contracts	311	214	44.8
Other operating income and expense	(407)	(299)	36.1
Gross income	**7,827**	**7,824**	**0.0**
Recurring administrative expenses, depreciation and amortisation	(3,995)	(4,063)	(1.7)
Extraordinary expenses	(121)	(543)	(77.7)
Pre-impairment income	**3,711**	**3,218**	**15.3**
Pre-impairment income stripping out extraordinary expenses	**3,832**	**3,761**	**1.9**
Impairment losses on financial assets and other provisions	(1,069)	(2,516)	(57.5)
Gains/(losses) on disposal of assets and others	(1,104)	(64)	
Profit/(loss) before tax	**1,538**	**638**	**141.0**
Income tax expense	(482)	181	
Profit/(loss) after tax	**1,056**	**819**	**28.9**
Profit/(loss) attributable to minority interest and others	9	5	101.6
Profit/(loss) attributable to the Group	**1,047**	**814**	**28.6**

CAIXABANK's income statement using management format at 31 December 2014 is also shown for information purposes.

€ million	January - December 2014
Financial income	8,791
Financial expenses	(4,636)
Net interest income	**4,155**
Dividends	185
Share of profit/(loss) of entities accounted for using the equity method	306
Net fees and commisions	1,825
Gains on financial assets and exchange rate differences	640
Other operating income and expense	(171)
Gross income	**6,940**
Recurring expenses	(3,773)
Pre-impairment income	**3,167**
Impairment losses on financial assets and others	(2,579)
Gains / (losses)on disposal of assets and others	(386)
Pre-tax income	**202**
Income tax	418
Profit/(loss) after tax	**620**
Minority interest	
Profit attributable to the Group	**620**

The most notable year-on-year changes in 2016 were:

- Net interest income of EUR 4,157 million, down 4.5% largely as a result of:

    - Lower financing costs on retail savings, especially maturity deposits, the cost of which has fallen from 1.01% in 2015 to 0.53% in 2016 (-48 basis points). Plus the lower cost of institutional financing due to lower volumes and rates.

    - The change in income was down to lower returns on the loan portfolio in response to the drop in market interest rates, the removal of floor clauses from mortgage loan contracts arranged with consumers in the second half of 2015, and more muted activity in relation to the fixed-income ALCO portfolio.

- Income from equity investments stood at EUR 828 million (+43.1%), thanks to the improved contribution from Repsol in comparison to 2015, when it reported extraordinary provisions, as well as lower income from the Bank of East Asia and Grupo Financiero Inbursa following the swap agreement with CriteriaCaixa.

- Sizeable contribution from fee and commission income (EUR 2,090 million). The change here (-1.2%) was largely down to market volatility, especially in the first quarter of 2016, as well as lower transaction volume and the increased income from one-off transactions recognised in 2015.

- Gains/(losses) on financial assets and liabilities and other yielded gains of EUR 848 million (-1.7%), including in 2016 proceeds on the Visa Europe Ltd transaction (EUR 165 million).

- Thanks to the strength of the commercial network against a backdrop of rock-bottom interest rates, gross income totalled EUR 7,827 million, roughly in line with the figure reported last year.

- Recurring operating expenses, depreciation and amortisation was down 1.7% after successfully unlocking synergies and implementing cost savings measures.

A total of EUR 121 million was reported in connection with the labour agreement signed in the third quarter of 2016 to streamline the workforce. In 2015, costs of EUR 543 million were recognised in relation to the integration of Barclays Bank, SAU and the 2015 labour agreement.

- Pre-impairment income was up 15.3% to EUR 3,711 million (+1.9% excluding extraordinary expenses).

- Significant drop in impairment losses on financial assets and other provisions (-57.5%).

Insolvency provisions were down 80.3% in response to continuous improvements in asset quality and the release of EUR 676 million in provisions in the fourth quarter following the development of internal models.

Other charges to provisions (-18.4%) includes coverage for future contingencies and impairment of financial assets. In 2016, this heading includes a provision of EUR 110 million to provide further coverage in relation to floor clauses (in addition to the provision of EUR 515 million already reported in 2015), as well as EUR 160 million associated with the early retirement agreement in the second quarter.

- Gains/(losses) on disposal of assets and others includes, among other items, the proceeds obtained from the sale of assets and other write-downs, mostly relating to real estate assets. A total of EUR 656 million in provisions for real estate assets was recognised in the fourth quarter of 2016 following the use of internal models (other earnings on real estate assets reported in 2016, essentially EUR -1,106 million in allowances to cover the value adjustments of those assets).

In 2015, it included the negative goodwill on consolidation of Barclays Bank, SAU (EUR 602 million) and asset impairment due to obsolescence associated with the integration process (EUR 64 million).

- With regard to corporate income tax, double taxation avoidance principles are applied to income contributed by investees, with a notable impact in the first quarter of 2015 following the recognition of the negative goodwill arising from the integration of Barclays Bank, SAU.

The fourth quarter of 2016 includes EUR -149 million due to the changes made by the recent tax reforms, which impose restrictions on the deductibility of losses on transfers of shares and other equity interests.

- Profit attributable to the Group for 2016 amounted to EUR 1,047 million, up 28.6% year on year.

9.2.1 Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the Issuer's income from operations, indicating the extent to which income was so affected

- **Global and market trends**

Global growth reached 3.1% in 2016, against a complex financial and political backdrop and with a succession of episodes and events that caused uncertainty and financial volatility to spike. In the first quarter of the year, the scene was dominated by rising doubts surrounding Chinese foreign exchange policy and falling oil prices. In the second quarter, it was the victory of the Brexit camp that took centre stage, soon giving way to Donald Trump's triumph in the US presidential elections.

The first of these episodes was confined to the financial world and emerged in the first two months of the year in response to the uncertainty surrounding the Chinese exchange rate policy and falling oil prices. The result was a marked downward correction in the quoted prices of risk assets, along with a significant drop in sovereign debt yields. From late February onward, a brighter set of macroeconomic indicators helped calmed investor nerves, leading to a gradual, albeit uneven, recovery in the prices of financial assets. The first half of the year ended, however, with a second uncertainty spike: victory for the Brexit camp caught investors by surprise, causing stock markets and other risk assets to plummet and prompting a stampede of capital towards safe haven assets. While investor confidence was quick to return and the prices of risk assets made gains in the summer, investor uncertainty returned for a third time in September and October, this time on account of the presidential elections in the United States. Stock markets reacted positively to the news of Trump's victory and bond yields were quick to rise, showing that the market was expecting the new Trump administration to give growth and inflation a boost. However, lingering doubts as to how the new administration's approach to economic policy will pan out remain very much present. In fact in early 2017 the prices of risk assets and sovereign bonds corrected downward following the initial surge, indicating that investors are now reappraising the situation and have lowered their expectations in terms of the new administration's impact on growth and inflation.

Against this backdrop, and despite a reasonably positive global economic outlook, we have seen a mixed bag of results by country. Among emerging markets, China remains on a path towards lower growth, sparking fears of a hard landing. Moreover, prevailing doubts concerning the state of the Chinese banking sector, especially local institutions, coupled with worrying levels of capital flight and the real estate bubble, remain real causes for concern. Meanwhile, other emerging countries are having to contend with their own set of risks. Brazil was still mired in a deep recession in 2016 and the country also has serious political issues to overcome. In the meantime, other emerging economies such as Turkey and South Africa continue to show macroeconomic imbalances, making them vulnerable when it comes to foreign trade. On a slightly more positive note, in late 2016 Russia finally began to shake off the recession it had been in since 2015, largely in response to the slow but steady improvement in oil prices. It is worth noting here that oil prices made significant gains through to May 2016, only to be hit again by heavy volatility and with no clear direction or pattern in sight. Oil prices eventually managed to break out of this dynamic thanks to the agreements reached by both OPEC and non-OPEC producers, which have managed to stabilise prices at around 50-55 dollars per barrel of Brent.

Turning to advanced economies, the United States is now at a mature phase of the economic cycle. The nation reported its seventh straight year of positive growth in 2016, with virtually zero unemployment and improved wage growth. This, combined with rallying levels of inflation, seemed to be a clear indication that the Federal Reserve would press on with its process of monetary normalisation. Instead, the Fed chose to keep its reference rate unchanged until the last meeting of the year, when it finally raised the rate by 25 basis points. However, in March 2017 the Fed once again hiked its reference rate by a further 25 basis points in response to the healthy state of the US economy, bringing it to 0.75%-1.00%.

- **Performance in the eurozone and Spain**

Economic activity across the eurozone continued to steadily improve as we moved through 2016. While growth was hardly spectacular, it did manage to live up to potential growth despite having to cope with a major uncertainty shock, namely Brexit. On balance, figures show that the real economic impact of Brexit has, as least so far, been largely confined to the United Kingdom. The economic expansion we have seen has largely come on the back of temporary support factors, such as falling commodity prices (versus 2015) and the depreciation of the euro or the quantitative easing of the ECB. Of importance here are the measures adopted by the central bank in 2016, particularly the steps taken in March (lowering rates, expanding the monthly purchase programme to 80 billion euros through to March 2017, bringing corporate debt within the scope of the programme and holding new bank liquidity auctions) and also in December, when it was announced that the purchase programme would be extended through to December 2017 and the purchase volume lowered to 60 billion euros from April 2017 onward.

Against this complicated backdrop, with major sources of global uncertainty but also with positive global and European growth, Spain fared particularly well in 2016. Economic growth in the country gained 3.2% in 2016, a high figure and one that can be added to a similarly positive showing in 2015. In this expansionary stage, Spain's healthy domestic demand can be mainly put down to the improvements seen in private consumption. Improvements in the labour market (500,000 jobs created in 2016, a similar figure to 2015) and better funding conditions continue to push up the available income of Spanish households, in turn paving the way for consumption to continue growing at a healthy pace and for the household deleveraging process to continue. Meanwhile, capital expenditure has slowed down somewhat, although it still remains high, while investment in construction is steadily picking up.

Public spending also continued to expand in 2016. Although this boosts economic growth in the short term, there are also significant implications for public debt, which is now roughly equal to GDP. In fact, the state of the public coffers has been reappraised by the European Commission upon noticing a considerable difference between the public deficit in 2015 and the target previously agreed upon. In July, Spain successfully avoided sanctions from the European Commission for missing its deficit targets. This leniency comes in response to the Spanish Government's announcement of adjustment measures aimed at reaching a set of new deficit targets (4.6% of GDP in 2016 and 3.1% in 2017). This effectively means that the deadline for ending its excessive deficit situation has been extended for a further two years.

In relation to the other macroeconomic imbalances, highlights included a clear improvement in foreign trade and a steady normalisation of inflation. Here, the current account balance looks to have ended 2016 at just over 2% of GDP; a healthy figure that comfortably exceeds the 1.4% reported in 2015. The increase in the current account surplus was largely down to the falling energy bill and, to a lesser extent, the drop in the income deficit. Meanwhile, inflation managed to overcome its recent history of negative growth and began to improve towards the end of the year by shaking off the knock-on effect of falling oil prices in late 2015.

In a nutshell, the Spanish economy is being buoyed by temporary support factors, such as low oil prices, a depreciating euro and accommodative financial conditions, and also from the reforms carried out in recent years, which have paved the way for more robust and balanced growth.

- **Key points regarding CAIXABANK's performance**

See section *5.1.5 Important events in the development of the Issuer's business* in 2016.

9.2.2 Where the financial statements disclose material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes

Following the acceptance period for the mandatory takeover filed on 16 January 2017 by Comisión del Mercado de Valores Mobiliarios de Portugal, the Portuguese securities market regulator, CAIXABANK's stake in Banco BPI stood at 84.5% at 7 February 2017. The Portuguese bank has been integrated since 1 February 2017 using the full consolidation method, having previously been reported using the equity method. The full consolidation of the results of BPI from February 2017 onward has impacted the main headings of the income statement when compared with the previous year. Meanwhile, BPI's total contribution to the CAIXABANK Group at 31 March 2017 amounted to EUR 32,883 million, accounting for roughly 10% of CAIXABANK's total assets.

The integration of Barclays Bank, SAU in January 2015 led to growth of approximately 5-6% in CAIXABANK's total pre-integration assets, affecting all balance sheet headings. The integration of Barclays Bank, SAU led to increases of 4-8% across the various headings of the Group's income statement.

9.2.3 Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the Issuer's operations

- **Solvency**

Since 1 January 2014, the capital adequacy of financial corporations has been regulated by Regulation (EU) 575/2013 (CRR) and Directive 2013/36/EU of the European Parliament and of the Council, both dated 26 June 2013, which implement the Basel III regulatory framework (BIS III) in the European Union.

Additionally, following the transposition of European legislation, the Basel Committee and other relevant bodies have published a series of additional rules and documents containing new specifications on how to calculate capital. This means that procedures are constantly being updated, and therefore CAIXABANK continuously adapts its processes and systems to ensure the calculation of capital consumption and direct deductions from capital are fully aligned with the new requirements in place.

As stipulated in the regulation, the Group is subject to minimum eligible capital and disclosure requirements at individual and sub-consolidated level.

At 31 December 2016, the CaixaBank Group had a Common Equity Tier 1 (CET1) ratio of 13.2% (+30 basis points since 31 December 2015, of which +97 basis points are down to the ABO (Accelerated Bookbuilding Offering), and a Total Capital ratio of 16.2% (15.9% at 31 December 2015).

Risk-weighted assets (RWA) at 31 December 2016 stood at EUR 134,864 million, down EUR 8,448 million (-5.9%) from the end of the previous year, partly due to the asset swap with CriteriaCaixa (see Note 1).

Applying the criteria expected for the end of the transitional period (fully loaded), CaixaBank had a CET1 ratio of 12.4% and a Capital Total ratio of 15.4% at 31 December 2016.

The ECB's minimum regulatory capital requirements mean that CaixaBank must maintain a regulatory CET1 ratio of 9.25% in 2016. This includes the general minimum Pillar 1 requirement of 4.5%, plus a further 4.75% to cover the specific requirements of Pillar 2 and a capital conservation buffer of 2.5%, which will imply an add-on of 0,625% in 2016. The current transposition of the CRD IV Directive into Spanish legislation stipulates that these buffers will be phased in over four years from 2016. In 2015, CaixaBank received the decision of Banco de España on the capital buffer required due its status as an O-SII from 1 January 2016 (0.25% of be phased in over a period of four years through to 2019). Together, these decisions required CaixaBank to maintain a CET1 ratio of 9,3125% in 2016.

In 2017, the ECB has required CaixaBank to maintain a regulatory CET1 ratio of 7,375%, which includes: the minimum requirement of 4.5% under Pillar I; the Pillar II requirement (supervisory review process) of 1.5%; the capital conservation buffer of 1.25% (2.5% phased-in over four years through to 2019) and the O-SII (Other Systemically Important Institution) of 0,125% (0.25% to be phased in gradually over four years through to 2019). On a fully loaded basis, the minimum CET1 requirement would therefore be 8.75%.

Similarly, and based on the Pillar 1 requirements of 6% and 8%, the minimum Tier 1 and Total Capital requirements would be 8,875% and 10,875%, respectively, in regulatory terms, and 10.25% and 12.25% fully-loaded, respectively. The Bank's current CET1 ratio shows that the requirements imposed on CaixaBank will not trigger any of the restrictions envisaged in applicable capital adequacy regulations relating to payouts of dividends, variable remuneration and interest to holders of additional tier 1 capital instruments.

CaixaBank is also subject to minimum capital requirements on a non-consolidated basis. CaixaBank's individual CET1 ratio stood at 12.6%.

The composition of the CAIXABANK Group's eligible own funds is as follows:

(Thousands of euros)	31.12.2016		31.12.2015		31.12.2014	
	AMOUNT	**%**	**AMOUNT**	**%**	**AMOUNT**	**%**
CET1 Instruments	22,923,375		23,984,443		23,267,499	
Shareholders' equity	23,399,819		23,688,634		23,372,983	
Capital	5,981,438		5,823,990		5,714,955	
Profit	1,047,004		814,46		620,02	
Reserves and others	16,371,377		17,050,184		17,038,007	
Minority interests and unrealised gains/losses	155,743		1,515,916		1,843,320	
Adjustments of comput. of minority int. and unrealised g/l	-111,629		-916,652		1,644,635	
Other adjustments [1]	-520,558		-303,455		-304,169	
Deductions from CET1	**(5,134,157)**		**(5,499,031)**		**(5,172,564)**	
Intangible assets	(4,026,071)		(4,905,186)		(4,879,654)	
Financial investments	0		-238,215		-131,279	
Deferred tax assets	-685,185		-210,748		0	

Other CET1 deductions	-422,901		-144,882		-161,631	
CET1	**17,789,218**	**13.2%**	**18,485,412**	**12.9%**	**18,094,935**	**13%**
TIER 1	**17,789,218**	**13.2%**	**18,485,412**	**12.9%**	**18,094,935**	**13%**
T2 instruments	**4,087,736**		**4,444,175**		**4,517,344**	
Financing of subordinated issues	4,087,736		4,147,222		4,196,824	
Generic provisions and excess of provisions IRB	0		296,953		320,520	
T2 deductions	-85,079		-102,092		-162,208	
TIER 2	**4,002,657**	**3.0%**	**4,342,083**	**3.0%**	**4,355,136**	**3.1%**
TOTAL CAPITAL	**21,791,875**	**16.2%**	**22,827,495**	**15.9%**	**22,450,071**	**16,10%**
Memorandum items: Risk-weighted assets	**134,863,962**		**143,311,652**		**139,729,074**	
Credit risk	*98,190,228*		*99,295,285*		*95,346,300*	
Shareholder risk	*23,703,136*		*28,559,485*		*29,424,130*	
Market risk	*1,688,891*		*4,125,919*		*3,845,806*	
Operational risk	*11,281,707*		*11,330,963*		*11,111,838*	

(1)Mainly forecast of outstanding dividends charged to the financial year

(In million of euros)	**March 2017**	**December 2016**	**Variación**
Common Equity Tier 1 (CET1)	18,228	17,789	439
Capital Total	23,695	21,792	1,903
CET1 ratio	11.9%	13.2%	(1.28)
Minimum resources required on CET1	11,288	12,559	(1,271)
Surplus of minimum resources required on CET1	6,940	5,230	1,710
Risk-weighted assets (RWA)	153,060	134,864	18,196
Leverage ratio	5.6%	5.7%	(0.10)
Common Equity Tier 1 fully loaded	17,586	16,648	938
CET1 ratio fully loaded	11.5%	12.14%	(0.90)

(*) Minimum CET1 requirements (including Pillar 1 + Pillar 2 + buffers): 7.375% of RWAs in 2017 and 9.3125% RWAs in 2016

Detail of risk-weighted assets by method

(Thousands of euros)	**31.12.2016**	
	Capital requirements	**%**
Credit risk (1)	**7,855,218**	**72.8%**
Standardised approach	3,905,246	36.2%
IRB approach	3,949,972	38.4%
Shareholder risk	**1,896,251**	**17.6%**
PD/LGD method	1,128,901	10.5%

Simple method	754,158	7.0%
VaR method	13,192	0.1%
Market risk	**135,111**	**1.3%**
Internal models (IMM)		1.3%
Operational risk	**902,537**	**8.4%**
Standardised approach	902,537	8.4%
Total	**10,789,117**	**100.0%**

(1) Including Credit Valuation Adjustments (*CVA*), Deferred Tax Assets (*DTA*) and securitizations

- **Solvency II – Insurance companies**

The applicable regulatory framework for insurance entities from 1 January 2016 is Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009, on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II). This Directive is complemented by Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014 (also known as Omnibus II).

The Directive was transposed into Spanish law through Act 20/2015, of 14 July, on the regulation, supervision and solvency of insurance and reinsurance entities (LOSSEAR), and Royal Decree 1060/2015, of 20 November (ROSSEAR).

The Solvency II Directive was developed through Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing the Solvency II Directive, which is directly applicable.

The Insurance Group was in a position to comply with the new regulations on day one, having already readied itself for their entry into force.

- **Circular 4/2016 of Banco de España, of 27 April**

On 6 May 2016, Circular 4/2016 of Banco de España was published in the Official State Gazette, which took effect on 1 October 2016. The objective of the Circular was to update Circular 4/2014 on public and confidential financial reporting rules, primarily Annex IX thereof, so as to bring it into line with the latest developments in banking regulation, while remaining fully compatible with the IFRS accounting framework. The new Circular covers matters such as the policies concerning the approval, amendment, assessment, monitoring and control of transactions, including their accounting classification and the estimation of allowances to cover losses from credit risk and impairment of foreclosed assets. It also envisions the use of internal assessment models by credit institutions. In 2016, the CAIXABANK Group furthered its use of internal models for the collective estimation of allowances and to determine the adjustments to be applied on the main valuations given in full individual real estate valuations or on the results generated by automatic valuation methods for foreclosed assets. These internal models, which are in accordance with Circular 4/2016 of Banco de España, have been used to re-estimate the losses incurred due to credit risk or the impairment of foreclosed assets at 31 December 2016.

The new estimation of loan-loss allowances at 31 December 2016 has reduced the provisioning requirements for the loan portfolio by EUR 676 million and has prompted the recognition of EUR 656 million in provisions for real estate assets.

- **Amendments to IFRS 9 - Financial Instruments: Classification and measurement.**

IFRS 9 provides a comprehensive set of accounting requirements for the recognition and measurement of financial assets and financial liabilities (except the part on macro hedging). The date of initial application is 1 January 2018, whereupon it will replace the current International Accounting Standard (IAS) 39 - Financial Instruments: recognition and measurement.

When it comes to recognising and measuring financial assets, IFRS 9 considers both the business model within which the assets are held and their contractual cash flows, effectively reducing the number of portfolios and impairment models currently envisaged in IAS 39. Financial assets that give rise to cash flows that are solely payments of principal and interest are measured at amortised cost if they belong to a business model whose objective is to collect the previous cash flows, but at fair value through other comprehensive income if the objective is to both collect the cash flows and sell the instrument. All other financial assets, including embedded derivatives, must be fully measured at fair value through profit or loss.

For all assets not measured at fair value through profit or loss, the entities must recognise expected credit losses, differentiating between assets whose creditworthiness has not deteriorated significantly since initial recognition and those whose creditworthiness has.

Noteworthy differences between the new expected loss model in IFRS 9 and the current incurred loss model of IAS 39 include:

- Upon initial recognition, IFRS 9 requires the expected loss to be recognised rather than the incurred loss.

- The degree of judgement required to incorporate forward-looking information and assumptions regarding the behaviour affecting the life of the instruments that should be considered and how the assumptions are incorporated in the measurement of expected losses, increases in the expected-loss model.

- The requirement to calculate full lifetime losses for exposures that have experienced significant impairment since initial recognition.

Regarding financial liabilities, the categories set out in IFRS 9 are similar to those currently in IAS 39, and their measurement does not change, only the requirement to recognise changes in fair value related to own credit risk as a component of equity for financial liabilities designated under the fair value option.

For hedge accounting, the granularity in current IAS 39 requirements is replaced with a new model that better reflects internal risk management activities in the financial statements. There are changes with respect to IAS 39 in a number of other areas, such as hedged items, hedging instruments, the accounting of the time value of options and the assessment of effectiveness, which will enable Group entities that carry out financial activities to expand the transactions to which hedge accounting is applied and facilitate the application of hedge accounting, whereas the rest of the entities will benefit mainly from the possibility of hedging non-financial risks.

The Bank is currently calculating the potential impacts of the application of IFRS 9 on the value of the financial assets and financial liabilities it currently reports, along with an estimate of loan loss allowances. As a result, the Group is currently unable able to provide details of the quantitative impacts.

10. CAPITAL RESOURCES

10.1 Information concerning the Issuer's capital resources

Information on CAIXABANK's funding structure is provided in section 10.3.

Equity

Changes in equity in 2016 and 2015 are shown in the statement of changes in total equity (see section 20.1). The following sections provide relevant information on certain equity items in 2016 and 2015.

Equity

	2016	2015	Change 2016-2015
SHAREHOLDERS' EQUITY	**23,399,819**	**23,688,634**	**-1.2%**
Capital	5,981,438	5,823,990	2.7%
Paid up capital	5,981,438	5,823,990	2.7%
Share premium	12,032,802	12,032,802	0.0%
Other equity	7,499	5,120	46.5%
Retained earnings	5,239,487	4,850,813	8.0%
Other reserves	(716,893)	413,916	-273.2%
Less: Treasury shares	(14,339)	(19,713)	-27.3%
Profit/(loss) attributable to owners of the parent	1,047,004	814,460	28.6%
Less: Interim dividends	(177,179)	(232,754)	-23.9%
ACCUMULATED OTHER COMPREHENSIVE INCOME	**126,621**	**1,480,290**	**-91.4%**
Items that may be reclassified to profit or loss	126,621	1,480,290	-91.4%
Foreign currency translation	2,332	378,102	-99.4%
Hedging derivatives. Cash flow hedges (effective portion)	25,316	85,622	-70.4%
Available-for-sale financial assets	(26,494)	816,586	-103.2%
Debt instruments	366,815	761,777	-51.8%
Equity instruments	(393,309)	54,809	-817.6%
Share of other recognised income and expense of investments in joint ventures and associates	125,467	199,980	-37.3%
MINORITY INTERESTS (non-controlling interests)	**29,122**	**35,626**	**-18.3%**
Accumulated other comprehensive income	50	530	-90.6%
Other items	29,072	35,096	-17.2%
Total equity	**23,555,562**	**25,204,550**	**-6.5%**
Total equity and total liabilities	**347,927,262**	**344,255,475**	**1.1%**

- **Share capital**

CaixaBank's share capital at 31 December 2016 consisted of 5,981,438,031 shares, all fully subscribed for and paid up. All the shares are in book-entry form, with a par value of EUR 1 each. At the date of this document, share capital has not changed since 31 December 2016.

CAIXABANK's shares are traded on the four official stock exchanges in Spain and on the continuous electronic trading system, forming part of the IBEX 35. At 31 December 2016, the share's closing price was EUR 3,140 (EUR 3,214 at 31 December 2015).

Changes in CAIXABANK's share capital are discussed at greater length in section 21 of this document.

- **Share premium**

The balance of the share premium was the result of the capital increase carried out on 31 July 2000, for EUR 7,288 million.

The Spanish Corporate Enterprise Act expressly permits use of the share premium account to increase capital and does not establish any restriction as to its use. Therefore, in subsequent years, approval was given at the Annual General Meetings to pay dividends with a charge to the share premium following the total or partial disposal of the investments contributed during the incorporation of the Company.

There were no changes in the share premium in 2016.

- **Other equity instruments**

This item includes the accrued portion of the value of shares included in variable share-based remuneration plans not delivered, which stands at EUR 7,499 thousand.

- **Treasury shares**

Details of treasury shares are provided in section 21.1.3 of this document.

10.2 Explanation of the sources and amounts of, and a narrative description of, the Issuer's cash flows

(see section 20.1.).

In 2016, CAIXABANK's cash increased by a net EUR 6,645 million, due basically to the EUR 14,146 million in cash flows obtained from operating activities, the EUR 2,906 million in cash from investing activities, and the EUR 4,596 million in cash from financing activities.

Cash flows from operating activities climbed from EUR 2,539 million in 2015 to EUR 14,146 million in 2016, with the change largely down to the impact in 2015 of the business combination with Barclays Bank SAU.

Cash flows from investment activities rose from EUR 4,764 million in 2015 to EUR -2,906 million in 2016. The main reason for the change is the fact that CAIXABANK made various purchases of Spanish public debt in 2016, mainly medium to long-term Treasury bonds, while in 2015 the same bond types were not renewed on maturity.

The following terms are used in the presentation of the statements of cash flows:

Operating activities

The indirect method is used to present cash flows from operating activities, which are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

Investing activities

The acquisition, sale or other disposal of long-term assets, such as equity investments and strategic investments, and other investments not included in cash and cash equivalents.

Financing activities

Activities that result in changes in the size and composition of equity and liabilities that do not form part of operating activities, such as subordinated financial liabilities. The issuances launched by the CAIXABANK Group and placed on the institutional market are classified as financing activities, whereas the issuances placed on the Spanish retail market are classified as operating activities.

Translation for information purposes only, in case of discrepancy between this English version and the original Spanish version of the Registration Document, the Spanish version shall prevail.

10.3 Information on the borrowing requirements and funding structure of the Issuer

The table below shows the Group's funding structure:

Group funding structure

(Thousands of euros)	2016	2015	Change 2016-2015
Cost-bearing funds	251,219,863	250,708,875	0.20%
Shareholders' equity	23,399,819	23,688,634	-1.22%
Total	**274,619,682**	**274,397,509**	**-1.22%**

NOTE: financial liabilities measured at amortised cost, excluding other financial liabilities and equity. Does not include valuation adjustments or minority interests in equity.

Funding primarily comprises borrowings, accounting for 91.5% of total funds in 2016. The remaining 8.5% comprises funding from shareholders' equity.

COST-BEARING FUNDS

The breakdown of this item in the balance sheet, by type of financial instrument, is as follows:

(Thousands of euros)	2016	2015	Change 2016-2015
Deposits from central banks	30,029,382	23,753,214	26.42%
Deposits from credit institutions	6,315,758	10,509,238	-39.90%
Customer deposits	187,166,708	184,110,264	1.66%
Debt securities issued	27,708,015	32,336,159	-14.31%
Total	**251,219,863**	**250,708,875**	0.20%

At 31 December 2016, **"Deposits from central banks"** included EUR 26,819 million of long-term finance (TLTRO) from the European Central Bank (31 December 2015: EUR 18,319 million). In 2016, TLTRO was replaced by TLTRO II, featuring a longer maturity and more attractive financing terms and conditions, and the position taken was increased by EUR 8,500 million.

The average effective interest rate on financial liabilities under **"Deposits from credit institutions"** was 0.77% in 2016. It 2015, it was 0.90%. This rate is the result of interest earned in the year and does not include adjustments to income arising from hedging transactions.

The average effective interest rate on financial liabilities under **"Customer deposits"** was 0.40% and 0.73% in 2016 and 2015, respectively. This rate is the result of interest earned in the year and does not include adjustments to income arising from hedging transactions.

- **"Debt securities issued"**

The following table shows this heading on the balance sheet, excluding valuation adjustments.

(Thousands of euros)	**2016**	**2015**	2016-2015 change
Mortgage covered bonds	18,555,198	21,266,734	-13%
Public sector covered bonds	50,000	50,000	0%
Plain vanilla bonds	1,693,058	2,602,854	-35%
Securitisation bonds	2,342,742	2,749,260	-15%
Hybrid instruments	530,000	893,600	-41%
Structured notes	*530,000*	*349,300*	52%
Bonds exchangeable for Repsol, SA shares		*544,300*	-100%
Promissory notes	63,687	226,958	-72%
Subordinated liabilities (*)	4,099,662	4,314,535	-5%
Total	**27,334,347**	**31,914,167**	**-14%**

(*) There were a further EUR 33,054 thousand and EUR 93,054 thousand in subordinated liabilities classified under Customer deposits at 31 December 2016 and 31 December 2015, respectively.

The average effective interest rate on financial liabilities under "Debt securities issued" was 2.70% and 3.16% in 2016 and 2015, respectively. This rate is the result of interest earned in the year and does not include adjustments to income arising from hedging transactions.

- **Bonds exchangeable for Repsol, SA shares**

In November 2013, CaixaBank issued bonds exchangeable for Repsol shares named *"Unsecured Mandatory Exchangeable Bonds due 2016"* among institutional and qualified investors for a total nominal amount of EUR 594.3 million and maturing on 22 November 2016 (Exchangeable Bonds). This issue included a basket of embedded derivatives to ensure a maximum and minimum exchange price which, pursuant to international accounting standards, was stripped out and valued separately in equity as it qualifies as a cash flow hedge.

On 10 March 2016, the issue of these bonds was redeemed in full, with the delivery, for every EUR 100,000 of principal, of:

i) 5,479.45 Repsol shares;
ii) EUR 3,048.90 in cash as Make-whole Amount;
iii) EUR 1,340.16 in cash as Accrued Interest.

On the same day, the exchangeable bonds were delisted from the Irish Stock Exchange. CaixaBank completed the early redemption by delivering 29,824,636 shares representing 2,069% of Repsol's share capital, and by paying an amount of EUR 23.9 million in cash. The Group recognised a loss of EUR 147 million, gross, on cancelling the bond, which mainly reflected the result of delivering the Repsol shares and the result of cancelling the embedded hedging derivative recognised under “Gains/(losses) on derecognition of non-financial assets and investments, net” in the accompanying income statement.

- **Subordinated liabilities**

This heading of the accompanying balance sheets, excluding valuation adjustments, is as follows:

Breakdown of issuances

(Thousands of euros)

	Outstanding amount		Change
	2016	2015	2016-2015
Preference shares	10,000	30,871	-68%
Subordinated debt	4,122,716	4,376,718	-6%

The following table provides details of **preference share** issuances:

Preference shares

(Thousands of euros)

Issue date	Maturity	Nominal amount	Nominal interest rate	Outstanding amount 31-12-2016	Outstanding amount 31-12-2015
June 2007	Perpetual	20,000	E6M + 1,750%		20,000
December 2007	Perpetual	30,000	E6M + 3,000%	30,000	30,000
February 2011	Perpetual	2,099	E6M + 6.74%		2,099
Issued by CaixaBank				**30,000**	**52,099**
December 2006 (*)	Perpetual	20,000	E3M + 1,400%		20,000
Issued by other companies				**0**	**20,000**
Total issued				**30,000**	**72,099**
Own securities purchased				**(20,000)**	**(41,228)**
Total				**10,000**	**30,871**

(*) Issued by companies of the now defunct Banca Cívica Group.

The following table shows issuances of **subordinated debt**:

Subordinated debt

(Thousands of euros)

Issue date	Maturity	Nominal amount	Nominal interest rate	Outstanding amount 31-12-2016	Outstanding amount 31-12-2015
01-12-1990	PERPETUAL	18,030	-	18,030	18,030
26-06-1994	26-06-2093	15,025	-	15,025	15,025
01-12-2005	PERPETUAL	148,900	E3M + 1,100%		148,900
16-06-2006	16-06-2016	85,300	E3M + 0,890%		85,300
21-09-2006	21-09-2016	100,000	E3M + 0,980%		100,000

08-11-2006		08-11-2016	60,000	E3M + 0,457%		60,000
09-02-2012	(1)	09-02-2022	2,072,363	Fixed	2,072,363	2,072,363
09-02-2012	(1)	09-02-2022	1,301,502	Fixed	1,301,502	1,301,502
14-11-2013		14-11-2023	750,000	Fixed	750,000	750,000
Subordinated debt					**4,156,920**	**4,551,120**
Own securities purchased					**(34,204)**	**(174,402)**
Total					**4,122,716**	**4,376,718**

(1) Issuances made to cover the repurchase and cancellation of preference shares.

Section 6 of this Registration Document ("Risk factors") lists the issuances made in the year to date (2017). These are then explained at greater length under Significant Events in section 5.1.5.*Important events in the development of the Issuer's business*.

10.4 <u>Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Issuer's operations</u>

See section 9.2.3 on capital adequacy in this document.

10.5 <u>Information regarding the anticipated sources of funds needed to fulfil commitments referred to in sections 5.2.3. and 8.1</u>

No sources of funds other than those used in the Bank's ordinary business are expected to be obtained to fulfil the investment commitments described in sections 5.2.3 and 8.1.

11. <u>RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES.</u>

CAIXABANK (as licensee) has a license agreement in effect with Caixa d'Estalvis i Pensions de Barcelona, "la Caixa", Banking Foundation (as licensor) governing the use of certain trade names and the assignment of Internet domain names. The trade names licensed out under that agreement include the "la Caixa" brand and the star logo. The trade name license was granted in 2014 in accordance with the principles set out in the Protocol for managing the financial investment held in CAIXABANK, S.A. by Fundación Caixa d'Estalvis i Pensions de Barcelona "la Caixa". The license agreement has an indefinite term. However, it may be terminated by withdrawal or complaint by the licensor after 15 years have passed from signing, or in the event the stake held by Fundación Caixa d'Estalvis i Pensions de Barcelona "la Caixa" in CaixaBank is less than 30 per cent of the share capital and voting rights of CaixaBank, or in the event there is a shareholder with a stake in the share capital or voting rights of CaixaBank that is greater than the one directly or indirectly held by the Banking Foundation. In exchange for the licence, CAIXABANK must pay the Banking Foundation an annual fee that will be reviewed each year.

Under the same protocol, Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona "la Caixa" assigned to CAIXABANK and CAIXABANK Group companies, free of charge, the trade marks corresponding to their corporate names and the trade marks related to banking, financial, investment and insurance products and services, except for those that contain the "Miró Star" (Estrella de Miró) graphic design or the "la Caixa" denominative sign, which are covered by the licence. It also assigned the domain names used in use relating to the same company names of CAIXABANK and the companies belonging to the CAIXABANK Group.

Turning to research and development, CAIXABANK is working on various technological developments in the realm of cyber-security, artificial intelligence, Big Data and Blockchain, as well as concept proofs to improve certain services (e.g. customer onboarding).

Digital banking: Internet, mobile and social networks

Digital channels allow CAIXABANK, in close partnership with the CAIXABANK branch network, to offer its customers an innovative, high-quality, accessible, and readily available form of banking anywhere and any time. These new channels stem from the Bank's continuous drive towards innovation, with heavy reliance on technology to permanently improve the quality of our services, allow for closer and more personal relationships with customers, and free up time and resources at the branches, thus enabling Bank employees to focus more on addressing customer needs by making the commercial relationship more personal. In 2016, 93% of total CAIXABANK transactions were carried out remotely while 63% of these were completed over the Internet, via mobile banking, or at ATMs.

Online banking

- More than 900 different operations permitted
- 23 languages
- 5.3 million customers using Línea Abierta online banking
- 2,653 million transactions

CAIXABANK was once again the leading player when it comes to online banking services in Spain. It is ranked first in terms of its share of the domestic market (32.4% at December 2016, according to ComScore) and it also tops the international table (at December 2016) in relation to user penetration of banking services in each country. Moreover, and for the fifth year running, AQmetrix named CaixaBank best bank for service quality.

In 2016, CAIXABANK launched a new commercial portal (www.caixabank.es) in a bid to improve the quality and leadership of its online banking service. The website underwent a complete overhaul in terms of both its structure and look by integrating new design, usability and accessibility concepts and features, thus creating a more visual and intuitive interface and browsing experience. The new website was created with the valuable input of more than 500 customers to ensure that it responds to new habits and trends among users when it comes to digital interaction.

In 2016, CaixaBank continued to enhance its multi-channel approach and the digitalisation of its business by adding new digital services under the terms of the 2014-2018 Strategic Plan. The brand new Mi Hucha (My Moneybox) digital product was launched in 2016, allowing customers to manage their savings by setting and then tracking their own personal savings targets through Línea Abierta online banking and mobile banking.

Numerous other digital services were implemented and enhanced during the year to make life easier for Bank customers. These include our new Cuentas de Confianza (Trusted Accounts) service, allowing customers to make quick and easy transfers, or the new Traspaso Rápido (Rapid Transfer) function, so that customers can swiftly transfer funds between their accounts with a minimum of fuss.

Digital tools for businesses also received considerable attention during the year. ComerciaBox is a business management environment available through Línea Abierta online banking, providing information not only on the business itself but also on the company's clients. Meanwhile, Comex online is an easy and effective channel for business customers to arrange video-conferences with their specialist at the Bank.

A further example of our focus on digital proximity to improve relations between customers and managers is the launch of a reconceptualised Muro (Wall) (with a new look and featuring new tools) and mi Gestor (my Manager) service, which now feature and reflect new trends in digital relations and strengthen ties between customer and manager.

To help customers with their buying decisions, CaixaBank continued to develop and come up with new commercial resources so that customers have all the information they need when reaching their decisions. Highlights here include the new online personal loan simulator for credit cards, which employs an online scoring system.

The move to integrate contextualised commercial messages into Línea Abierta online banking has made the platform more personal and has meant that direct sales actions through channels are more successful.

In 2016, Bolsa Abierta online trading cemented its position as a truly market-leading online brokerage service, with new functions including the brand new floating portfolio position, warrant simulators and the portfolio analysis service, all tools that will ultimately help the customer make the right trading decisions and allow them to consult and view their investments.

Products and services through mobile banking

- 3.7 million active customers of Línea Abierta mobile
- 1,774 million transactions
- 3.1 million app downloads a year
- 38.9 million alerts sent

CAIXABANK's mobile banking platform is a sector frontrunner in Spain and an international benchmark. In 2016, Forrester voted CaixaBank's mobile banking service the best among all European banks. CaixaBank also was handed the Best Mobile Banking Strategy prize at the 2016 Retail Bankers International Awards.

CaixaBank also tops the list in the AQmetrix (www.aqmetrix.com) ranking, which assesses the quality of mobile banking services.

In 2016, over three million downloads of the 60-plus available apps were completed via the CaixaBank portal.

Available for all devices, the CaixaBank Pay app offers a mobile payment solution featuring NFC technology (for compatible Android terminals) that allows users to manage their debit and credit cards. In 2016, it became the Group's second most downloaded app, with only the CaixaBank app itself ahead. More than 150,000 customers used it on a regular basis to arrange cards and manage card transactions (over 130 thousand cards issued in 2016).

As a further example of our long-standing support and search for young talent, in 2016 we held the sixth edition of FinappsParty. In 2016, it became the imaginChallenge. Maintaining its 24-hour competition format, it was the turn of the Games Edition in 2016, where the challenge was to design and create content to increase user engagement with the imaginBank app. All in all, the event featured a total of 107 participants from eight different countries, 26 teams and 50,272 spectators following the imaginChallenge event day-by-day through video feed through live Facebook platforms and Periscope.

ATMs

- 9,479 ATMs
- Upwards of 250 services available
- 16 languages
- 630 million transactions
- Market share measured by number of terminals in Spain: 18.53% (Q3 2016)

In 2016, CaixaBank continued its ongoing process of renovating and upgrading its global network of ATMs (Plan Renove), which includes replacing envelope-based payments units for cash payment units.

It also introduced the bank note recycling functionality at its ATMs. This process will ultimately lead to improvements in branch functioning by allowing staff to dedicate more of their time to customers. Recycling allows for greater operational efficiency at branches and less cash in transit.

Another key feature and advantage of our ATM network is that customers can customise ATM menus to ensure the machine is ideally set up for them. Customisation makes using ATMs a breeze, with features such as "My regular transactions". Users can also choose the size of bank note they would like when making cash withdrawals. Our ATMs also feature menus in sign language, high-contrast letters for the visually impaired and voiced instructions and guidance for the blind. They also offer simplified "Caixafácil" menus for those users unaccustomed to cash machines.

Our new-generation ATMs also allow users to use their mobile phone or contactless card to take out cash on debit or credit at the machine. An additional feature in 2016 is that customers can now withdraw cash via a code, allowing them to do so on the spot without needing to have their card on them. This service improvement led to an increase in the amount of cash withdrawn from our ATMs in 2016.

Last but not least, our ATMs can be used to communicate with our customers and the terminals can even display videos presenting the institutional campaigns of CaixaBank and Welfare Projects.

imaginBank, Fintech experience for millennials

The imaginBank venture was launched in response to the new needs of the *millennial* public, a target demographic that has changed its perception of the traditional banking sector and is seeking out alternative solutions: 100% digital banks, with no branches, zero fees and a banking solution that provides added value and speaks to them in their language.

imaginBank completely changes the way customers interact with their bank and is conceived as the first “mobile-only” bank. Using clear and simple language, it seeks to maximise communication and interaction with customers. It speaks with users informally and avoids financial jargon. When a customer browses the app, he or she will receive friendly and easy-to-understand communications and messages. This friendly and approachable language extends also to contracts or when granting permissions. Communications are there to make life easier for customers by providing clear explanations of everything they can do via imaginBank.

It provides a host of financial services specifically designed for users. A current account, the imaginBank Visa card (without fees or requirements) and also the Click@go imagin loan. It offers users advanced options for managing their personal finances and for making transfers and P2P payments.

imaginBank provides customers with the very latest technological features when it comes to making payment, namely imaginPay. Customers can choose to have a “traditional” card, or, if they prefer, a “card” duplicated on other media, such as a wearable wristbands or a contactless Visa sticker that can be attached to their mobile phone. They can also choose to download it in virtual format to make payments directly with their mobile device using HCE technology. The app also allows for quick and easy peer-to-peer (P2P) payments. For all these reasons, it is no surprise that the imaginBank app has been awarded a high score across all the main online stores.

Customers can connect to imaginBank wherever they are and with whatever device they have on them at the time. It also offers various customer care channels. It provides service and support through social networks (Twitter, WhatsApp and Facebook) and through integrated channels such as assisted chat within the app, and through more traditional channels such as a free-call telephone support number.

No wonder then that the app received various awards and accolades in 2016. At The Banker awards, imaginBank won the “Mobile” category. And at the Gartner awards, it won the prize for “*Most Innovative Digital Business Model*”.

12. TREND INFORMATION

12.1 The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document

Since 31 December 2016 –the date of the last published audited annual accounts– there have been no significant changes in the Issuer’s outlook, except for the impacts regarding the execution of the asset swap with CriteriaCaixa (see section 5.1.5 *Important events in the development of the Issuer’s business*) and the matters explained under section 20.6 of this Registration Document, which describes the most recent results to have been published by the Group at 31 March 2017.

12.2 Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer’s prospects for at least the current financial year.

- **Global and market trends**

The first quarter of 2017 saw an improvement in business indicators, supporting the view that global growth for the year will pick up (expected to reach 3.5% in 2017, slightly up on the 3.1% reported in 2016). This outlook is based on a number of different factors, including a still accommodative monetary policy in developed countries, despite the steady process of monetary normalisation initiated by the Federal Reserve. It is worth noting that the Fed's plans to carry out one more hike in 2017 and three in 2018 (in line with CaixaBank Research's own projections and the likely pick-up in economic activity) means the monetary normalisation process will proceed at a moderate pace measured in historical terms. Emerging nations are also helping to drive global growth and their economies are holding up well during these early stages of monetary normalisation by the Fed, while certainly benefiting from the gradual recovery in oil prices.

Even so, these healthy signs of economic growth are accompanied by a number of risk factors. In the emerging world, while China remains on course for a more balanced climate of growth, factors such as the high levels of debt and the overcapacity of certain sectors remain real causes for concern. In recent months, the risk factor that has swayed investors the most in relation to emerging economies is the uncertainty surrounding the foreign policy of the new Trump administration. While the situation of capital flight and currency depreciation seen in late 2016 across emerging economies has calmed somewhat in the first quarter of 2017, it still remains a threat. The prevailing uncertainty surrounding economic policy in the United States has also become a domestic concern. While CaixaBank Research expects economic activity to pick up in 2017 before accelerating further in 2018 in response to a combination of tax cuts, the removal of certain regulatory barriers and increased spending on infrastructure, the fact remains that the government's ability to push through these measures should not be taken for granted.

- **Performance in the eurozone and Spain**

In the euro area, economic indicators for early 2017 have confirmed the improvement first seen in the latter half of 2016. Aside from indicators on business sentiment, which have been soaring since 2011, further highlights include the situation of the job market, with unemployment falling to 9.5% in March; its lowest since 2009. This healthy dynamic has led to a brighter outlook for economic activity across the euro area throughout 2017. CaixaBank Research therefore expects GDP growth in 2017 to climb modestly to 1.9% (2 tenths of a percentage point more than the figure reported in 2016). The ECB has also echoed this situation of relative economic health. Its macroeconomic projections for the first quarter of 2017 show an improvement in the risks map.

If things continue, we believe that in the second half of the year the ECB will change its message as its paves the way for a gradual normalisation of monetary conditions once the recent improvements in core inflation have finally taken hold. CaixaBank Research expects core inflation to close out 2017 at 1.4%, before going on to reach 1.8% by late 2018. This should allow the tapering process to be carried out in 2018 and should result in the reference rate beginning to normalise in mid-2019.

Turning to the Spanish economy, robust figures on economic activity in early 2017 reveal that growth is actually exceeding expectations. These signs can be seen not only on the demand side, where private consumption and investment in capital goods fared particularly well, but also supply, where sturdy indicators on business sentiment were accompanied by a satisfactory set of business figures in both the industrial and services sectors. The healthy state of the Spanish economy in 1Q 2017 has triggered an improvement in growth projections: CaixaBank Research expects the economy to post 3.1% growth in 2017 and 2.5% in 2018; five and two tenths of a percentage point, respectively, above forecast growth at year-end 2016. This expected improvement comes largely in response to the labour market, where CaixaBank Research expects to see employment gains of 2.5% in 2017. Last but not least, it is worth noting that Spain closed out 2016 with a public deficit of 4.3% of GDP (4.5% if we factor in aid for the banking sector), below the 4.6% agreed with Brussels. Looking ahead to the rest of 2017, and because of the relatively promising deficit figure at year-end 2016, the adjustments needed to reach the target deficit of 3.1% of GDP are now less than initially envisaged and the brighter growth outlook will provide further support.

13. PROFIT FORECASTS OR ESTIMATES

The Issuer has opted not include a profit forecast.

14. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

14.1 Names, business addresses and functions in the Issuer of the following persons and an indication of the principal activities performed by them outside the issuer where such activities are significant with respect to the issuer:

a) Members of the administrative, management or supervisory bodies;

Members of the administrative bodies of CAIXABANK

The members of the Company's Board of Directors at the date of this Registration Document, the positions they hold on the board, the date of their appointment, the nature of their position, and their business addresses are shown below:

Name	Position	Shareholder represented	Business address
Jordi Gual Solé	Chairman (Proprietary)	"la Caixa" Banking Foundation	Avenida Diagonal 621-629, Barcelona
Antonio Massanell Lavilla	Deputy Chairman (Executive)	"la Caixa" Banking Foundation	Avenida Diagonal 621-629, Barcelona
Gonzalo Gortázar Rotaeche	Chief Executive Officer (Executive)	--	Avenida Diagonal 621-629, Barcelona
Fundación CajaCanarias, represented by Natalia Aznárez Gómez	Member (Proprietary)	Fundación Bancaria Caja Navarra, Fundación Cajasol, Fundación CajaCanarias and Fundación Caja de Burgos, Fundación Bancaria.	Plaza del Patriotismo, 1, 2ª Planta Sta. Cruz de Tenerife
Maria Teresa Bassons Boncompte	Member (Proprietary)	"la Caixa" Banking Foundation	Avenida Diagonal 621-629, Barcelona
María Verónica Fisas Vergés	Member (Independent)	--	Avenida Diagonal 621-629, Barcelona
Alejandro García-Bragado Dalmau	Member (Proprietary)	"la Caixa" Banking Foundation	Avenida Diagonal 621-629, Barcelona
Ignacio Garralda Ruiz de Velasco	Member (Proprietary)	Mutua Madrileña Automovilista, Sociedad de Seguros a Prima Fija	Avenida Diagonal 621-629, Barcelona
Javier Ibarz Alegría	Member (Proprietary)	"la Caixa" Banking Foundation	Avenida Diagonal 621-629, Barcelona
Alain Minc	Member (Independent)	--	10 Avenue George V 75008, Paris
María Amparo Moraleda Martínez	Member (Independent)	--	Avenida Diagonal 621-629, Barcelona
Juan Rosell Lastortras	Member (Independent)	--	Ronda General Mitre, 126, Barcelona
Antonio Sáinz de Vicuña y Barroso	Member	--	Avenida Diagonal

	(Independent)		621-629, Barcelona
José Serna Masiá	Member (Proprietary)	"la Caixa" Banking Foundation	Avenida Diagonal 621-629, Barcelona
John S. Reed	Member (Independent)	--	425 Park Avenue 3rd Floor New York, New York 10022
Koro Usarraga Unsain	Member (Independent)	--	Avenida Diagonal 621-629, Barcelona
Xavier Vives Torrents	Member (Independent)	--	Avenida Diagonal 621-629, Barcelona
Óscar Calderón de Oya	General Secretary and Secretary to the Board of Directors (non-director)		Avenida Diagonal 621-629, Barcelona
Adolfo Feijóo Rey	Second Deputy Secretary to the Board (non-director)	--	Avenida Diagonal 621-629, Barcelona

During 2016 the Board of Directors of CAIXABANK met on 16 occasions and up to the date of this document the Board of Directors has met on 10 occasions.

At the verification date of this Registration Document, the Board of Directors comprised 18 members (with one vacancy).

The General Meeting held on 28 April 2016 agreed to set the number of Board members at eighteen (18) and ratified the appointments of Cajasol Foundation (previously appointed by co-option on 19 November 2015) and María Victoria Fisas Vergés (previously appointed by co-option on 25 February 2016).

On 30 June 2016, the following people ceased to be members of the Board of Directors: Isidro Fainé Casas, who also submitted his resignation from his duties as Chairman and whose vacancy was occupied by Jordi Gual Solé, who was also appointed Non-Executive Chairman, Juan José López Burniol and Maria Dolors Llobet María, whose vacancies were occupied by José Serna Masiá and Koro Usarraga Unsain.

In the context of the changes to the composition of the Board of Directors that occurred on 30 June 2016, and following the respective suitability notifications by the European Central Bank, Mr Serna Masiá accepted his appointment on 8 July 2016, Ms Usarraga Unsain on 4 August 2016 and Mr Gual Solé on 14 September 2016.

On 27 October, the Caja Navarra Banking Foundation tendered its resignation from its duties as director, following the amendments made to the Integration Agreement between CaixaBank and Banca Cívica, and the Shareholders' Agreement.

On 15 December 2016, Eva Aurín also tendered her resignation as a member of the Board of Directors and Alejandro García-Bragado Dalmau was appointed as a member of the Board of Directors, a position he accepted with effect from 1 January 2017.

On 23 February 2017, CaixaBank disclosed that its Board of Directors had accepted the resignation of Fundación Cajasol as a member of the Board of Directors, naming Fundación CajaCanarias as a director in its lieu, following a favourable report from the Remuneration Committee and receipt of the notice of suitability for performance of the role of proprietary director from the European Central Bank. It also reported that Fundación CajaCanarias had appointed Natalia Aznárez Gómez as its natural person representative.

On 17 March 2017, CaixaBank announced through a Significant Event filing the cessation as Board member of Salvador Gabarró Serra, who had passed away on that same date.

CaixaBank held its Annual General Meeting on 6 April 2017. The resolutions adopted at the meeting included the following concerning the composition of the Board of Directors:

5. Ratification and appointment of directors:

5.1 Ratification and appointment of Jordi Gual Solé.

5.2 Ratification and appointment of José Serna Masiá.

5.3 Ratification and appointment of Koro Usarraga Unsain.

5.4 Ratification and appointment of Alejandro García-Bragado Dalmau.

5.5 Ratification and appointment of Fundación Bancaria Canaria Caja General de Ahorros de Canarias – Fundación CajaCanarias; and

5.6 Appointment of Ignacio Garralda Ruiz de Velasco.

On 22 May 2017, after receiving the ECB's authorisation as to his suitability for office, Mr Garralda accepted his appointment as Board member, whereupon the Board of Directors comprised 18 members, with one vacancy.

CAIXABANK management and supervisory bodies of

Executive Committee		
Name	**Position**	**Date of first appointment as member of the committee.**
Jordi Gual Solé	Chairman	30 June 2016(4)
Antonio Massanell Lavilla	Member	17 July 2014(3)
Gonzalo Gortázar Rotaeche	Member	30 June 2014(3)
Javier Ibarz Alegría	Member	26 June 2012
María Amparo Moraleda Martínez	Member	24 April 2014
Antonio Sáinz de Vicuña y Barroso	Member	1 March 2014(2)
Xavier Vives Torrents	Member	27 October 2016
Óscar Calderón de Oya	Secretary (non-member)	1 January 2017
Adolfo Feijóo Rey	Second Deputy Secretary (non-director)	27 June 2011

(1) Re-elected on 19 May 2010.
(2) Re-elected on 24 April 2014.
(3) Re-elected on 23 April 2015.
(4) Re-elected on 6 April 2017.

CAIXABANK's Executive Committee met on 22 occasions in 2016 and up to the date of this document it has met on 12 occasions.

See section 16.3 of this document for information on the Appointments Committee, the Remuneration Committee, the Audit and Control Committee and the Risks Committee.

b) Partners with unlimited liability, in the case of a limited partnership with a share capital

Not applicable, since the Company is a public limited company (*sociedad anónima*).

c) Founders, if the issuer has been established for fewer than five years

Not applicable, since the Issuer was incorporated over five years ago.

d) Any senior manager who is relevant to establishing that the Issuer has the appropriate expertise and experience for the management of the Issuer's business

CAIXABANK has a Management Committee that currently comprises the Chief Executive Officer and the heads of the different business areas described below:

Name	Position
Gonzalo Gortázar Rotaeche	Chief Executive Officer
Juan Antonio Alcaraz García	Chief Business Officer
Matthias Bulach	Head of Financial Accounting, Control and Capital
Francesc Xavier Coll Escursell	Chief Human Resources and Organisation Officer
Pablo Forero Calderón	Head of the BPI project
Tomás Muniesa Arantegui	Chief Insurance and Asset Management Officer
Joaquim Vilar Barrabeig	Deputy General Manager for Internal Audit
Jorge Fontanals Curiel	Head of Resources
María Luisa Martínez Gistau	Executive Director of Communication, Institutional Relations, Brand and CSR
María Victoria Matía Agell	Head of International Banking
Jordi Mondéjar López	Chief Risks Officer
Javier Pano Riera	Chief Financial Officer
Óscar Calderón de Oya	General Secretary and Secretary to the Board of Directors

The nature of any family relationship between any of those persons

It is stated for the record that there is no family relationship of any kind between the members of the administrative, management and supervisory bodies and the members of the Management Committee.

Jordi Gual Solé
Chairman
Jordi Gual Solé, born in Lleida in 1957, has served as Chairman of CaixaBank since 2016.
Prior to assuming this position, he was Head of Strategic Planning and Studies for CaixaBank and Director General of Planning and Strategic Development for CriteriaCaixa. He joined the "la Caixa" group in 2005.
He holds a PhD in Economics (1987) from the University of California at Berkeley and is a professor of Economics at the IESE Business School and a Research Fellow at the Centre for Economic Policy Research (CEPR) in London.
He has served as an economics advisor for the European Commission's Directorate-General for Economic and Financial Affairs in Brussels and as a visiting professor at the University of California at Berkeley.
He is currently a member of the Market Monitoring Group of the Institute of International Finance (IIF). He is also a member of the Board of the European Corporate Governance Institute, Chairman of FEDEA, Vice President of the Círculo de Economía and serves on the boards of the CEDE Foundation, the Institució Cultural del CIC, Real Instituto Elcano, and the Barcelona Graduate School of Economics.
In 1999 he was awarded the research prize from the European Investment Bank and in 1979 the special award as part of his degree in economic and business sciences.

Antonio Massanell Lavilla

Deputy Chairman

Antonio Massanell Lavilla, born in Vilafranca del Penedés in 1954, has been Deputy Chairman of CaixaBank since June 2014.
With a degree in Business and Economics from Universidad de Barcelona, Mr Massanell Lavilla served as CaixaBank's General Manager of Resources until his appointment as Deputy Chairman in June 2014. From 1971 to June 2011, he held a number of positions at Caja de Ahorros y de Pensiones de Barcelona, "la Caixa", including that of Executive Head of Resources at CaixaBank.
He has served as non-executive Chairman of Cecabank since 2013. He has also been a director at Telefónica, S.A. since 1995, director at the SAREB (Spanish bad bank) since 2012, member of the Supervisory Board of Erste Group Bank since 2015, and director at Repsol, S.A. since 2016.
In 2015, he was appointed Vice-Chairman of the Board of Trustees of COTEC (the Foundation for Technological Innovation) and Chairman of the Barcelona Centre Financer Europeu association. He has also been a member of ERPB (Euro Retail Payments Board) representing ESBG (the European Savings and Retail Banking Group) since 2014 and a plenary member of the Barcelona Chamber of Commerce since 2010.

Gonzalo Gortázar Rotaeche
Chief Executive Officer

Gonzalo Gortázar, born in Madrid in 1965, has been CEO of CaixaBank since June 2014.

Mr Gortázar holds a dual degree in Law and Business from Universidad Pontificia de Comillas (ICADE) and an MBA with distinction from the INSEAD Business School.
He is currently First Vice-Chairman at Repsol and Chairman of VidaCaixa. He sat on the boards of Grupo Financiero Inbursa and Erste Bank until October 2016.
Mr Gortázar served as CaixaBank's Chief Financial Officer prior to being appointed CEO in June 2014. Before that, he was CEO of Criteria CaixaCorp between 2009 and June 2011. From 1993 to 2009, he worked at Morgan Stanley in London and Madrid, holding several posts in the investment banking division and leading the European Financial Institutions Group until he joined Criteria in mid-2009.
Previously, he held various corporate banking and investment banking positions at Bank of America.

Natalia Aznárez Gómez
Representative of the CajaCanarias Foundation

Natalia Aznárez Gómez, born in Santa Cruz de Tenerife in 1964, has represented Fundación CajaCanarias on CaixaBank's Board of Directors since February 2017.
She holds a degree in Business and Commercial Management from Universidad de Málaga and Diploma in Business (specialising in accounting and finance) from Universidad de La Laguna. She has taught accounting and finances at Universidad de La Laguna.
She began her career by collaborating with the General Management of REA METAL WINDOWS, to launch the distribution of their products in Spain. In 1990, she joined the CajaCanarias marketing department. In 1993, Ms Aznárez Gómez assumed leadership of the CajaCanarias individual customers segment, participating in the development of financial products and campaigns, the development and implementation of a CRM tool, and the personal banking and private banking service. She subsequently took the helm of the marketing division.

In 2008, she was named deputy director of CajaCanarias, heading up management of human resources at the bank. In 2010, she became Deputy General Manager at CajaCanarias. After Banca Cívica acquired all the assets and liabilities of CajaCanarias, Ms Aznárez Gómez became General Manager at CajaCanarias as

the financial institution indirectly carrying out the financial activity. Following the entity's transformation into a banking foundation, she served as General Manager until 30 June 2016.
She has actively served on several committees in the savings bank sector, including the executive committee of the Savings Bank Association for Labour Relations (Asociación de Cajas de Ahorros Para Relaciones Laborales, ACARL), the Euro6000 Marketing Committee, and the marketing committee and the human resources committee of the Spanish Confederation of Savings Banks (Confederación Española de Cajas de Ahorros, CECA). She has also held several positions at foundations.
She is currently chair of the CajaCanarias employee pension plan control committee, vice-chair of the Cristino de Vera Foundation, secretary of the CajaCanarias Business Learning and Development Foundation, and director of the CajaCanarias Foundation.

Maria Teresa Bassons Boncompte
Director

Maria Teresa Bassons Boncompte (Cervelló, 1957) has served on the Board of Directors of CaixaBank since June 2012. She is also a member of the Advisory Committee of Caixa Capital Risc.
She holds a B.A. in Pharmacy Studies from the University of Barcelona (1980); majoring in hospital pharmacy. She holds a pharmacy license.
Ms Bassons has been a member of the Barcelona Chamber of Commerce's Executive Committee since 2002, and the Chair of its Enterprise Commission for the Health Sector.
She is a member of the Oncolliga Scientific Committee and
of the Board of Directors of Bassline, S.L. She is also a director at TERBAS XXI, S.L.
She served on the Board of Directors of Criteria CaixaHolding from July 2011 to May 2012, as a director of Caixa d'Estalvis i Pensions de Barcelona "la Caixa" from April 2005 to June 2014 and as trustee of the Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Banking Foundation from June 2014 to June 2016.
She has also served as Vice-President of the Barcelona Board of Pharmacists (1997-2004) and as Secretary-General to the Board of Catalonia Pharmacists Associations (2004-2008).
She was a member of the Advisory Committee on Smoking of the Catalonia Health Department (1997-2006) and the Catalonia Bioethics Advisory Committee (2005-2008).
She was Director of the 1995 and 1997 INFARMA international medical & pharmaceutical trade fairs at Fira de Barcelona, and Director of the "Circular Farmacéutica" and "l'Informatiu del COFB" journals for 12 years.
The General Board of the Spanish Pharmacists Associations awarded her the Professional Merit award in 2008.

Maria Verónica Fisas Vergés
Director

Born in Barcelona in 1964, Verónica Fisas has served on the Board of Directors of CaixaBank since February 2016.
She holds a degree in Law and a Master in Business Administration. She joined Natura Bissé very early in her career, thus acquiring extensive knowledge of the company and of all its departments.
She has been the CEO of the Board of Directors of Natura Bissé and the General Director of the Natura Bissé Group since 2007. Since 2008, she has also been a trustee of Ricardo Fisas Natura Bissé Foundation.
In 2001, as the CEO of the United States subsidiary of Natura Bissé, she was responsible for the expansion and consolidation of the business, and obtained outstanding results in product distribution and brand positioning.
In 2009 she joined the Board of Directors of Stanpa, Asociación Nacional de Perfumería y Cosmética. In 2012 she was named Vice Chair of Stanpa and Chair of the Association's Committee of Professional Aesthetics. In 2013 she was appointed member of the Board of Directors of Feed Your Skin.

She received the Work-Life Balance Award at the second edition of the National Awards for Women in Management in 2009, and the IWEC Award (International Women's Entrepreneurial Challenge) for her professional career, in 2014.

Alejandro García-Bragado Dalmau
Director

Born in Girona in 1949, he has sat on CaixaBank's Board of Directors since January 2017.
He graduated in law from the University of Barcelona. After becoming a State Attorney in 1974 he first worked in Castellón de la Plana before moving to Barcelona in late 1975.
In 1984 he requested an extended leave of absence to become the Barcelona Stock Exchange's legal advisor and in 1989, once the stock exchange became a company, was appointed Secretary to the Board of Directors while continuing to practice law.
In 1994 he left the Barcelona Stock Exchange to concentrate on the legal profession and to provide legal advice to "la Caixa". In 1995 he was appointed Deputy Secretary to the Board of Directors and then Secretary in 2003. He was appointed deputy director in 2004 and then executive director in 2005. He served as Deputy Chairman and Deputy Secretary to the Board of Trustees of Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona "la Caixa" from June 2014 through to December 2016.
At CaixaBank, he was Secretary (non-director) of the Board of Directors from May 2009 to December 2016, and General Secretary from July 2011 through to May 2014.
He was also Secretary to the Board of Directors of La Maquinista Terrestre y Marítima, SA, Intelhorce, Hilaturas Gossipyum, Abertis Infraestructuras, SA, Inmobiliaria Colonial, SA and Sociedad General de Aguas de Barcelona, SA, to name but a few.
He has been First Deputy Chairman at CriteriaCaixa since June 2014 and has sat on the Board of Directors of Gas Natural SDG, SA since September 2016.

Ignacio Garralda Ruiz de Velasco
Director

Ignacio Garralda Ruiz de Velasco, born in Madrid in 1951, has been a director at CaixaBank since 2017.
He holds a degree in law from Universidad Complutense in Madrid. He has been a notary public on leave of absence since 1989.
He started his career working as a chartered trade broker from 1976 through to 1982, whereupon he became a member of the Stockbrokers Association of Madrid and continued to work in that field through to 1989. He was the founding partner of AB Asesores Bursátiles, S.A, Sociedad, serving as Deputy Chairman until 2001. He was also Deputy Chairman of Morgan Stanley Dean Witter, SV, S.A. from 1999 to 2001 and Chairman of Bancoval, S.A. from 1994 to 1996. He sat on the Governing Board of the Madrid Stock Exchange from 1991 to 2009.
He is currently Chairman and CEO of Mutua Madrileña Automovilista. He has been a board member since 2002 and a member of the Executive Committee since 2004. He presently serves as its Chairman and also chairs the Investments Committee.
He is the First Deputy Chairman of Bolsas y Mercados Españoles (BME) and sits on the Board of Administración de Endesa, S.A., also chairing the company's Audit Committee since 2016.
He is also Chairman of Fundación Mutua Madrileña and sits on the Board of Trustees of Fundación Princesa de Asturias, of Museo Reina Sofía, of Teatro Real, of Real Instituto Elcano, of CEDE and of Pro Real Academia Española. He is the founder and current Deputy Chairman of Fundación Lealtad 2001.

Javier Ibarz Alegría
Director

Javier Ibarz Alegría (Barcelona 1953) has been a member of the Board of Directors of CaixaBank since 2012. He was general director and member of the Board of Directors of Caja de Ahorros y Pensiones de Barcelona ("la Caixa") until June 2014 and trustee of the "la Caixa" Foundation until October 2014. He has also sat on the Board of Directors of VidaCaixa since 2014.

He graduated in industrial engineering from the Terrassa Technical School of Industrial Engineers, and he completed the Senior Program in Business and Senior Management at the IAD. Since 2013 he has been accredited as a qualified technician in preparing self-protection plans. In 2002, he obtained the title of Environmental System Manager from the European Organization for Quality and he has taken multiple postgraduate courses in construction, structures, industrial facilities, urbanisation and infrastructure. He has given various training courses for board members.

He has worked widely as an industrial engineer since 1982. From 1993 until late 2013 he enjoyed great success as Head of Products and R&D+i, and of the Operations Area and then as managing director at a leading international solar protection company.

Since 2003, he has been the General Director and a charter member of EIGMA, S.L., a company that specialises in industrial advice, infrastructure and urbanisation, environmental management and packaging.

Since 1994 he has been Head of Safety and Facilities and Emergency Plan Manager at Teatre Fortuny de Reus.

He has published various articles and given conferences on the influence of solar protection and energy savings, on solar protection systems and on the environment and environmental management.

Alain Minc
Director

Alain Minc (Paris, 1949) has been a member of CaixaBank's Board of Directors since 2007.

He is Chairman and CEO of his own consultancy firm, AM Conseil,

and is a graduate from the École des Mines de Paris and the École Nationale d'Administration (ENA) in Paris. In 1991, he founded his own consultancy firm, AM Conseil.

He has been Chairman of the Supervisory Board of French newspaper Le Monde, Deputy Chairman of Compagnie Industriali Riunite International and General Manager of Cerus (Compagnies Européennes Réunies).

He was also finance inspector and CFO at French industrial group Saint-Gobain.

He is currently Chairman of Sanef and a director at Prisa.

He has been named Commandeur de la Légion d' Honneur and Commander of the British Empire and was awarded Gran Cruz de la Orden del Mérito Civil.

He has written more than 30 books since 1978, many of them best-sellers, including: *Rapport sur l´informatisation de la société; La Machine égalitaire; Les vengeances des Nations; Le Nouveau Moyen-âge; Rapport sur la France de l'an 2000; www.capitalisme.fr; Epître à nos nouveaux maîtres (2003); Les Prophètes du bonheur: historie personnelle de la pensée économique (2004); Ce monde qui vient (2004); Le Crépuscule des petits dieux (2006); Une sorte de Diable, les vies de John M. Keynes (December 2006); Une histoire de France (2008); Dix jours qui ébranleront le monde (2009); Une historie politique des intellectuels (2011); Un petit coin de paradis, L'Âme des Nations (2012); L' Homme aux deux visage (2013); Vive l'Allemagne (2013); Le mal français n'est plus ce qu'il était (2014); and Un Français de tant de souches (2015).*

María Amparo Moraleda Martínez
Director

María Amparo Moraleda (Madrid, 1964) has been a member of CaixaBank's Board of Directors since 2014.

She graduated in Industrial Engineering from the ICAI and holds an MBA from the IESE Business School.

She is an independent director at several companies: Faurecia, S.A. (since 2012), Solvay, S.A. (since 2013) and Airbus Group, S.E. (since 2015). She is also member of the Supervisory Board of the Spanish High Council for Scientific Research (since 2011) and member of the Advisory Boards of KPMG España (since 2012) and SAP Ibérica (since 2013).

Between January 2009 and February 2012 she was Chief Operating Officer of Iberdrola SA's International Division with responsibility for the United Kingdom and the United States. She also headed Iberdrola Engineering and Construction from January 2009 through to January 2011.

She was General Manager at IBM Spain and Portugal between July 2001 and January 2009. The reach of her division was subsequently extended to encompass Greece, Israel and Turkey from July 2005 to January 2009. Between June 2000 and 2001 she was assistant executive to the President of IBM Corporation. From 1998 to 2000 she was General Manager at INSA (a subsidiary of IBM Global Services). From 1995 to 1997 she was Head of HR for EMEA at IBM Global Services and from 1988 to 1995 she held various offices and management positions at IBM España.

She is also a member of various boards and trusts of different institutions and bodies, including the Academy of Social Sciences and the Environment of Andalusia, the Board of Trustees of the MD Anderson Cancer Center in Madrid and the International Advisory Board of Instituto de Empresa.

In December 2015 she was named full academic member of Real Academia de Ciencias Económicas y Financieras.
In 2005 she was inducted into the Women in Technology International (WITI) organisation's Hall of Fame, which recognises, honours, and promotes the outstanding contributions women make to the scientific and technological communities that improve and evolve society. Her numerous accolades include: the Values Leadership Award (FIGEVA Foundation – 2008), the Javier Benjumea Prize (Engineering Association of the ICAI – 2003) and the Award for Excellence (Spanish Federation of Female Directors, Executives, Professionals and Entrepreneurs – Fedepe – 2002).

Juan Rosell Lastortras
Director

Juan Rosell Lastortras (Barcelona, 1957) has sat on CaixaBank's Board of Directors since 2007. He holds a degree in industrial engineering from Universitat Politècnica de Barcelona and studied Political Science at Universidad Complutense in Madrid. He is currently Chairman of Congost Plastic.

During his professional career, Mr Rosell has served as Managing Director of Juguetes Congost and has been Chairman of Enher (1996-1999), Fecsa-Enher (1999-2002) and Corporación Unliand (2005-2006). He has also been a board member of Gas Natural, S.D.G, S.A., Agbar, Endesa, Endesa Italia S.p.A., Siemens España and Applus Servicios Tecnológicos.

In addition, he is Chairman of the Spanish Confederation of Business Organisations (CEOE), a member of the Mont Pelerin Society, and Deputy Chairman of Business Europe.

He has received numerous decorations including the Gold Medal of Merit of the International Trade Fair of Barcelona and the Silver Medal of the Barcelona Chamber of Commerce. He was also named a Commander of the Order of Merit of the Italian Republic and was handed the Keys to the City of Barcelona and the Tiepolo Prize.

Antonio Sáinz de Vicuña y Barroso
Director

Antonio Sainz de Vicuña y Barroso (Barcelona, 1948) has been a member of CaixaBank's Board of Directors since 2014.
He earned his degree in Law and Economic and Commercial Science from Universidad Complutense in Madrid (1971), and then studied a postgraduate course with a final dissertation on European and International Law. He also holds a Diploma in International Law from Pembroke College, Cambridge University. He was awarded a grant from the Juan March Foundation.
In 1974, he became a State Attorney acting as legal advisor to the Spanish Ministries of Finance, Economy and Foreign Affairs between 1974 and 1989. From September 1989 to November 1994 he was the Chief International Legal Counsel of Banco Español de Crédito in Madrid. Between November 1994 and June 1998, he was General Counsel at the European Monetary Institute (EMI) in Frankfurt, the body entrusted with the preparatory work for the launch of the euro. He then worked at the European Central Bank from June 1998 to November 2013, where he was General Counsel and Director of Legal Services, before retiring at 65 in November 2013.
He is also a founder member of and sat on the first Board of Directors of Asociación para el Estudio del Derecho Europeo (1982-1986); a founder member of the Corte Civil y Mercantil de Arbitraje (1989-1994); founder member and member of Supervisory Board of the Institute for Law and Finance, Wolfgang Goethe Universität, Frankfurt (2000-2013); founder member and member of the Advisory Board of PRIME Finance (2011-2013); and a member the Advisory Board of the European Capital Markets Institute (2000-2013).
He has spoken at numerous financial conferences and has published a monography on "State Contracts in International Law" (Ed. Ministerio de Asuntos Exteriores, 1986) and some 30 legal articles in specialist publications. He has been awarded the Order of Isabella the Catholic (1987) for his services in helping Spain join the European Community, and also the Order of Civil Merit (2014).

José Serna Masiá
Director

José Serna Masiá (Albacete, 1942) has been a member of CaixaBank's Board of Directors since July 2016.
After earning his degree in law at Universidad Complutense in Madrid in 1964, he started working at legal advisory firm Butano, S.A. (1969/70).
In 1971 he became a State Attorney, providing services at the State Attorney's Office for Salamanca and at the Ministries for Education and Science and Finance. He then joined the Adversary Proceedings Department of the State at the Audiencia Territorial de Madrid (now the Tribunal Superior de Justicia - High Court of Justice), before taking leave of absence in 1983.
From 1983 to 1987 he was legal counsel to the Madrid Stock Exchange. In 1987, he became a stockbroker at Barcelona Stock Exchange and was appointed secretary of its Governing Body. He took part in the stock market reform of 1988 as Chairman of the company that developed the new Barcelona Stock Exchange and also as a member of the Advisory Committee to the recently created Comisión Nacional del Mercado de Valores, the Spanish securities market regulator.
In 1989, he was appointed Chairman of Barcelona Stock Exchange, an office he held for two consecutive terms through to 1993. From 1991 to 1992, he was Chairman of Sociedad de Bolsas de España, the umbrella company of the four Spanish Stock Exchanges, and Deputy Chairman of Mercado Español de Futuros Financieros, located in Barcelona. He was also Deputy Chairman of Fundación Barcelona Centro Financiero and of Sociedad de Valores y Bolsa Interdealers, S.A.
In 1994, he became a stockbroker and member of the Association of Chartered Trade Brokers of Barcelona.

He sat on the Board of Directors of ENDESA from 2000 to 2007 and was also a member of its Control and Audit Committee, which he chaired from 2006 to 2007. He was also a board member of the companies ENDESA Diversificación and ENDESA Europa.
He worked as a notary in Barcelona from 2000 through to 2013.

John Shepard Reed
Director

John Reed (Chicago, 1939) has been a member of CaixaBank's Board of Directors since 2011.
He was raised in Argentina and Brazil and completed his university studies in the United States. In 1961, he earned a degree in Philosophy and Arts and Sciences from Washington and Jefferson College and the Massachusetts Institute of Technology under a double degree programme. He was a lieutenant in the US Army Corps of Engineers from 1962 to 1964 and again enrolled at MIT to study a Master in Science.
John Reed worked for Citibank/Citicorp and Citigroup for over 35 years, holding the position of President for the last 16 before retiring in April 2000.
From September 2003 to April 2005, he returned to work as the Chairman of the New York Stock Exchange and was Chairman of the MIT Corporation from May 2010 to October 2014.
He was appointed Chairman of the Board of American Cash Exchange in February 2016.
John Reed is Chairman of the Boston Athenaeum and a member of the Board of Directors of MDRC, the Boston Athenaeum, NBER, and the Boston Symphony Orchestra. He also sits on the board of the American Academy of Arts and Sciences and the American Philosophical Society. He is Director of the Social Science Research Council.

Koro Usarraga Unsain
Director

Koro Usarraga Unsain (San Sebastián, 1957) has been a member of CaixaBank's Board of Directors since 2016.
She has a degree in Business Administration and a Masters in Business Management from ESADE, took the PADE (Senior Management Programme) at IESE and is a qualified chartered accountant.
She is an Independent Director at the NH Hotel Group and Chairwoman of the Audit and Control Committee (Since 2015).
She worked at Arthur Andersen for 20 years and in 1993 was appointed partner of the audit division.
In 2001 she assumed responsibility for the General Corporate Management of Occidental Hotels & Resorts, a group with significant international presence and specialising in the holiday sector. She was responsible for the finance, administration and management control departments, as well as IT and human resources.
She was General Manager of Renta Corporación, a real estate group specialising in the purchase, refurbishment and sale of properties.
She has been shareholder and administrator of the company 2005 KP Inversiones, S.L. since 2005, which is dedicated to investing in companies and management consultancy.

Xavier Vives Torrents
Director

Xavier Vives Torrents (Barcelona, 1955) has been a member of CaixaBank's Board of Directors since 2008.
He is a Professor of Economics and Finance at the IESE Business School. He also holds a PhD in Economics from the University of California, Berkeley.
He was Professor of European Studies at the INSEAD Business School in 2001-2005; Director of the Institute of Economic Analysis at the Spanish High Council for Scientific Research in 1991-2001; and a visiting lecturer at the universities of California (Berkeley), Harvard, Pennsylvania and New York (King Juan

Carlos I Chair 1999-2000), as well as the Autonomous University of Barcelona and the Pompeu Fabra University.
He has also advised the World Bank, the Inter-American Development Bank, the New York Federal Reserve, the European Commission (where he was Special Advisor to the EU Vice President and Competition Commissioner, Joaquín Almunia). He is also a member of CARE (Advisory Council for Economic Recovery and Growth) of the Government of Catalonia and has advised many international companies. Mr Vives also served as Chairman of the Spanish Economic Association in 2008; and Deputy Chairman of the Spanish Energy Economics Association in 2006-2009 and was a Duisenberg Fellow at the European Central Bank in 2015.
He is currently a member of the board of the Aula Escola Europea, a member of the European Academy of Sciences and Arts and of the Academia Europaea, and a Research Fellow of the CESifo and the Centre for Economic Policy Research. He has been a Fellow of the European Economic Association since 2004 and a Fellow of the Econometric Society since 1992. He is the Chairman of EARIE (European Association for Research in Industrial Economics) for 2016-2018.
He has published numerous articles in international journals and directed the publication of various books. Mr Vives Torrents has also received several awards including the King Juan Carlos I Prize for Research into Social Sciences in 1988; the Catalan Society for Economics prize in 1996; the Narcís Monturiol Medal from the Catalonian regional government in 2002; and the Catalonia Economics Prize in 2005, in addition to the IEF Award for academic excellence for his professional career in 2012. He is also the recipient of a European Research Council Advanced Grant in 2009-2013 and was awarded the King Jaime I Award for economics in 2013.

Details of relevant management expertise and experience of the members of the Management Committee

Under the provisions of Circular 4/2004 of Banco de España, key management personnel and executives at CaixaBank are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including all members of the Board of Directors and Senior Management. Due to their posts, this members of this collective are considered “related parties” and, as such, are subject to certain reporting requirements.

Therefore, the members of the Executive Committee are considered the Senior Management of CaixaBank.
In accordance with the terms of Article 9 of Spanish Royal Decree 1333/2005 of 11 November, the CNMV is sent Notifications of Voting Rights of their transactions involving the CaixaBank share, since they are considered the Senior Management.

Juan Antonio Alcaraz
Chief Business Officer

Juan Antonio Alcaraz holds a degree in Economics and Business Management from Cunef (Madrid’s Complutense University) and a Master’s degree in Business Management from the IESE Business School.
He joined ”la Caixa” in December 2007 and as Chief Business Officer is responsible for the following business areas of ”la Caixa”: Commercial Banking (Branch Network, Personal Banking, Private Banking) and Wholesale Banking (Corporate and Investment Banking).
Over the course of a lengthy career he has served as General Manager of Banco Sabadell (2003 – 2007), where he was responsible for the Business Network, International Network and Wholesale Banking (Corporate and Investment Banking). Prior to holding this position, he was Deputy General Manager of Santander and Central Hispano (1990-2003), where he was responsible for the Commercial Banking Network and Business Banking in Catalonia (1998-2003). From 1995 to 1998 he was responsible for the Regional Division of Aragón and from 1990 to 1995 for the creation of the Business Branch Network.

Matthias Bulach

Head of Financial Accounting, Control and Capital

Matthias Bulach, born in Schramberg (Germany) in 1976, has been a member of CaixaBank's Management Committee since November 2016.
He holds a Master of Business Administration (2004-2006) from the IESE Business School (Universidad de Navarra).
He also holds a degree in Economic Science (1997-2002) from the University of St. Gallen (Switzerland).
He was previously Corporate Manager of Planning and Capital at CaixaBank, being responsible for: capital management and solvency monitoring, balance sheet planning, results planning and capital performance, monitoring of commercial activity.
He is a member of the Board of Directors of CaixaBank Asset Management, S.G.I.I.C., S.A.U and Chairman of its Audit Committee.
He is a member of the Board of Directors of BuildingCenter, S.A.
He was director of the Economic Analysis Office at "la Caixa" from 2006 to 2012, where his work involved strategic planning, analysis of the banking and regulatory systems and providing support to the Chairman's Office on the task of restructuring the financial sector.
He has also been a Senior Associate at McKinsey & Company, which specialises in the financial sector (banking and insurance) and in the development and deployment of international projects.

Óscar Calderón de Oya
General Secretary and Secretary to the Board of Directors
Born in Barcelona in 1971, he has been General Secretary since 2014 and Secretary to the Board of Directors of CaixaBank since 2017. He is also Secretary to the Board of Trustees of "la Caixa" Caixa d'Estalvis i Pensions de Barcelona Banking Foundation.
He holds a degree in Law from the University of Barcelona (1994). State Lawyer (1998).
He has also been State Lawyer at the High Court of Justice (Tribunal Superior de Justicia) of Catalonia, where he represented and defended the Spanish State in civil, criminal and employment cases and in adversary proceedings involving public bodies. He was a member of the Provincial Compulsory Purchase Tribunal (1999-2002). State Lawyer, Secretary of the Catalan Regional Administrative Court for Tax and Economic Appeals (2002-2003). He was a lawyer attached to the General Secretary's Office of Caja de Ahorros y Pensiones de Barcelona ("la Caixa") (2004); Deputy Secretary to the Board of Directors of Inmobiliaria Colonial, S.A. (2005-2006); Secretary to the Board of Directors of Banco de Valencia (March-July 2013); and Vice-Secretary to the Board of Directors of Caja de Ahorros y Pensiones de Barcelona ("la Caixa") until June 2014. He was also trustee y Vice-Secretary of the "la Caixa" Foundation through to its dissolution in 2014.
Óscar Calderón de Oya is trustee and Secretary to the Board of Trustees of Fundación del Museo de Arte Contemporáneo de Barcelona (MACBA). He is also Secretary of Fundación de la Economía Aplicada (FEDEA).

Francesc Xavier Coll Escursell
Chief Human Resources and Organisation Officer

Francesc Xavier Coll Escursell holds a degree in Medicine from the University of Barcelona and Masters degrees in Business Administration (MBA) from the University of Chicago and in Public Health (MPH) from Johns Hopkins University. He was a recipient of the "la Caixa" Fulbright Scholarship.
He has over 25 years of experience in the international health sector, in multilateral development banking and in the financial sector.
He has worked in the United States, Luxembourg and Spain.
He is currently Chief Human Resources and Organisation Officer and a member of the Management Committee of CaixaBank. He was previously Deputy Chief Human Resources and Organisation Officer and Executive Director of Human Resources.
Prior to joining CaixaBank, he was Director of the President's Office and Vice President of Human Resources at the World Bank and Director of Human Resources at the European Investment Bank. He has also worked for American Medical International (AMI) and for Strategic Planning (International Department).

Jorge Fontanals Curiel

Head of Resources

He holds a Diploma in Company Management and Administration (ESADE).
AMP - Advanced Management Program (ESADE).

From 2011 until his appointment as Head of Resources he served as Corporate Director of Information Services of CaixaBank, prior to which he was the Director of Multichannel Information Systems.

Before that, he was Deputy Director General of Architecture and Infrastructure and Director of Information Architecture at SILK.

Going back further, he was Director of Architecture, Director of the Branch Channel and Director of Information Systems for Channels and also held various posts in the technical realm including department head at ”la Caixa” at various different times.

He was General Manager at e-CT MultiCaixa, Head of Organisation and Systems at e-laCaixa and Account Manager at EDS España and TecnoCaixa.

He is currently a member of the following Boards of Directors: SILK Aplicaciones and SILC Immobles, S.A.

Pablo Forero Calderón
General Manager of the BPI Project

He holds a degree in Economics from Madrid Autonomous University, specialising in macroeconomics.
He is currently Managing Director of the Banco BPI Project and member of the Management Committee.
He was Deputy General Manager of Treasury and Capital Markets at CAIXABANK until 3 April 2013 and Director of Asset Management at ”la Caixa” from 2009 to July 2011. He also served as CaixaBank’s Chief Risks Officer until November 2016.
Previously he served as team leader at the Audit Department of Arthur Andersen & Co (1981-1984), Head of Markets at Manufacturers Hanover Trust CO (1984-1990), Head of Asset Management at JP Morgan España (1990-1997) and from 1998 to 2009 he was Deputy Global Head of Equity & Balanced Accounts and a member of the Investment Committee and of the Global Asset Management Operating Committee of JP Morgan Asset Management in London.

María Luisa Martínez Gistau
Executive Director of Communication, Institutional Relations, Brand and CSR

She holds a degree in Modern History from the University of Barcelona and in Information Sciences from Barcelona Autonomous University. She has also completed the Senior Management Program (PADE) at the IESE Business School.
She joined ”la Caixa” in 2001 to head up media relations. In 2008 she was appointed Head of Communication with responsibility for corporate communication and institutional management with the media. In 2014 she was appointed Corporate Head of Communication, Institutional Relations, Brand and CSR and in November 2016 she became Executive Director of Communication, Institutional Relations, Brand and CSR. She has sat on CaixaBank’s Management Committee since April 2016.
María Luisa Martínez Gistau is also the chair of Dircom Cataluña, the professional association for communication directors and professionals from companies, institutions and consultancies.

María Victoria Matía
Head of International Banking

María Victoria Matía (Barcelona, 1961) has been a member of CaixaBank’s Management Committee since January 2015.
She earned her degree in Economics from the University of Barcelona in 1986.
She joined ”la Caixa” in 1985, where she has held various positions and was appointed Head of International Banking in 2015.

Over the course of her career she has held senior positions at various companies: CaixaCard and M2P – Chair (2012-2015) and currently Director of CaixaCard; e-la Caixa (Channels subsidiary of CaixaBank)- Chair (2005-present); Comercia (Joint Venture with Global Payments) - Director (2010-present); Comercia Global Payments Brazil (Joint Venture with Global Payments) - Director (2013-present).

Jorge Mondéjar López
Chief Risks Officer

Jordi Mondéjar (Darmstadt, 1968) has been a member of CaixaBank's Management Committee since July 2014.
He holds a degree in Economics and Business Management (1986-1991) from the University of Barcelona, specialising in Business Economics.
He is an accounts auditor listed in the Official Register of Auditors of the Spanish Accounting and Audit Institute.
He worked at Arthur Andersen and at Cia S. Com. from 1991 through to 2000, where he specialised in financial audits at financial institutions and other regulated entities.
He joined the CaixaBank Group (formerly Caja de Ahorros y Pensiones de Barcelona) in 2000.
He has been Head of Financial Accounting, Control and Capital, being responsible for: Planning and Capital, Corporate Information and Investee Control, Audit, Accounting and Budget Management.
He has been the Group's Chief Risks Officer since 22 November 2016.

Tomás Muniesa Arantegui
Chief Insurance and Asset Management Officer

Tomás Muniesa (Barcelona, 1952) has been a member of CaixaBank's Management Committee since June 2011.
He holds a Degree in Business Studies and a Master's Degree in Business Administration from the ESADE Business School.
He joined "la Caixa" in 1976 and was appointed Deputy General Manager 1992 and General Manager of Caixabank in 2011. He is also Executive Deputy Chairman and CEO of VidaCaixa de Seguros y Reaseguros, Deputy Chairman of SegurCaixa Adeslas, de Seguros y Reaseguros, Second Deputy Chairman of UNESPA, board member of the Spanish Insurance Compensation Consortium and of VITHAS Sanidad, S.L., trustee of the ESADE Foundation, board member of the ICEA Industrial Research Association and member and Chairman of the Audit Committee of the Insurance Compensation Consortium.
Prior to that, he served as Chairman of MEFF (Sociedad Rectora de Productos Derivados) and Deputy Chairman of BME (Bolsas y Mercados Españoles). He was also Alternate Director of Grupo Financiero Inbursa in Mexico.

Javier Pano Riera
Chief Financial Officer

He holds a Degree in Business Studies and a Master's Degree in Business Administration from the ESADE Business School.
He has been CaixaBank's Chief Financial Officer since July 2014 and sits on its Management Committee. He oversees bond and derivative market making (trading books) and ALM/banking books: Chairman of the ALCO and responsible for liquidity management and Investor Relations.
Previously, he held senior positions at various entities: Croissant Express (1985 – 1987); Gesindex, SGIIC - General Manager (1987 – 1993); "la Caixa" (currently CaixaBank) - Director of Asset Management (1993 – 1996) and GesCaixa/InverCaixa, SGIIC: General Director of Investment (1996 – 2004) and from 2004 to July 2014 as Head of Treasury and Capital Markets at CaixaBank.

Joaquim Vilar Barrabeig
Deputy General Manager of Internal Audit

Born in Barcelona in 1960, he holds a degree in Business Studies and a Master's Degree in Business Administration and Management from the ESADE Business School (1979-1984 cohort).
He has been Deputy General Manager of Internal Audit since 2011 and has sat on CaixaBank's Management Committee since 2004.
He joined "la Caixa" in 1996 as Head of Management Control. He has also served as General Auditor and Head of Finance.
Between 1985 and 1996 he was auditor and advisor to financial institutions at Arthur Andersen.

In the case of each member of the administrative, management or supervisory bodies of the Issuer and of each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:

a) The names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies

The following table shows the information provided by the members of the Board of Directors in relation to the companies and associations at which those persons have been a member of the administrative, management, or supervisory bodies at any time, over the last five years, except for: (i) those companies that are merely holding vehicles or family-owned businesses; (ii) all the subsidiaries of an issuer of which the person is also a member of the administrative, management, or supervisory body; or (iii) companies belonging to the "la Caixa" Group. –

Director	Company	Position	Company represented	Period or current
Jordi Gual Solé	ERSTE GROUP BANK, AG	Member of the Supervisory Board		Current
Antonio Massanell Lavilla	MEDITERRANEA BEACH & GOLF COMMUNITY	Deputy Chairman		January 2010-September 2016
	PORT AVENTURA ENTERTAINMENT, S.A. (JOINTLY CONTROLLED)	Chairman	-	December 2009 - December 2012
	CECABANK, S.A.	Chairman	-	Current
	TELEFÓNICA, S.A.	Director	-	Current
	SOCIEDAD DE GESTIÓN DE ACTIVOS PROCEDENTES DE LA REESTRUCTURACIÓN BANCARIA, S.A. (SAREB)	Director		Current
	ERSTE BANK (Erste Group Bank, AG)	Member of the Supervisory Board		Current

	REPSOL, S.A.	Director		Current
	BOURSORAMA, S.A.	Director	Caixa d'Estalvis i Pensions de Barcelona Banking Foundation	2008 - June 2015
Gonzalo Gortázar Rotaeche	GRUPO FINANCIERO INBURSA	Director	-	July 2014 - October 2016
	REPSOL, YPF, S.A.	First Deputy Chairman		Current
	ERSTE BANK (Erste Group Bank, AG)	Member of the Supervisory Board		May 2015 - October 2016
	SEGURCAIXA ADESLAS, S.A. DE SEGUROS Y REASEGUROS (JOINTLY CONTROLLED)	Director	-	September 2009 – July 2014
	HISUSA-HOLDING DE INFRAESTRUCTURAS Y SERVICIOS URBANOS, S.A.	Director	-	June 2010 - November 2013
	ABERTIS INFRAESTRUCTURAS, S.A.	Director	-	May 2011 - February 2013
Fundación Caja Canarias	CELERIS SERVICIOS FINANCIEROS, S.A.	Director	-	until June 2014
	CASER SEGUROS, S.A.	Director	-	until June 2014
María Teresa Bassons Boncompte	BASSLINE, S.L.	Director	-	Current
	TERBAS XXI, S.L.	Director		Current
Maria Verónica Fisas Vergés	NATURA BISSÉ Int. S.A. (Spain)	Chief Executive Officer		Current
	NATURA BISSÉ Inc. Dallas (USA)	Chairman and Secretary of the Board of Directors		Current
	NATURA BISSÉ Int. S.A. de CV (Mexico)	Chairman of the Board of Directors		Current
	NATURA BISSÉ Int. Ltd. (UK)	Director		Current
	NATURA BISSÉ Int. FZE (Dubai) (Dubai Airport Free Zone)	Director		Current
	Feed your Skin, S.L. (Spain)	Director		January 2013 – October 2016
	NB SELECTIVE DISTRIBUTION, S.L.	Joint and several director		Current
	Stanpa (Asociación Nacional de Perfumería y Cosmética)	Deputy Chairman and member of the Management Board		Current
Alejandro García-Bragado Dalmau	GAS NATURAL, S.A.	Director		Current

Javier Ibarz Alegría	EIGMA, S.L.	Sole director	-	Current
	LLAZA, S.A.	Akin to Managing Director	-	August 2013 - October 2013
Alain Minc	AM CONSEIL	Chairman and member of the Board of Directors	-	Current
	PROMOTORA DE INFORMACIONES, S.A. – PRISA	Director and member of the Executive Committee and Audit Committee	-	Current
	DIRECT ENERGIE	Director	-	May 2008 - February 2015
	SANEF	Chairman of the Board (and member of the Strategy Committee)	-	Current
María Amparo Moraleda Martínez	MELIÁ HOTELS INTERNACIONAL, S.A.	Director	-	February 2009 - June 2015
	CORPORACIÓN FINANCIERA ALBA	Director	-	March 2012 – November 2014
	FAURECIA, S.A.	Director	-	Current
	ALSTOM, S.A.	Director	-	July 2013 – June 2015
	SOLVAY, S.A.	Director	-	Current
	AIRBUS GROUP, N.E.	Director		Current
Juan Rosell Lastortras	GAS NATURAL, S.A.	Director	-	June 2009 - September 2016
	PORT AVENTURA ENTERTAINMENT, S.A.	Director	-	December 2009 – October 2014
	CONGOST PLASTIC, S.A.	Chairman	-	Current
	MIURA PRIVATE EQUITY SGECR, S.A.	Chairman of the Investment Committee	-	2009 - March 2014
	CEOE	Chairman	-	Current
Antonio Sáinz de Vicuña y Barroso	-	-	-	-
José Serna Masià	-	-	-	-
John S. Reed	AMERICAN CASH EXCHANGE, INC (ACE)	Chairman		Current
	MASSACHUSETTS INSTITUTE OF TECHNOLOGY	Chairman of the Corporation	-	2010-2014
Koro Usarraga Unsain	NH Hotel Group, S.A.	Director		Current
	2005 KP Inversiones, SL	Director		Current
	Vehicle Testing Equipment, SL	Director		Current
	TÉCNICOS EN LA ALTA PRODUCCIÓN, S.A. DE C.V. (MEXICO)	Director		October 2014 - April 2016
	HW CUBIC INDUSTRIAL, S.L.	Director		June 2013 - January 2016
Xavier Vives Torrents	AULA ESCUELA EUROPEA, S.A.	Director	-	Current

In relation to the members of the Management Committee, the companies of which they have been a member of the administrative, management, or supervisory bodies, or direct partner, at any time in the previous five years, except for: (i) those companies that are purely holding vehicles or family-owned businesses; (ii) shareholdings in listed companies that do not qualify as a significant stake; (iii) companies belonging to the "la Caixa" Group and (iv) any others deemed irrelevant for the purposes of the Company's business.

Member of the Management Committee	Company	Position	Company represented	Period or current
Juan Antonio Alcaraz García	SEGURCAIXA ADESLAS, S.A. DE SEGUROS Y REASEGURAS (JOINTLY CONTROLLED)	Director		Current
Pablo Forero Calderón	BOLSAS Y MERCADOS ESPAÑOLES	Director	-	April 2013 - January 2014
	LENOX INVERSIONES	Shareholder	-	Current
Jordi Fontanals Curiel	REDSYS SERVICIOS DE PROCESAMIENTO, S.L.	Director		June 2012 - February 2016
	IT NOW	Natural person representative of Web Gestión 1	Web Gestión 1	April 2014 - March 2015
Tomás Muniesa Arantegui	BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A.	Deputy Chairman	-	April 2005 - January 2014
	CONSORCIO DE COMPENSACIÓN DE SEGUROS	Director and Chairman of the Audit Committee	-	Current
	GDS RISK SOLUTIONS, CORREDURÍA DE SEGUROS, S.L.	Director	-	January 2012 - February 2015
	GRUPO FINANCIERO INBURSA	Alternate Director	-	2008 – February 2017
	MEFF SOCIEDAD RECTORA DE PRODUCTOS DERIVADOS, S.A.U.	Chairman	-	June 2005 - January 2014
	MEFF EUROSERVICES, S.V. S.A.U.	Chairman	-	June 2005 - January 2014
	SEGURCAIXA ADESLAS, S.A. DE SEGUROS Y REASEGUROS (JOINTLY CONTROLLED)	Deputy Chairman		Current
	VITHAS SANIDAD, S.L	Director	-	Current
	BOURSORAMA, S.A.	Director	CAIXABANK, S.A.	January 2012 - June 2015
	ESADE CREÀPOLIS	Director		February 2014 - November 2015
	UNESPA	Second Deputy Chairman		Current
María Luisa Martínez Gistau	ACEITES DE SEMILLAS, S.A	Director		Current
María Victoria Matía	COMERCIA GLOBAL PAYMENTS, ENTIDAD DE PAGO, S.L.	Director		Current
	SELF BANK, S.A.	Director		February 2009 - June 2015

	SERVIRED, SOCIEDAD ESPAÑOLA DE MEDIOS DE PAGO, S.A.	Director		Current
	COMERCIA GLOBAL PAYMENTS, ENTIDAD DE PAGO (BRAZIL)	Director		Current

b) any convictions in relation to fraudulent offences for at least the previous five years

According to the information supplied to the Company, none of the members of the Company's Board of Directors or the Management Committee has been criminally convicted for fraud during the five years prior to the date of this Registration Document.

c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years

According to the information supplied to the Company, none of the members of the Board of Directors or of the Management Committee has been involved, in his/her capacity as member of the Company's Board of Directors or of the Management Committee, in any bankruptcy, receivership, arrangement with creditors or liquidation at any commercial company in the five years preceding the date of this Registration Document.

d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years

According to the information supplied to the Company, none of the members of the Board of Directors or of the Company's Management Committee has been criminally convicted or administratively sanctioned by the statutory or regulatory authorities or disqualified by a court from acting as the member of the administrative, management or supervisory bodies of an issuer, or from acting in the management or conduct of the affairs of any issuer in the five years preceding the date of this Registration Document.

14.2 Administrative, management, and supervisory bodies' and senior management conflicts of interests

14.2.1. Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 14.1 and their private interests and or other duties.

The current article 28 of the Board of Directors Regulations regulates the non-compete duty of the members of the Board of Directors.

Article 29 of the Regulations of the Board of Directors of the Company regulates the conflict situations applicable to all directors, establishing that the director must avoid situations that could entail a conflict of interest between the Company and the director or its related persons, adopting the measures necessary in this regard. In all cases, the director must abstain from:

a) directly or indirectly carrying out transactions with the Company unless they are ordinary operations of only minor significance made under standard conditions for all customers;

b) using the Company name or relying on their status as director of the Company to unduly influence private transactions;

c) using the Company's assets and availing themselves of their position at the Company to obtain a gain or for any private ends;

d) using, for their own benefit, a business opportunity presented to the Company, with business opportunity meaning any opportunity to carry out an investment or commercial transaction that has arisen or been discovered in connection with the director's performance of his duties, or by using resources and information of the Company, or under circumstances where it is reasonable to assume that the offer received from the third party was in fact intended for the Company;

e) obtaining advantages or remuneration from third parties other than the Company and its group in relation to the performance of their functions, with the exception of courtesy treatment; and

f) carrying on activities on their own account or on behalf of third parties where doing so positions them in permanent conflict of interests with the Company.

The Regulations of the Board of Directors are publicly available on the CaixaBank website under section on "Corporate Governance and Remuneration Policy".

https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/Gobierno_corporativo/ReglamentoConsejo_es.pdf

The above provisions will also apply in the event the beneficiary of the prohibited acts or activities is a person related to the director, according to the legal definition of related party (***Related Parties***).

Directors must invariably inform the Board of Directors of any situation of direct or indirect conflict that they or persons related to them may have with the interests of the Company.

The Company may only waive the prohibitions contained in this article in exceptional cases and in strict accordance with the procedure and restrictions prescribed by law.

The situations of conflict of interests in which the directors are involved will be reported in the annual report.

This system governing the duty of loyalty and liability for infringement of that duty must be observed. Any provisions of the bylaws that limit or contravene it will not be valid.

The terms of the foregoing section notwithstanding, the Company may grant dispensation from the prohibitions contained in the foregoing article in special cases, authorising a director or a related party to perform a particular transaction with the Company, to use certain corporate assets, to take advantage of a specific business opportunity, or to obtain an advantage or remuneration from a third party.

The authorisation must be granted by the general meeting when it involves dispensation from the prohibition to obtain an advantage or remuneration from third parties, or where it affects a transaction whose value exceeds ten per cent of the Company's assets. In all other cases, the authorisation can also be granted by the management body, provided the independence of the members granting it with respect to the director granted dispensation is guaranteed. Moreover, it will be necessary to ensure that the authorised transaction does not diminish or harm the Company's assets or, as the case may be, that it is being carried out on an arm's length basis and that the transparency of the process is guaranteed.

This non-compete obligation can only be dispensed if the Company is not expected to incur damage or where the damage expected to be caused to the Company is offset by the benefits or rewards resulting from the dispensation. The dispensation will be granted by means of an express, separate resolution of the general meeting.

In any event, at the request of any shareholder, the general meeting will decide on the dismissal of a director who performs competing activities when the risk of damage to the Company has become relevant.

In relation to the dispensation of the obligation not to compete with the Company envisaged in article 230 of the Spanish Corporate Enterprises Act and pursuant to article 229 of that Act as currently in force, it is hereby stated that director Ignacio Garralda Ruiz de Velasco was appointed member of CaixaBank's Board of Directors at the Annual General Meeting held on 6 April 2017. He is to serve as a proprietary director on behalf of the shareholder Mutua Madrileña Automovilista, Sociedad de Seguros a Prima Fija ("Mutua Madrileña"), which owns shares representing 2.1% of the CaixaBank's shares capital, thus making it the shareholder whose individual stake is second only to Criteria Caixa, S.A.U. Mr Garralda is Chairman and CEO of Mutua Madrileña, the parent of a business group which, much like the CaixaBank Group, operates in numerous sectors of the insurance universe, with a presence also in pension fund management, investment fund management and the real estate business. Both companies maintain their strategic alliance through SegurCaixa Adeslas, a company owned by Mutual Madrileña (50%) and CaixaBank (49.92%) and engaged in the exclusive development, marketing, sale and distribution of general insurance products in Spain, this despite the fact that Mutual Madrileña competes with SegurCaixa Adeslas in all insurance sectors except Health. This situation is expressly addressed in the Shareholders' Agreement signed by both companies. In those sectors of the market in which both groups might be seen to compete (insurance, pension fund and investment fund management and the real estate business), the extent of that competition is actually of little significance due to the different scale (equity, turnover, earnings, etc.) and market position of the companies belonging to both groups. Consequently, the risk of damage to the CaixaBank Group is currently practically non-existent. Meanwhile, the recent arrival of Ignacio Garralda Ruiz de Velasco's as board member brings with it a number of significant benefits due to his extensive experience and expertise, while also facilitating the current strategic alliance between both groups. In any case, the Board of Directors has approved a specific protocol to ensure that CaixaBank is not exposed to any imminent or potential damage as a result of Ignacio Garralda Ruiz de Velasco's new status as board member. In view of the above, and in accordance with article 230.3 of the Corporate Enterprises Act, a motion was laid before the Annual General Meeting asking shareholders to exempt Ignacio Garralda Ruiz de Velasco from the non-compete obligation prescribed by article 229.1 f) of the Corporate Enterprises Act and, therefore, to allow him to hold office and discharge any functions at companies belonging to the group at which Mutua Madrileña is the parent. This dispensation extends also to positions and functions at companies directly or indirectly owned by Mutua Madrileña and deriving from its ownership or the exercise of office or functions at Mutua Madrileña. This motion for dispensation was approved by majority vote. Prior to that, the General Meeting held in May 2011 resolved to authorise the members of the Company's Board of Directors to own stakes, hold office and perform duties at companies whose main or accessory activity is the holding of securities, where this does not constitute effective competition with the Company. Moreover, the Company's proprietary and executive directors were authorised to hold offices and perform duties, for and on behalf of the Company or "la Caixa", at investee entities of the "la Caixa" Group engaged in the same, analogous or supplementary types of activity to those that constitute the Company's corporate object.

The approval policy for loans to members of the Board of Directors who are CaixaBank employees, and to the Senior Management, is governed by the provisions of the collective bargaining agreement for the savings bank industry and the internal employment regulations that implement this agreement. Loans to members the Board of Directors who are not CaixaBank employees are granted on an arm's length basis.

Meanwhile, article 30 stipulates that directors are subject, with regard to the use of any non-public information of the company, to the duties of loyalty, fidelity, confidentiality, and secrecy inherent to their position, abstaining from using any such information for their own benefit or for the benefit of third parties in violation of the aforementioned duties.

The terms of this article are without prejudice to obligations of directors when it comes to inside information and significant information of the Company, in accordance with the terms of applicable securities market law.

Meanwhile, Section VII of the Internal Rules of Conduct on Matters relating to the Stock Market regulates conflicts of interest, establishing the obligation to inform Regulatory Compliance of any conflict of interest affecting the director of his or her related parties.

Article 229.3 of the Corporate Enterprises Act, amended by Act 31/2014 of 3 December modifying the Corporate Enterprises Act to improve corporate governance, in force since 24 December 2014, introduces, among other duties applicable to directors, the obligation to notify the Board of Directors of any conflict of interest, whether direct or indirect, any of the directors or their related parties may have with the Company.

In this regard, the members of the Company's Board of Directors have reported the following information at 31 December 2016:

Director	**Conflict of interest**
Massanell Lavilla, Antonio	- Abstention from deliberation and voting on the motion to finalise the termination of the agreement between CaixaBank and the Slim family in relation to Grupo Financiero Inbursa (in which CaixaBank held a 9.01% stake). - Abstention from deliberation and voting on the motion regarding completion of the swap agreement (Inbursa and BEA shares in exchange for CaixaBank treasury shares) agreed on 3 December 2015 between CaixaBank and Criteria, since he qualifies as a proprietary director appointed by Criteria. - Abstention from deliberation and voting on resolutions regarding the rendering of services and the terms and conditions of remuneration for executive directors. - Abstention from deliberation and voting on the motion regarding the proposed appointment of Repsol, SA as a member of the Board of Directors. - Abstention from deliberation and voting on the motion regarding the extension of financing to related parties.
Gortázar Rotaeche, Gonzalo	- Abstention from deliberation and voting on the motion regarding the extension of financing to related parties. - Abstention from deliberation and voting on resolutions regarding the rendering of services and the terms and conditions of remuneration for executive directors.
Sierra Molina, Guillermo (natural person representative of Fundación Cajasol)	- Abstention from deliberation and approval of the resolution to finalise the termination of the agreement between CaixaBank and the Slim family in relation to Grupo Financiero Inbursa (in which CaixaBank held a 9.01% stake). - Abstention from deliberation and voting on the motion regarding CaixaBank's negotiations with the former foundations that held stakes in Banca Cívica in order to modify the Shareholders' Agreement and the proposed nomination of board members. This is because he qualifies as a proprietary director appointed by those foundations.
Bassons Boncompte, Mª Teresa	- Abstention from deliberation and approval of the resolution to finalise the termination of the agreement between CaixaBank and the Slim family in relation to Grupo Financiero Inbursa (in which CaixaBank held a 9.01% stake). - Abstention from deliberation and approval of the resolution regarding completion of the swap agreement (Inbursa and BEA shares in exchange for CaixaBank treasury shares) agreed on 3 December 2015 between CaixaBank and Criteria, since he qualifies as a proprietary director appointed by Criteria. - Abstention from deliberation and voting on the motion regarding the extension of financing to related parties.
Fisas Vergés, Mª Verónica	- Abstention from deliberation and voting on the motion regarding the suitability report for her proposed ratification and appointment as director. - Abstention from deliberation and voting on the motion on her proposed ratification and appointment to be laid before the Annual General Meeting. - Abstention from deliberation and voting on the motion regarding leasing contracts and the extension of financing to related parties.
Gabarró Serra, Salvador	- Abstention from deliberation and approval of the resolution to finalise the termination of the agreement between CaixaBank and the Slim family in relation to Grupo Financiero Inbursa (in which CaixaBank held a 9.01% stake). - Abstention from deliberation and approval of the resolution regarding completion of the swap agreement (Inbursa and BEA shares in exchange for CaixaBank treasury shares) agreed on 3 December 2015 between CaixaBank and Criteria, since he qualifies as a proprietary director appointed by Criteria.

Ibarz Alegría, Xavier	- Abstention from deliberation and approval of the resolution to finalise the termination of the agreement between CaixaBank and the Slim family in relation to Grupo Financiero Inbursa (in which CaixaBank held a 9.01% stake). - Abstention from deliberation and approval of the resolution regarding completion of the swap agreement (Inbursa and BEA shares in exchange for CaixaBank treasury shares) agreed on 3 December 2015 between CaixaBank and Criteria, since he qualifies as a proprietary director appointed by Criteria.
Moraleda Martínez, Mª Amparo	- Abstention from deliberation and voting on the motion regarding the extension of financing to related parties. - Abstention from deliberation and voting on the motion to appoint new financial auditors to be laid before the Annual General Meeting, since she sits on the Advisory Committee of KPMG España..
Rosell Lastortras, Juan	- Abstention from deliberation and voting on motions regarding the extension of financing to related parties.
Sáinz de Vicuña y Barroso, Antonio	- Abstention from deliberation and voting on the motion to appoint new financial auditors to be laid before the Annual General Meeting, since he an adviser and lawyer at KPMG Abogados.
Serna Masià, José	- Abstention from deliberation and voting on the motion regarding the extension of financing to related parties.
Usarraga Unsáin, Koro	- Abstention from the deliberation and voting on the resolution regarding her appointment as member of the Audit and Control Committee of CaixaBank's Board of Directors.
Vives Torrents, Xavier	- Abstention from the deliberation and voting on the resolution regarding his appointment as member of the Executive Committee of CaixaBank's Board of Directors.

From 1 January 2017 through to the date this Document is signed, there is no record of the existence of related-party transactions or conflicts of interest with directors and managers of the Company, beyond those set out below.

Director	Conflict of interest
Massanell Lavilla, Antonio	Abstention from deliberation and voting on a motion regarding a financing arrangement intended for a related party.
Bassons Boncompte, Mª Teresa	Abstention from deliberation and voting on a motion regarding a financing arrangement intended for a related party.
Fisas Vergés, Mª Verónica	Abstention from deliberation and voting on a motion regarding a financing arrangement intended for a related party.
Moraleda Martínez, Mª Amparo	Abstention from deliberation and voting on a motion regarding financing arrangements intended for related parties.
Rosell Lastortras, Juan	Abstention from deliberation and voting on a motion regarding a financing arrangement intended for a related party.
Serna Masià, José	Abstention from deliberation and voting on a motion regarding a financing arrangement intended for a related party.
Usarraga Unsáin, Koro	Abstention from deliberation and voting on a motion regarding a financing arrangement intended for a related party.

14.2.2. Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 14.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.

Following the merger by absorption of Banca Cívica by CaixaBank, the following shareholders: Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (currently "la Caixa" Banking Foundation) and Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Cajasol), Caja Canarias (currently

Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja de Burgos, Banking Foundation), (hereinafter "the Foundations") entered into an agreement on 1 August 2012 to regulate their relations as shareholders of CaixaBank, and their reciprocal relations of cooperation as well as with CaixaBank, with the aim of strengthening their respective actions in respect of the latter and supporting their control of "la Caixa" Banking Foundation. They also agreed to appoint 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 a four-year lock up period, as well as a commitment to exercise their pre-emptive acquisition rights over two years in favour of the other Foundations in the first place and subsidiarily "la Caixa" Banking Foundation, should any of the Savings Banks wish to transfer all or part of their stake, once the lock-up period has expired. On 17 October 2016, the amendments to the Integration Agreement between CaixaBank and Banca Cívica and the CaixaBank Shareholders' Agreement were agreed, which means that the "Foundations", instead of proposing the appointment of two (2) directors at CaixaBank, one director at CaixaBank and one at VidaCaixa is proposed, and that the extension of the agreements that automatically occurred at the beginning of August 2016, for three years, will have a duration of four years instead of the aforementioned three.

The quantity of share capital affected by the shareholder agreement notified to the Company was 80,597%. This percentage pertained to the CaixaBank shares held by: Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Cajasol), Caja Canarias (currently Fundación Caja Canarias), and Caja de Burgos (currently Fundación Caja de Burgos), ("the Foundations") and the "la Caixa" Banking Foundation at 1 August 2012, the date the agreement was signed.

This percentage is out-of-date because following the changes made to the Shareholders Agreement only one of the foundations now sits on CaixaBank's Board of Directors (namely Fundación Caja Navarra). Therefore, the others are under no legal obligation to report their current stake in CaixaBank under the same terms as those applicable to the directors of the listed company. Accordingly, the percentage just mentioned is effectively the most recent consolidated data available to the Company.

Except where mentioned above and the posts on the management bodies and managerial positions that members of CAIXABANK's Board of Directors and Senior Management hold at companies belonging to the "la Caixa" Group, there are no further agreements or understandings with clients, suppliers or anyone else whereby any person mentioned in section 14.1 was appointed a member of the administrative, management or supervisory bodies or senior manager.

14.2.3. Details of any restrictions agreed by the persons referred to in item 14.1 on the disposal within a certain period of time of their holdings in the issuer's securities.

Except in the case of the Deputy Chairman, the CEO and the members of the Management Committee in relation only to the shares they receive as part of their variable remuneration in accordance with the resolutions of the General Meetings of the Company as part of the **"Remuneration Policy of the Board of Directors**" and the "Remuneration Policy for professionals belonging to the Identified Staff" (which establish an undertaking not to transfer the shares received in this regard, for a term of one year as of the date on which they are received) for the other members of the Board, there are no restrictions on the disposal of any securities they may hold in the Issuer within a certain period of time.

The **"Remuneration Policy of the Board of Directors**" dictates that shares delivered as variable remuneration in the form of a bonus**,** and that forms part of the variable items of the pay of executive directors may not be sold or otherwise disposed of for one year running from delivery of the shares. During this one-year period, the executive director owning the shares may exercise the shareholder rights conferred by those instruments.

Meanwhile, the **"Remuneration policy for members of the Identified Staff"** describes the policy for deferral, payment and withholding of the variable remuneration in the form of bonus at CaixaBank and the section titled "Deferral of payment of variable remuneration" states that all shares delivered may not be sold or otherwise disposed of for one year running from the time they are delivered. During this one-year restriction period, the employee who owns the shares may exercise the shareholder rights carried by the instruments.

15. REMUNERATION AND BENEFITS

In relation to the last full financial year for those persons referred to in points (a) and (d) of the first subparagraph of item 14.1:

15.1 The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person

The remuneration policy of CAIXABANK, S.A. has been developed in accordance with its Bylaws and the Regulations of the Board of Directors.

According to article 4.4 of the Regulations, the Board sitting in plenary session is responsible for approving, following the system set out in the Bylaws, the decisions on the remuneration of directors, within the framework of the Bylaws and the remuneration policy approved by the General Meeting.

Meanwhile, article 15 of the Regulations states that the Remunerations Committee shall propose to the Board of Directors the system and amounts of annual remuneration for directors and senior managers, as well as the individual remuneration of executive directors and the rest of their contract conditions and the basic conditions of the contracts of senior managers.

Article 15.3 of the Regulations:

“The Remuneration Committee:

Notwithstanding other duties which may be assigned thereto by the Board of Directors, the Remuneration Committee shall have the following basic responsibilities:

(i) Draft the resolutions related to remunerations and, particularly, report and propose to the Board of Directors the remuneration policy for 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.

(ii) Ensure compliance with the remuneration policy for directors and senior managers as well as report the basic conditions established in the contracts of these and compliance of the contracts.

(iii) Report and prepare the general remuneration policy of the Company and in particular the policies relating to the categories of staff whose professional activities have a significant impact on the risk profile of the Company and those that are intended to prevent or manage conflicts of interest with the Company’s customers.

(iv) Analyse, formulate and periodically review the remuneration programmes, weighing their adequacy and performance and ensuring compliance.

(v) Propose to the Board the approval of the remuneration reports or policies that it is required to submit to the General Shareholders Meeting as well as informing the Board concerning the proposals relating to remuneration that, where applicable, it shall propose to the General Meeting;

(vi) Consider the suggestions posed thereto by the Chairman, the Board members, officers or shareholders of the Company.”

Article 24 of the Regulations of the Board of Directors establishes the principles on which remuneration of the CAIXABANK, S.A. directors are set:

1. The Board of Directors will determine the remuneration corresponding to each director, in their condition as such, and, as the case may be, for the performance of executive functions, in accordance with the provisions of the bylaws and the remuneration policy approved by the General Meeting and in accordance, if applicable, with the indications of the Remuneration Committee. This will not apply in the case of remuneration expressly approved by shareholders at the Annual General Meeting.

2. The Board of Directors shall strive to ensure that remuneration is moderate and commensurate with market conditions. In all cases, the remuneration of directors should be reasonably proportionate with the importance of the Company, the economic situation at any given time, and market standards at comparable companies. The established remuneration system must be aimed at promoting long-term profitability and sustainability at the Company and incorporate the necessary safeguards to avoid any excessive assumption of risks and to reward favourable results.

3. In particular, the Board of Directors shall adopt all measures within its means to ensure that the remuneration of directors for their position and status as director, including any remuneration they may receive for serving on Board committees, conforms to the following guidelines:

a. directors must be remunerated according to their effective dedication and the functions and responsibilities attributed to them; and

b. the amount of the remuneration paid to directors for their position and status as such should be calculated such that it offers incentives for their dedication without compromising their independence.

4. The Board of Directors will determine the remuneration of those directors who perform executive functions as well as the terms and conditions of their contracts according to current regulations and policy on remuneration.

5. The Company's Annual General Meeting shall approve the director remuneration policy at least once every three (3) years and as a separate item on the agenda. This policy must reflect the system of remuneration envisaged in the Bylaws, in accordance with applicable law. This draft remuneration policy should be accompanied by a report from the Remuneration Committee.

Additionally, the remuneration policy will undergo an annual internal, central and independent evaluation in order to verify that it complies with the guidelines and remuneration procedures adopted by the Board of Directors.

The Company's Board of Directors will adopt and periodically review the general principles of the remuneration policy and will be responsible for supervising its application.

6. The Board of Directors shall prepare and publish an annual report on the remuneration paid to directors, including what they perceive or should perceive due to their status as such and, as the case may be, for the performance of executive functions, in accordance with applicable law. This report will be made available to shareholders when the Annual General Meeting is called and will be voted on by shareholders in an advisory capacity and as a separate item on the agenda, along with the draft remuneration policy when it is to be laid before Annual General Meeting for approval.

If the annual report on the remuneration of directors is rejected during the advisory vote at the Annual General Meeting, the applicable remuneration policy for the following year must be submitted to the approval of the Annual General Meeting before it becomes effective, even when the aforementioned period of three (3) years has not elapsed.

And article 34 of the Bylaws states that:

1. The position of director will be remunerated.

2. The remuneration shall consist of a fixed annual sum the maximum amount of which will be determined by the General Meeting. This remuneration will remain in force until the General Meeting resolves to amend it.

3. The amount established at the Annual General Meeting shall be used to remunerate all directors in their capacity as such, and shall be distributed as deemed appropriate by the Board of Directors, following the proposal of the Remuneration Committee. This distribution refers to the distribution among members, especially the Chairman, in accordance with their respective responsibilities, duties and positions and depending on whether they sit on other board committees, and also any other objective circumstances deemed relevant, all of which may result in each director receiving a different amount of remuneration. It also refers to how often they are to receive the remuneration.

4. Likewise, within the maximum limit determined by the Annual General Meeting as discussed in paragraphs 2 and 3 above, directors may be remunerated with shares in the Company or in other publicly traded Group companies, in options, or in other share-based instruments or remuneration pegged to the value of the shares. This compensation must be ratified at the Annual General Meeting. The resolution will specify, if applicable, the maximum number of shares that can be assigned in each year to this remuneration system, the strike price for the options or the system for calculating the strike price for the options, if applicable, taken as a reference and the duration of the plan.

5. Independently of the above, directors ascribed executive duties at the Company, whatever the nature of their legal relationship, are entitled to receive remuneration for these duties to be determined by the Board of Directors on the basis of a proposal submitted by the Remuneration Committee. This remuneration may be either a fixed amount, a variable amount in addition to incentive schemes and benefits, which may include pension plans and insurance and, where appropriate, social security payments. In addition, the performance of execution functions may be remunerated by granting shares in the Company or in other publicly traded Group companies, options or other share-based instruments or by other remuneration pegged to the value of the shares. In the event of departure not caused by a breach of their functions, directors may be entitled to compensation. Relations with directors assigned executive functions should be set out in a contract between the director and the Company regulating their relationship and especially their remuneration for all concepts, including insurance premiums and contributions to saving schemes as well as any clauses governing compensation for early dismissal, exclusivity agreements, post-contractual non-compete and/or permanence or loyalty covenants, as well as the parameters for fixing variable pay items. This contract must comply with the remuneration policy approved by the General Meeting and must be approved by the Board of Directors with the favourable vote of two thirds of its members, whereupon it will be attached to the minutes.

6. In addition, the Company will take out civil liability insurance for its directors.

<u>Structure of the system of remuneration</u>

The remuneration of directors, as established in the corporate Bylaws and the Regulations of the Board of Directors, is in line with the basic rules governing director remuneration laid down in articles 217, 218 and 219 of the Corporate Enterprise Act.

Remuneration paid to members of the Company's Board of Directors in 2016

The remuneration and other benefits accrued in 2016 in favour of the persons comprising the Board of Directors of CAIXABANK, in their capacity as directors, is set out below on an individual basis. Further details can be found in the Annual Report on the Remuneration of Directors of CaixaBank for 2016 (ARDR 2016), which is incorporated herein by reference:

https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo/remuneracionesdelosconsejeros/politicaderemuneracion_es.html

Name	Remuneration accrued at the Company				Remuneration accrued at Group companies				Total		
	Total remuneration in cash	Monetary amount of shares granted	Gross gain on options exercised	Total 2016 at the Company	Total remuneration in cash	Monetary amount of shares delivered	Gross gain on options exercised	Total 2016 at the Group	Total 2016	Total 2015	Contribution to savings schemes in the year
Jordi Gual Solé	340	0	0	340	0	0	0	0	340	0	0
Antonio Massanell Lavilla	1,313	75	0	1,388	0	0	0	0	1,388	1,380	100
Gonzalo Gortázar Rotaeche	1,377	254	0	1,631	894	0	0	894	2,525	2,575	255
María Teresa Bassons Boncompte	124	0	0	124	0	0	0	0	124	125	0
Fundación Cajasol	91	0	0	91	0	0	0	0	91	8	0
María Verónica Fisas Vergés	87	0	0	87	0	0	0	0	87	0	0
Salvador Gabarró Serra	174	0	0	174	0	0	0	0	174	175	0
Javier Ibarz Alegría	194	0	0	194	90	0	0	90	284	285	0
Alain Minc	184	0	0	184	0	0	0	0	184	180	0
María Amparo Moraleda Martínez	260	0	0	260	0	0	0	0	260	261	0
John Shepard Reed	94	0	0	94	0	0	0	0	94	94	0
Juan Rosell Lastortras	144	0	0	144	15	0	0	15	159	145	0
Antonio Sáinz de Vicuña Barroso	240	0	0	240	0	0	0	0	240	241	0
José Serna Masiá	47	0	0	47	0	0	0	0	47	0	0
Koro Usarraga Unsain	48	0	0	48	0	0	0	0	48	0	0
Francesc Xavier Torres Vives	144	0	0	144	0	0	0	0	144	148	0
Isidro Fainé Casas	579	0	0	579	0	0	0	0	579	1,158	0
Eva Aurín Pardo	94	0	0	94	75	0	0	75	169	185	0
Fundación Caja Navarra	76	0	0	76	0	0	0	0	76	93	0
Maria Dolors Llobet Maria	72	0	0	72	45	0	0	45	117	250	0
Juan José López Burniol	97	0	0	97	0	0	0	0	97	195	0
TOTAL	**5,779**	**329**	**0**	**6,108**	**1,119**	**0**	**0**	**1,119**	**7,227**	**7,498**	**355**

The remuneration of directors in 2016 reported above takes the following aspects into consideration:

- At 31 December 2016, the Board of Directors was composed of 18 members (with two vacancies).

- The Annual General Meeting held on 28 April 2016 agreed to set the number of Board members at eighteen (18) and ratified the appointments of Cajasol Foundation (previously appointed by co-option on 19 November 2015) and María Victoria Fisas Vergés (previously appointed by co-option on 25 February 2016).
- On 30 June 2016, the following people ceased to be members of the Board of Directors: Isidro Fainé Casas, who also tendered his resignation from his duties as Chairman and whose vacancy was occupied by Jordi Gual Solé, who was also appointed non-executive Chairman; Juan José López Burniol; and Maria Dolors Llobet María, whose vacancies were occupied by José Serna Masiá and Koro Usarraga Unsain.
- In the context of the changes to the composition of the Board of Directors that occurred on 30 June 2016, and following the respective suitability notifications from the European Central Bank, Mr Serna Masiá accepted his appointment on 8 July 2016, Ms Usarraga Unsain on 4 August 2016 and Mr Gual Solé on 14 September 2016.
- On 27 October, the Caja Navarra Banking Foundation tendered its resignation from its duties as director, within the framework of the amendment to the Integration Agreement between CaixaBank and Banca Cívica and the Shareholders' Agreement.
- On 15 December 2016, Eva Aurín also tendered her resignation as a member of the Board of Directors and Alejandro García-Bragado Dalmau was appointed as a member of the Board of Directors, a position he accepted with effect from 1 January 2017.

The total remuneration for the Board of Directors does not include the amount of the contributions paid to the savings scheme during the year, which amounted to EUR 355 thousand, nor the life insurance premiums paid during the year, which totalled EUR 85 thousand.

Fixed pay items for non-executive directors in 2017

CAIXABANK continues to apply the remuneration framework for Board members approved by the Bank's governing body at a meeting held on 18 December 2014 following a proposal from the Remuneration Committee. This system took effect on 1 January 2015.

Under this system, CaixaBank, as one of Spain's leading credit institutions, was and still is the entity at which non-executive directors are paid the least, and their remuneration does not exceed the annual amount approved at the 2014 Annual General Meeting (EUR 3,800,000 for Board remuneration, excluding the remuneration of the executive directors). However, it was planned to submit a motion to the General Meeting to increase that amount, in due consideration for the current composition of the Board of Directors and its committees, the future appointment of a lead director for the purposes of complying with the deconsolidation conditions stipulated by the European Central Bank, the fact that new committees may be created, the fact that the number of members sitting on the committees may increase, and the possibility of matching remuneration for each of the committees in light of the dedication that they require.

The motion that was approved and which remains in force is as follows:

- To return to the remuneration levels established in 2012 for members of the Board of Directors, i.e. EUR 90,000 per annum, and for members of the Appointments Committee and the Remuneration Committee, i.e. EUR 30,000 per annum (it should be noted that in mid-2012 the Board resolved to reduce remuneration by 10%, leaving these amounts at EUR 81,000 and EUR 27,000, respectively).

- To establish remuneration for members of the Executive Committee, the Audit and Control Committee and the Risks Committee, in view of their responsibilities and required dedication, as EUR 50,000 per annum per member.

- Remuneration paid to the Chairmen of the Board committees shall, in all cases, be 20% more than that paid to committee members.

- Remuneration paid to the Chairman of the Board of Directors shall remain at EUR 1,000,000 per annum.

Fixed pay items for executive directors in 2017

Fixed remuneration to be paid in cash to current executive directors in 2017 is as follows: - Gonzalo Gortázar Rotaeche – Chief Executive Officer: EUR 2,186,760

- Antonio Massanell Lavilla – Deputy Chairman: EUR 1,520,000

Estimated remuneration for positions held at Group companies, based on the positions held at the date of this report, is EUR 996,200 for Gonzalo Gortázar Rotaeche and EUR 705,800 for Antonio Massanell Lavilla, thus putting the estimated net amounts to be paid by CaixaBank in 2017 at EUR 1,190,560 and EUR 814,200, respectively.

Remuneration to be paid to both executive directors for the status as members of the Board of Directors and as members of Board committees, is estimated at EUR 140,000 for each of them in 2017, with this amount to be deducted from the fixed amount paid for the position as executive directors.

See Section A.5 of the 2016 ARDR for information on fixed contributions to pension and other employee benefit schemes.

Fixed pay items of Board members in the years ahead

The remuneration of non-executive directors in the years ahead will be adapted to the prevailing system stipulated by the Bylaws at the time in question, and to the maximum remuneration established at the General Meeting. As a result, the remuneration policy will be deemed to have been amended with regard to the remuneration of non-executive directors whenever the General Meeting approves a maximum amount other than that stipulated in section A.3 of the 2016 ARDR.

Any future proposals for remuneration based on Bylaws systems must be approved pursuant to the precepts of the Corporate Enterprises Act and the Bylaws, and share-based payments will require the approval of CaixaBank's General Meeting.

Fixed remuneration for executive directors shall be set, in the case of new executive directors, or modified pursuant to the methodology described in section A.3 of the 2016 ARDR.

Long-term savings schemes for non-executive directors

CaixaBank's Remuneration Policy does not contemplate long-term savings schemes for non-executive directors.

Long-term savings schemes for executive directors in 2017

- Overview

Executive directors who hold an employment contract may be eligible for a complementary pension scheme under the same system as for all CaixaBank employees. If they hold a commercial contract, they may be eligible for specific pension schemes equivalent to the complementary pension scheme.

Executive directors may be eligible for a defined-contribution plan for retirement, disability or death and also an optional defined-benefit plan for disability and death. These additional commitments are arranged through an insurance contract.

- Non-discretionary

With the exception of the mandatory variable-base contributions described below, the contributions regime for the pension scheme applicable to executive directors cannot be considered a discretionary benefit. As a result, the pension scheme for executive directors must be applied objectively according to when the individual became an executive director or similar circumstances that entail changes to their remuneration, taking the form of a lump sum or an amount benchmarked to fixed remuneration, according to their respective contracts.

Therefore, the amount of contributions or the degree of coverage of the benefits (i) must be set at the beginning of the year and be suitably defined in the corresponding contracts; (ii) may not originate from variable parameters (such as attaining targets, achieving milestones etc.); (iii) may not take the form of extraordinary contributions (e.g. bonuses, awards or extraordinary contributions made in the years leading up to retirement or departure); and (iv) may not be related to substantial changes in the retirement conditions, including any changes arising from merger processes or business combinations.

- No overlap

The contributions paid to pension schemes by CaixaBank shall be less the amount of any contributions paid to equivalent instruments or policies that may be established as a result of positions held at Group companies or other companies in the interests of CaixaBank. These contributions must be adjusted accordingly to avoid overlap or duplication.

- Vesting of rights

The pension scheme for executive directors recognises the vesting of economic rights in the event that the professional relationship is terminated or ends before the date the covered contingencies occur, unless this termination is due to lawful disciplinary dismissal in the case of employment contracts or with just cause in the case of commercial contracts, as defined under section A.4 of the 2016 ARDR, or for any other specific causes that may be expressly set out in the relevant contracts.

- Mandatory variable-base contributions

Notwithstanding the foregoing, and pursuant to the provisions of Circular 2/2016, 15% of the contributions paid to complementary pension schemes will be considered a target amount (the remaining 85% is considered a fixed pay item).

This amount is determined in accordance with the same principles and procedures established for variable remuneration in the form of a bonus, with eligibility to be determined solely on the basis of individual assessment parameters, and it shall be contributed to a Discretionary Benefits Pension Policy.

The contribution will be considered as deferred variable remuneration for all purposes stipulated in Circular 2/2016 and thus the Discretionary Benefits Pension Policy contains all the necessary clauses for it to be explicitly subject to the aforementioned deduction scenarios for variable remuneration for the purposes of limitations or any others that may be established.

Pursuant to article 34.1 paragraph ñ) of Act 10/2014, of 26 June, on the structuring, supervision and solvency of credit institutions (hereinafter referred to by its Spanish acronym of "**LOSS**"), if the executive director leaves the Bank to take up retirement or leaves prematurely for any other reason, the discretionary pension benefits shall be subject to a lock-up period of five years from the date on which the employee ceases to provide services at the Bank for any reason. The same requirements regarding clauses for deductions and recovery of remuneration already paid, as described above, will apply during the lock-up period.

Long-term savings schemes for executive directors in 2017

Gonzalo Gortázar Rotaeche:

In 2017, a total defined contribution of EUR 255,000 was agreed to cover retirement, death or total, absolute or serious permanent disability, broken down as follows:

- 85% of this contribution forms part of the fixed pay items, giving a total of EUR 216,750.
- 15% of the contribution, EUR 38,250, is considered the target amount of mandatory variable-base contributions. Since achievement of individual targets in 2016 was 101%, the variable-base contribution for 2017 shall be EUR 38,632.50.

In addition to the above, another policy has been arranged to include cover in the event of death or total, absolute or serious permanent disability in the amount of two annual payments of fixed remuneration at the time the event occurs. The estimated amount of the premium for this coverage in 2017 is approximately EUR 37,882.

Antonio Massanell Lavilla:

In 2017, a total defined contribution of EUR 100,000 was agreed to cover retirement, death or total, absolute or serious permanent disability, broken down as follows:

- 85% of this contribution forms part of the fixed pay items, giving a total of EUR 85,000.

- 15% of the contribution, EUR 15,000, is considered the target amount of mandatory variable-base contributions. Since achievement of individual targets in 2016 was 97.25%, the variable-base contribution for 2017 shall be EUR 14,587.50.

In addition to the above, another policy has been arranged to include cover in the event of death or total, absolute or serious permanent disability. In the event of death, the amount shall be 1 times the annual fixed remuneration plus the amount of the annual defined contribution to the pension scheme described in this section. In the event of total or absolute disability, the amount shall be 1.5 times this amount, and 3 times this amount in the event of serious disability. The estimated amount of the premium for this coverage in 2017 is approximately EUR 51,087.

Long-term savings schemes for directors in the years ahead

Any change to the amount or the structure of long-term savings schemes for directors in the years ahead shall be made according to the principles of the LOSS.

Variable components of the remuneration schemes:

Variable components of remuneration for executive directors in 2017.

i. Variable remuneration in the form of bonuses

Gonzalo Gortázar Rotaeche

The target bonus for 2017 is set at EUR 508,800. The degree of fulfilment shall be measured according to a weighting of 50% corporate targets and 50% individual targets.

Corporate targets (50%) comprise the following parameters:

- ROTE, with a weighting of 12.5%, is subject to a minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.

- Recurring operating expenses, with a weighting of 12.5%, is subject to a minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.

- Risk Appetite Framework, with a weighting of 15%, is subject to minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.

- Know Your Client (KYC): % customers with Digitalised KYC. Target related to “Culture” under Regulatory Compliance and to the strategic target of Process Digitalisation, with a weighting of 5%, is subject to minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 100%.

- CaixaBank Quality, with a weighting of 5%, is subject to a minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 100%.

The degree of fulfilment will be obtained from the level of compliance with the preceding indicators, depending on certain scales of fulfilment approved by the Board of Directors following a proposal from the Remuneration Committee.

The payment range for corporate targets has an established minimum of 80% and a maximum of 120%, with the exception of the KYC and Quality targets, where the maximum is 100%.

Meanwhile, individual targets (50%) shall have a minimum degree of fulfilment of 60% and a maximum of 120%, and shall be distributed overall between targets linked to CaixaBank’s strategy. The final valuation carried out by the Remuneration Committee, following consultation with the Chairman, may vary +/-25% with regard to the target evaluation of individual targets, in order to include the quantitative assessment of the executive director’s performance. Any exceptional achievements during the year that were not contemplated at the outset shall also be taken into account.

In all cases, should the minimum degree of fulfilment not be attained, a zero bonus shall be accrued for each of the indicators or individual targets.

Deduction and recovery scenarios for variable remuneration

- Malus and clawback

Pursuant to the LOSS, the amounts of variable remuneration paid to executive directors shall be totally or partially reduced, including the amounts pending payment, whether cash or share-based payments, in the event of a poor financial performance by CaixaBank overall or by one of its divisions or areas, or because of any material exposure generated. In this regard, CaixaBank must compare the assessed performance with the subsequent performance of the variables that helped meet the targets.

The scenarios entailing deductions from variable remuneration are as follows:

- Material failures in risk management committed by CaixaBank, or by a business unit or risk control unit, including any qualified opinions in the external auditor's report or circumstances that would impair the financial parameters used as a basis to calculate the variable remuneration.
- An increase in capital requirements for CaixaBank or one of its business units that was not envisaged at the time the exposure was generated.
- Regulatory sanctions or adverse legal rulings attributable to the unit or the employee responsible for those proceedings and to the executive director.
- Failure to comply with the Bank's internal regulations or codes of conduct, including, in particular:
  - Any serious or very serious regulatory breaches attributable to them.
  - Failure to comply with internal regulations considered serious or very serious.
  - Regulatory breaches for which they are responsible, irrespective of whether they cause losses that jeopardise the solvency of a business line, and, in general, any involvement in, or responsibility for, behaviour that causes significant losses.
- Improper conduct, whether committed individually or with others, with specific consideration of the adverse effects of the sale of unsuitable products and the responsibility of executive directors in taking such decisions.
- Fair dismissal for employees or, in the case of commercial contracts, dismissal with just cause by the Bank (in this case the full amount will be deducted). Just cause shall be understood as any serious and culpable breach of the duties of loyalty, diligence and good faith pursuant to which executive directors must discharge their duties at the CaixaBank Group, as well as any other serious and culpable breach of the duties undertaken in their contract, or any other organic or service relationships the individual and the CaixaBank Group may enter into.
- Where payment or vesting of these amounts is not sustainable in light of CaixaBank's overall situation, or where payment cannot be justified in view of the results of CaixaBank as a whole, the business unit, or the director concerned.
- Any others reasons that may be provided for in the corresponding contracts.
- Any others as set down in applicable law or by regulatory authorities in exercise of their powers to issue or interpret regulations, or their executive powers.
  - \- Clawback situations

In cases where any of the aforementioned situations may have occurred prior to payment of any amount of the variable remuneration so that, had this situation been taken into account, partial or full payment would not have been made, the executive director shall repay CaixaBank the part of the variable remuneration erroneously received, along with any returns paid out. This reimbursement must be made in cash or shares, as applicable.

Scenarios in which the executive director has made a major contribution to poor or negative financial results will be regarded as being particularly serious, as shall cases of fraud or other instances of fraudulent behaviour or gross negligence leading to significant losses.

The Remuneration Committee shall table a proposal to the Board of Directors to apply the deduction or the loss to the entitlement to receive the amounts deferred, or total or partial recovery, depending on the characteristics and circumstances of each specific case.

Pursuant to the provisions of the EBA Guidelines, scenarios of deductions from variable remuneration shall be applicable throughout the entire deferral period for the variable remuneration concerned. Scenarios for recovery of variable remuneration shall apply over a period of one year from payment of the variable remuneration, except in the event of fraud or gross negligence, in which case the provisions of civil or employment legislation in relation to statutory limitation periods shall be generally applicable.

Antonio Massanell Lavilla:

The target bonus for 2017 is set at EUR 150,000. The degree of fulfilment shall be measured according to a weighting of 50% corporate targets and 50% individual targets.

Corporate targets (50%) comprise the following parameters:

- ROTE, with a weighting of 12.5%, is subject to a minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.

- Recurring Operating Expenses, with a weighting of 12.5%, is subject to a minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.

- Risk Appetite Framework, with a weighting of 15%, is subject to minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.

- Know Your Client (KYC): % customers with Digitalised KYC. Target related to “Culture” under Regulatory Compliance and to the strategic target of Process Digitalisation, with a weighting of 5%, is subject to minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 100%.

- CaixaBank Quality, with a weighting of 5%, is subject to a minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 100%.

The degree of fulfilment will be obtained from the level of compliance with the preceding indicators, depending on certain scales of fulfilment approved by the Board of Directors following a proposal from the Remuneration Committee.

The payment range for corporate targets has an established minimum of 80% and a maximum of 120%, with the exception of the KYC and Quality targets, where the maximum is 100%.

Meanwhile, individual targets (50%) shall have a minimum degree of fulfilment of 60% and a maximum of 120%, and shall be distributed overall between targets linked to CaixaBank’s strategy. The final valuation carried out by the Remuneration Committee, following consultation with the Chairman, may vary +/-25% with regard to the target evaluation of individual targets, in order to include the quantitative assessment of the executive director’s performance. Any exceptional achievements during the year that were not contemplated at the outset shall also be taken into account.

In all cases, should the minimum degree of fulfilment not be attained, a zero bonus shall be accrued for each of the indicators or individual targets.

ii. Long-Term Incentives (LTI)

On 23 April 2015 the General Shareholders’ Meeting approved the implementation of a four-year (2015-2018) long-term share-based incentive plan (ILP) linked to the strategic plan, which awards a number of CaixaBank shares after the four years have elapsed, provided certain strategic objectives and the requirements stipulated for executive directors, members of the Management Committee and the remainder of the management team and key employees of the Company are met.

- Beneficiaries:

The beneficiaries of the plan shall be the members of the Management Committee, the remainder of the management team and key employees of CaixaBank or CaixaBank Group companies who are expressly invited by the Board of Directors of CaixaBank, following a proposal by the Remuneration Committee, in addition to members of the Board of Directors who wield executive functions, and are designated by CaixaBank’s Annual General Meeting.

The maximum estimated number of authorised plan beneficiaries is 80, with this number including any new additions of beneficiaries to the plan during its validity period.

It was agreed that the following executive directors would be nominated as plan beneficiaries:

- Gonzalo Gortázar Rotaeche – Chief Executive Officer
- Antonio Massanell Lavilla – Deputy Chairman

- Plan duration and settlement:

The measurement period for the plan runs from 1 January 2015 to 31 December 2018 (the “Measurement Period”).

The above notwithstanding, the Plan formally commenced when it was approved at the Annual General Meeting held on 23 April 2015 (the “Start Date”). If beneficiaries are added to the Plan after that date, another Start Date may be established in the Letter of Invitation.

The plan will end on 31 December 2018 (the "End Date"), without prejudice to the effective settlement of the plan, which will take place in June 2019.

The Target Amount for executive directors during the entire 2015-2018 plan is set at EUR 800,000 for Gonzalo Gortázar Rotaeche and EUR 500,000 for Antonio Massanell Lavilla.

iii. Mandatory variable-base contributions

Pursuant to the provisions of Circular 2/2016, 15% of the agreed contributions to pension plans or insurance schemes shall be considered the target amount to which an appraisal system shall be applied to determine the quantity stipulated in section A.5 of the 2016 ARDR.

d) Variable pay items for directors in the years ahead

We cannot rule out changes in future years in the proportion of variable remuneration in the form of bonuses compared to fixed components. In any case, any change to the amount or the structure of the variable components of directors' remuneration in future years shall be made according to the provisions of the LOSS.

Remuneration paid to members of the Company's Management Committee

Remuneration of the Senior Management

CaixaBank's Senior Management at 31 December 2016 comprised 12 persons, holding the following positions at the Bank: General Managers (5), Deputy General Managers (1), Executive Officers (5) and the General Secretary and Board Secretary (1).

Total remuneration received by members of CaixaBank's Senior Management in 2016 and 2015 is shown below. This remuneration is recognised under "Staff expenses" on CaixaBank's income statement.

(Thousands of euros)	**2016**	**2015**
Salary (*)	9,170	8,340
Post-employment benefits	1,140	1,033
Other long-term benefits	89	65
Total	**10,399**	**9,438**

(*) Includes total non-variable remuneration, remuneration in kind and variable remuneration received by Senior Management, in cash or shares, as well as the part of the deferred variable remuneration (cash and shares) receivable on a straight-line basis over the next three years. It also includes the portion received under the long-term share-based variable remuneration scheme approved at the Annual General Meeting of 23 April 2015.

Note: to ensure a correct comparison of the remuneration received by Senior Management in 2016 and 2015, please note the differences in the composition of this body. The Senior Management in 2016 features a new General Department (BPI Project) as well as a new Executive Department (Communication, Institutional Relations, Brand and CSR).

Remuneration paid in 2016 to CaixaBank's Senior Management in connection with their work in representing the parent Company on the Boards of listed companies and other companies at which the Company has a significant presence or representation and that are CaixaBank consolidated companies totalled EUR 715 thousand (EUR 577 thousand in 2015). This remuneration is reported on the income statements of those companies.

There are agreements in place with the members of the Management Committee governing termination benefits for early termination or rescission of their contracts.

The following resolution was carried at the last General Meeting held on 6 April 2017:

Approval of the maximum level of variable remuneration that may be earned by certain employees whose work has a significant impact on the Company's risk profile.

To approve the following: the variable remuneration of the twenty-one (21) employees mentioned in the Board of Directors' detailed recommendation on the proposed approval of the maximum amount of variable remuneration payable to employees whose work has a significant impact on the Company's risk profile may reach up to two hundred per cent (200%) of the fixed component of their total remuneration, all by virtue of and subject to the provisions of article 34 of Act 10/2014 of 26 June, on the structuring, supervision and solvency of credit institutions.

15.2 The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits

A total of EUR 49,375 thousand has been set aside or accrued as defined contribution post-employment commitments with regard to the directors and Senior Management of "la Caixa", CaixaBank and Criteria at 31 December 2016.

The following table shows the long-term savings arrangement for executive directors in the last two years.

Name	Contribution in the year by the Company (thousands of euros)		Amount accumulated (thousands of euros)	
	2016	2015	2016	2015
GONZALO GORTÁZAR ROTAECHE	255	255	2,682	2,316
ANTONIO MASSANELL LAVILLA	100	103	13,432	12,934

Remuneration in kind for directors

Under the Remuneration Policy, directors are currently entitled to remuneration in kind due to the civil liability policy for directors and executives covering the entire "la Caixa" Group.

Remuneration in kind for executive directors

Executive directors may receive remuneration in kind in the form of health insurance for themselves and their immediate family, the use of a vehicle or a residence, or any other similar benefits that are commonly granted in the sector and befitting their professional status, in keeping with the standards established by CaixaBank at any given time for the same segment of employees to which they belong.

Remuneration in kind for executive directors in 2017

The contracts of the executive directors envisage a health insurance for themselves, their spouse and children aged under 25. In 2017, these are valued at EUR 5,369 for Gonzalo Gortázar and EUR 2,148 for Antonio Massanell.

Remuneration in kind for directors in the years ahead

Any allocation of remuneration in kind for directors in the years ahead shall be applied in accordance with the principles of the Remuneration Policy.

16. BOARD PRACTICES

16.1. Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office

The Company's directors have held office for the periods shown below:

Director	Date of initial appointment at the Company	Date of last appointment	Term of office to end on
Jordi Gual Solé	30/06/2016	06/04/2017	06/04/2021
Antonio Massanell Lavilla	30/06/2014	23/04/2015	23/04/2019
Gonzalo Gortázar Rotaeche	30/06/2014	23/04/2015	23/04/2019
Fundación CajaCanarias, represented by Natalia Aznárez Gómez	23/02/2017	06/04/2017	06/04/2021
María Teresa Bassons Boncompte	26/06/2012	26/06/2012	26/06/2018
María Verónica Fisas Vergés	25/02/2016	28/04/2016	28/04/2020
Alejandro García-Bragado Dalmau	01/01/2017	06/04/2017	06/04/2021
Javier Ibarz Alegría	26/06/2012	26/06/2012	26/06/2018
Alain Minc	06/09/2007	24/04/2014	24/04/2018
María Amparo Moraleda Martínez	24/04/2014	24/04/2014	24/04/2018
Antonio Sáinz de Vicuña y Barroso	01/03/2014	24/04/2014	24/04/2018
José Serna Masiá	30/06/2016	06/04/2017	06/04/2021
John S. Reed	03/11/2011	19/04/2012	19/04/2018
Joan Rosell Lastortras	06/09/2007	24/04/2014	24/04/2018
Koro Usarraga Unsain	30/06/2016	06/04/2017	06/04/2021
Francesc Xavier Vives Torrents	05/06/2008	23/04/2015	23/04/2019

On 30 June 2016, the following people ceased to be members of the Board of Directors: Isidro Fainé Casas, who also tendered his resignation from his duties as Chairman and whose vacancy was occupied by Jordi Gual Solé, who was also appointed non-executive Chairman; Juan José López Burniol; and Maria Dolors Llobet María, whose vacancies were occupied by José Serna Masiá and Koro Usarraga Unsain.

In the context of the changes to the composition of the Board of Directors that occurred on 30 June 2016, and following the respective suitability notifications from the European Central Bank, Mr Serna Masiá accepted his appointment on 8 July 2016, Ms Usarraga Unsain on 4 August 2016 and Mr Gual Solé on 14 September 2016.

On 27 October, the Caja Navarra Banking Foundation tendered its resignation from its duties as director, following the amendments made to the Integration Agreement between CaixaBank and Banca Cívica and the Shareholders' Agreement.

On 15 December 2016, Eva Aurín also tendered her resignation as a member of the Board of Directors and Alejandro García-Bragado Dalmau was appointed as a member of the Board of Directors, a position he accepted with effect from 1 January 2017.

On 23 February 2017, CaixaBank disclosed that its Board of Directors had accepted the resignation of Fundación Cajasol as a member of the Board of Directors, naming Fundación CajaCanarias as a director in its lieu, following a favourable report from the Remuneration Committee and receipt of the notice of suitability for performance of the role of proprietary director from the European Central Bank. It also reported that Fundación CajaCanarias had appointed Natalia Aznárez Gómez as its natural person representative.

On 17 March 2017, CaixaBank announced through a Significant Event filing the cessation as Board member of Salvador Gabarró Serra, who had passed away on that same day.

CaixaBank held its Annual General Meeting on 6 April 2017. The resolutions adopted at the meeting included the following concerning the composition of the Board of Directors:

5. Ratification and appointment of directors:

5.1 Ratification and appointment of Jordi Gual Solé.

5.2 Ratification and appointment of José Serna Masiá.

5.3 Ratification and appointment of Koro Usarraga Unsain.

5.4 Ratification and appointment of Alejandro García-Bragado Dalmau.

5.5 Ratification and appointment of Fundación Bancaria Canaria Caja General de Ahorros de Canarias – Fundación CajaCanarias; and

5.6 Appointment of Ignacio Garralda Ruiz de Velasco.

On 22 May 2017, after receiving the ECB's authorisation as to his suitability for office, Mr Garralda accepted his appointment as Board member, whereupon the Board of Directors comprised 18 members, with one vacancy.

Under article 33 of the Company's Bylaws, directors will hold office for four (4) years[1] and may be re-elected one or more times for periods of equal length. Directors appointed by co-option shall hold their post until the date of the next General Meeting or until the legal deadline for holding the General Meeting that is to decide whether to approve the financial statements for the previous financial year has passed. If the vacancy arises after the General Meeting is called but before it is held, the Board's appointment of the director by co-option to cover the vacancy will take effect until such time as the next General Meeting is held.

Directors may resign from their posts, the posts may be revoked, and directors may be re-elected one or more times for terms of equal length.

Likewise, in accordance with the article 19 of the Regulations of the Board of Directors, directors shall remain in their posts for the term of office stipulated in the Bylaws, insofar as the General Meeting does not choose to remove them from office and they do not step down from office during that term. They may be re-elected one or more times for periods of equal length. Nevertheless, independent directors will not stay on as such for a continuous period exceeding twelve (12) years.

16.2. Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement

Agreements of this nature exist at the Company upon termination of the service contracts of certain persons. These agreements are always established between the person in question and the Company, based on a range of circumstances and the specific relationship in question. The factors that are taken into account include the person's responsibilities, post or position, and the legal nature of the relationship between the parties.

Number of beneficiaries: 32

[1] Appointments made before 23 April 2015 came with a six-year term of office.

Type of beneficiary:

Chief Executive Officer and 3 members of the Management Committee, 5 executive officers // 23 middle managers

Description of the agreement:

Chief Executive Officer: One year of the fixed components of his remuneration.

Three members of the Management Committee: up to 0.8 annual payments of the fixed components of their remuneration above that provided for at law.

Further, the executive directors and members of the Management Committee are entitled to one annual payment of their fixed remuneration, paid in monthly instalments, as consideration for their non-compete undertaking. This payment would be discontinued were this covenant to be breached.

28 executives and middle managers: between 0.1 and 2 annual payments of their fixed remuneration above that provided for at law.

<u>Gonzalo Gortázar Rotaeche</u>

- Contract termination.

Without prejudice to the compensation under the non-compete clause, Gonzalo Gortázar will be entitled to receive from the Company compensation representing one year of the fixed components of his remuneration in the event of termination of his service contract for any of the following reasons:

- unilateral termination by Gonzalo Gortázar due to a serious breach by the Company of the obligations included in the service contract;
- unilateral termination by the Company without due cause;
- termination or non-renewal of his position as member of the Board of Directors of CaixaBank and his duties as CEO without due cause; or
- the acquisition of control over the Company by an entity other than the "la Caixa" Banking Foundation, pursuant to article 42 of the Commercial Code, or the transfer of all or a relevant part of its business or its assets and liabilities to a third party, or its integration into another business group that assumes control of the Company.

To be eligible for the compensation described here, Gonzalo Gortázar must simultaneously stand down from all posts of representation and management at other CaixaBank Group companies involving the Company's interests, or at any other unrelated companies on behalf of CaixaBank.

The amount of compensation shall also be reduced accordingly by any amount received from the Companies stipulated in the preceding paragraph by way of compensation.

Any positive amount of compensation resulting from the provisions of the above clauses will be subject to the limits, and must be made effective in the manner and under the terms established at all times by prevailing legislation and the Remuneration Policy regarding payments for early termination, including rules on malus and clawback and on withholding the instruments delivered as a result of the same.

The Company may remove Gonzalo Gortázar from his position as Chief Executive Officer and terminate the service contract for just cause, with this meaning:

- any serious and culpable breach of the duties of loyalty, diligence and good faith under which Gonzalo Gortázar is required to perform his duties at CaixaBank and any other Group companies;
- where Gonzalo Gortázar becomes unfit for his post for reasons attributable to himself; or
- any other serious and culpable breach of the obligations assumed under the service contract, or any other organic or service relationships that may be established between Gonzalo Gortázar and the respective entities at which he represents CaixaBank.

If the service contract is terminated with just cause or voluntarily by Gonzalo Gortázar for reasons other than those stipulated above, he will not be entitled to the compensation described in this section.

Antonio Massanell Lavilla

- Contract termination.

With the exception of the compensation payable for his non-compete undertaking, Antonio Massanell will not be entitled to receive from the Company any compensation in the event his service contract is terminated.

16.3. Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates

Audit and Control Committee

Article 40 of the Bylaws and article 14 of the Regulations of the Board of Directors regulate the composition, powers and terms of reference of the Audit and Control Committee. It will be comprised exclusively of non-executive directors, with the exact number to be determined by the Board of Directors between a minimum of three (3) and a maximum of seven (7). A majority of the members of the Audit and Control Committee will be independent and one (1) of them will be appointed on the basis of their knowledge and experience of accounting or auditing, or both. See the information on the new version of the Bylaws approved at the 2017 AGM under section 21.2.2 of this document.

Composition of the Audit and Control Committee

Members:

Name	Position	Type	Date of appointment
Alain Minc	Chairman	Independent	20 September 2007(1)
Koro Usarraga Unsain	Member	Independent	27 October 2016
José Serna Masiá	Member	Proprietary	23 March 2017
Óscar Calderón de Oya	Secretary (non-member)	-	1 January 2017
Adolfo Feijóo Rey	Second Deputy Secretary (non-member)	-	27 June 2011

(1) Re-elected on 24 April 2014. Appointed as Chairman on 21 May 2015.

Terms of reference of the Audit and Control Committee

The Audit and Control Committee shall meet ordinarily on a quarterly basis, in order to review the required financial information to be submitted to the stock market authorities as well as the information that the Board of Directors must approve and include within its annual public documentation.

The committee shall prepare an annual report on its operation, highlighting the main incidents to have arisen, if any, in relation to its functions. This report will serve as a basis, among others, for the Board of Directors' assessment of the committee's performance. The Committee may also choose to include proposed improvements in its report.

The Audit and Control Committee shall appoint a Chairman from among its independent members. The Chairman must be replaced every four (4) years but may be re-elected once a period of one (1) year has transpired from his or her departure. It shall also appoint a Secretary and may appoint a Deputy Secretary, neither of whom need be a committee member. In the event that such appointments are not made, the Secretary to the Board shall act as Secretary.

The members of the Company's management team or personnel shall be required to attend the meetings of the Audit and Control Committee and to lend their assistance and allow the committee to access any information they may have when the Committee so requests. The Committee may also request the attendance at its meetings of the Company's auditors.

The above notwithstanding, the Audit and Control Committee shall meet as often as necessary to fulfil its duties and shall be called by the committee's own Chairman, either on his/her own initiative or when instructed to do so by the Chairman of the Board of Directors or by two (2) members of the committee itself. The meeting notice shall be sent out by letter, telegram, fax, e-mail, or any other means that provides proof of delivery.

The Secretary will be responsible for convening the meeting and for filing the minutes and documents submitted to the committee.

It will shall be validly assembled when the majority of its members attend in person or by proxy. Resolutions shall be adopted by a majority of the members attending in person or by proxy and minutes of the resolutions adopted at each meeting shall be drawn up and such resolutions shall be reported to the Board as a plenary body, submitting or delivering a copy of the minutes to all Board members.

The committee's Chairman shall report to the Board on its activities and on the work performed at meetings specifically arranged for this purpose, or at immediately following meeting when the Chairman deems this necessary.

It will prepare an annual report on its operations, highlighting the main incidents to have occurred, if any, in relation to its duties. This report will provide the basis, among other information, for the Board's assessment of the committee's performance. The committee may also choose to include proposed improvements in its report.

The Audit and Control Committee met on 13 occasions in 2016, while in 2017 through to the date of this document it has met eight times.

<u>Functions of the Audit and Control Committee</u>

(i) Reporting to the General Meeting on matters raised by shareholders that fall within the committee's remit.

(ii) Supervising the effectiveness of the Company's internal control processes, internal audit and risk management system; and discussing with auditors any significant weaknesses in the internal control system identified during the course of the audit.

(iii) Overseeing the process of preparing and submitting the required financial information.

(iv) Submitting to the Board of Directors proposals for selection, appointment, re-election and replacement of the external auditor, in accordance with regulations applicable to the Company, as well as the contractual terms of the engagement, and regularly gathering information from the external auditor on the audit plan and its execution as well as safeguarding its independence in the exercise of its duties.

(v) Establishing appropriate relations with the external auditors in order to receive information, for examination by the Audit and Control Committee, on matters that may threaten their independence and any other matters relating to the audit process and any other communications provided for in applicable audit law and audit regulations.

(vi) In any event, on an annual basis, the Audit and Control Committee must receive from the external auditors a declaration of their independence with regard to the Company or entities related to it directly or indirectly, in addition to detailed, personalised information on additional non-audit 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.

(vii) Issuing, prior to the issuance of the annual audit report, a report expressing an opinion on the independence of the financial auditor. This report must provide, in all cases, an assessment of the provision of any the additional non-audit services mentioned in the preceding paragraph, individually and collectively considered, other than the legal audit and related to the degree of independence or applicable audit regulations.

(viii) Reporting to the Board of Directors in advance on any matters envisaged at law, the Bylaws and the Regulations of the Board of Directors, and in particular on:

A. the financial information that the Company must periodically disclose,

B. the creation or acquisition of stakes in special purpose entities domiciled in countries or territories considered to be tax havens, and

C. related-party transactions.

Risk Committee

Article 40 of the Bylaws and article 13 of the Regulations of the Board of Directors regulate the composition, powers and terms of reference of the Risk Committee.

Composition of the Risk Committee

The Bylaws and the Regulations of the Board of Directors state that the Risk Committee shall comprise exclusively non-executive members of the Board of Directors who possess the relevant knowledge, expertise and experience to fully understand and control the Company’s risk strategy and risk propensity. The Board of Directors shall determine the number of committee members from a minimum of three (3) to a maximum of six (6).

At present, the Risk Committee is comprised of:

Name	Position	Type	Date of first appointment
Antonio Sáinz de Vicuña y Barroso	Chairman	Independent	25 September 2014
Javier Ibarz Alegría	Member	Proprietary	25 September 2014
María Amparo Moraleda Martínez	Member	Independent	25 September 2014
Juan Rosell Lastortras	Member	Independent	25 September 2014

Óscar Calderón de Oya	Secretary (non-member)	-	1 January 2017
Adolfo Feijóo Rey	Second Deputy Secretary (non-member)	-	25 September 2014

<u>Terms of reference of the Risk Committee</u>

The Risk Committee shall meet as often as necessary to fulfil its duties and shall be convened by its Chairman, either on his/her own initiative or when instructed to do so by the Chairman of the Board of Directors or by two (2) members of the committee itself. The meeting notice shall be sent out by letter, telegram, fax, e-mail, or any other means that provides acknowledgement of receipt.
The Secretary will be responsible for convening the meeting and for filing the minutes and documents submitted to the committee.
It will shall be validly assembled when the majority of its members attend in person or by proxy.
Resolutions shall be adopted by a majority of the members attending in person or by proxy and minutes of the resolutions adopted at each meeting shall be drawn up and such resolutions shall be reported to the Board as a plenary body, submitting or delivering a copy of the minutes to all Board members.

The Risk Committee met on 14 occasions in 2016, while in 2017 through to the date of this document it has met eight times.

<u>Functions of the Risk Committee</u>

Notwithstanding the other functions attributed to it by law, the Bylaws, the Regulations of the Board of Directors, or any others that may be assigned by the Board of Directors, the Risk Committee will have the following basic responsibilities:

(i) Advising the Board of Directors on the Bank's overall susceptibility to risk, current and future, and its strategy in this area, reporting on the Risk Appetite Framework, assisting in monitoring the implementation of this strategy, ensuring that the Group's actions are consistent with the level of risk tolerance previously agreed and seeing to it that actual risk exposure falls within the limits of the established risk profile.
(ii) Proposing to the Board the Group's risk policy, which should identify in particular:
✓ the different types of risk (operational, technological, financial, legal, reputational, etc.) facing the Company, including, among the financial or economic risks, contingent liabilities and other off-balance-sheet risks;
✓ the internal reporting and control systems to be used to control and manage those risks;
✓ fixing the level of risk the Company considers acceptable; and
✓ the measures in place to mitigate the impact of identified risks should they materialise.
(iii) Ensuring that the pricing policy of the assets and liabilities offered to customers fully considers the Company's business model and risk strategy. Otherwise, the Risk Committee will submit to the Board of Directors a plan to amend the policy.
(iv) Determining, with the Board of Directors, the nature, quantity, format and frequency of the information concerning risks that the Board of Directors should receive and establishing what the committee should receive.

(v) Regularly reviewing exposures with its main customers and business sectors, and by geographic region and type of risk.

(vi) Examining the processes for reporting and controlling the Group's risks, as well as the relevant information systems and indicators, which should enable:

- ✓ a suitable and adequate structure and functionality of risk management across the entire Group;
- ✓ knowing the Group's risk exposure in order to assess whether it conforms to the profile determined by the Bank;
- ✓ having sufficient information available so as to be able to accurately gauge risk exposure for decision-making purposes; and
- ✓ the proper functioning of policies and procedures in place to mitigate operational risks.

(vii) Evaluating regulatory compliance risk in its scope of action and determination, understood as the risk management of legal or regulatory sanctions, financial loss, or material or reputational loss that the Company might suffer as a result of non-compliance with laws, rules, regulation standards and codes of conduct, detecting any risk of non-compliance, monitoring the situation and examining possible deficiencies in the principles of professional conduct.

(viii) Reporting on new products and services or significant changes to existing ones, in order to determine:

- ✓ the risks facing the Company following the launch of those products or services and their commercialisation on the market, as well as the risks associated with significant changes in existing products and services;
- ✓ the internal reporting and control systems used to control and manage those risks;
- ✓ corrective measures to limit the impact of the identified risks, should they materialise; and
- ✓ the appropriate resources and channels for their commercialisation in order to minimise any reputational risks and mismarketing.

(ix) Cooperating with the Remuneration Committee to establish rational remuneration policies and practices. For these purposes, and notwithstanding the functions of the Remuneration Committee, the Risk Committee will examine whether the incentives policy envisaged in the remuneration systems takes into account risk, capital, liquidity and the probability and timing of the benefits and rewards.

In order to properly exercise its functions, the delegate Risk Committee may access the information on the Company's risk situation and, if necessary, seek specialist external advice, including external auditors and regulatory bodies.

Appointments Committee

Article 40 of the Bylaws and article 15 of the Regulations of the Board of Directors govern the composition, powers and terms of reference of the Company's Appointments Committee and of its Remuneration Committee.

Both the Appointments Committee and the Remuneration Committee:

May regulate their own operation and shall elect their Chairman from among the independent directors belonging to each committee. They may also appoint a Secretary and in the absence of a specific appointment by the committee, the Secretary of the Board shall act as the same or, failing that, any of the Deputy Secretaries of the Board.

They shall meet whenever deemed advisable for the proper performance of their duties and the meetings will be called by their Chairman, either on his/her own initiative, or when required by two (2) committee members. The committee must be called whenever the Board or its Chairman requests the issuance of a report or the adoption of a proposal.

The meeting notice shall be given by letter, telegram, fax, e-mail, or any other means providing proof of receipt.

The Secretary of each of the committees will be responsible for calling the meetings and for filing the minutes and documentation presented to the committee.

Minutes will be taken of the resolutions adopted at each meeting, which shall be reported to the Board and made available to all board members at the Board's Secretary's Office. In the interests of privacy and confidentiality, the minutes will not be sent out or delivered unless the Chairman of the committee decides otherwise.

The Committees shall be validly constituted with the attendance in person or represented by proxy of the majority of its members and resolutions shall be adopted by a majority of members who attend in person or by proxy.

They will draw up an report on their operations, highlighting the main incidents to have occurred, if any, in relation to their functions. This report will provide the basis, among other information, for the Board's assessment of the committees' performance. The committee may also choose to include proposed improvements in its report.

Composition of the Appointments Committee

The Bylaws and the Regulations of the Board of Directors envisage that the Appointments Committee will comprise a number of non-executive directors determined by the Board of Directors, from a minimum of three (3) to a maximum of five (5) members. All members must be non-executive and the majority must be independent. The Board of Directors shall appoint the members of the Appointments Committee upon a proposal from the Audit and Control Committee.

The committee itself shall appoint its Chairman from among its independent directors.

The number of members and the powers and terms of reference of the committee are set out in the Regulations of the Board of Directors, and should favour the independence of its operation.

At present, the Appointments Committee is comprised of:

Name	Position	Type	Date of first appointment
Antonio Sáinz de Vicuña y Barroso	Chairman	Independent	1 March 2014 (1)
María Teresa Bassons Boncompte	Member	Proprietary	12 December 2013
María Amparo Moraleda Martínez	Member	Independent	24 April 2014
Óscar Calderón de Oya	Secretary (non-member)	-	1 January 2017
Adolfo Feijóo Rey	Second Deputy Secretary (non-member)	-	27 June 2011

(1) Re-elected and appointed Chairman on 24 April 2014

Terms of reference of the Appointments Committee

The Appointments Committee shall be validly assembled when the majority of its members attend in person or by proxy.

The resolutions passed by this committee will be adopted by a majority of the members attending in person or represented by proxy.

The Appointments Committee will prepare a report on its activity during the year, which will serve as the basis, among other inputs, for the Board's assessment of its performance.

The Appointments Committee met on 25 occasions in 2016, while in 2017 through to the date of this report it has met 11 times.

Functions of the Appointments Committee

Notwithstanding any other duties that may be ascribed to the committee by law, the Bylaws, the Regulations of the Board of Directors, or any other functions assigned to it by the Board of Directors, the Appointments Committee shall have the following basic responsibilities:

(i) Evaluating and proposing to the Board of Directors the assessment of skills, knowledge and experience required of Board members and key personnel at the Company.

(ii) Submitting to the Board of Directors proposals for the nomination of the independent directors to be appointed by co-option or for submission to the decision of the General Meeting, as well as the proposals for the reappointment or removal of those directors by the General Meeting.

(iii) Reporting proposed appointments of the remaining directors for their appointment by co-option or for their appointment to be decided at the General Meeting, as well as proposals for their re-election or removal at the General Meeting.

(iv) Reporting on the appointment and, as the case may be, dismissal of the Lead Director, the Secretary and the Deputy Secretaries for approval by the Board of Directors.

(v) Determining the most desirable profile for candidates of the various committees other than the Appointments Committee itself, based on their knowledge, aptitudes and experience, and presenting to the Board its proposed appointments to committees other than the Appointments Committee itself.

(vi) Reporting on proposals for appointment or removal of senior executives, 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, it is considered by the Committee that it should take the initiative. Proposing, if deemed appropriate, the basic terms of the contracts of senior executives other than their pay and remuneration, and reporting those terms once established.

(vii) Examining and organising, in collaboration with the Chairman of the Board of Directors, the succession of the latter and of the Company's chief executive and, as the case may be, sending proposals to the Board of Directors so that the succession process is suitably planned and takes place in orderly fashion.

(viii) Reporting to the Board on gender diversity issues, ensuring that the procedures for selecting its members favour a diversity of experience, knowledge, and facilitate the selection of female directors, and establish a representation target for the less represented sex on the Board of Directors as well as preparing guidelines on how this should be achieved.

(ix) Periodically evaluating, at least once a year, the structure, size, composition and actions of the Board of Directors and of its committees, its Chairman, CEO and Secretary, making recommendations regarding possible changes to these. Here, the committee shall act under the direction of the Lead Director when assessing the performance of the Chairman. Evaluating the composition of the Management Committee as well as its replacement lists to ensure proper coverage as members come and go.

(x) Assessing, as often as required by applicable regulations, the suitability of the various members of the Board of Directors and of the Board as a whole, and reporting to the Board of Directors on its findings.

(xi) Periodically reviewing the Board of Directors selection and appointment policy in relation to senior executives and making recommendations.

(xii) Considering the suggestions it receives from the Company's Chairman, Board members, executives and shareholders.

(xiii) Supervising and controlling the smooth operation of the Company's corporate governance system, making any proposals it deems necessary for its improvement.

(xiv) Monitoring the independence of the independent directors.

(xv) Proposing to the Board the Annual Corporate Governance Report.

(xvi) Supervising the Company's activities when it comes to corporate social responsibility and submitting to the Board any proposals it deems appropriate here.

(xvii) Verifying that the Board of Directors possesses a sufficient balance of knowledge, skills, diversity and experience and preparing a description of the duties and aptitudes that may be required for any specific appointment, while also evaluating the expected dedication of time for fulfilling the position.

The Appointments Committee can use the resources it considers appropriate to perform its duties, including authority to seek external advice, and it will have the funding needed for these purposes.

Remuneration Committee

Article 40 of the Bylaws and article 15 of the Regulations of the Board of Directors govern the composition, powers and terms of reference of the Company's Remuneration Committee.

<u>Composition of the Remuneration Committee</u>

The Bylaws and the Regulations of the Board of Directors envisage that the Remuneration Committee will permanently comprise a number of non-executive directors determined by the Board of Directors, from a minimum of three (3) to a maximum of five (5) members and with a majority of its members to be independent.

At present, the Remuneration Committee is comprised of:

Name	**Position**	**Type**	**Date of first appointment**
María Amparo Moraleda Martínez	Chairwoman	Independent	25 September 2014
Alain Minc	Member	Independent	18 December 2014
Maria Teresa Bassons Boncompte	Member	Proprietary	23 March 2017
Óscar Calderón de Oya	Secretary (non-member)	-	1 January 2017
Adolfo Feijóo Rey	Second Deputy Secretary (non-director)	-	25 September 2014

<u>Terms of reference of the Remuneration Committee</u>

The committee itself shall appoint its Chairman from among its independent directors.

The number of members and the powers and terms of reference of the committee are set out in the Regulations of the Board of Directors, and should favour the independence of its operation.

The Remuneration Committee shall be validly assembled when the majority of its members attend in person or by proxy.

The resolutions passed by this committee will be adopted by a majority of the members attending in person or represented by proxy.

The Remuneration Committee will prepare a report on its activity during the year, which will serve as the basis, among other inputs, for the Board's assessment of its performance.

The Remuneration Committee met on eight occasions in 2016, while in 2017 through to the date of this document it has met four times.

<u>Functions of the Remuneration Committee</u>

Notwithstanding the other functions attributed to it by law, the Bylaws, the Regulations of the Board of Directors, or any others that may be assigned by the Board of Directors, the Remuneration Committee will have the following basic responsibilities:

(i) Preparing decisions related to remuneration and, particularly, reporting and proposing to the Board of Directors the remuneration policy, the system and amounts of the yearly remuneration payable to directors and the Senior Management, as well as the individual remuneration of executive directors and Senior Managers, and the other conditions of their contracts, particularly the financial terms. This is notwithstanding the powers of the Appointments Committee in matters relating to any terms it may have proposed of a non-remunerative nature. For the purposes of these Bylaws, Senior Managers means the general managers or whoever discharges senior management functions while reporting directly of the Board, the Executive Committees or of the Chief Executive Officer and, in all cases, the Company's internal auditor.

(ii) Ensuring compliance with the remuneration policy for directors and Senior Managers and reporting on the basic terms set out in the contracts of those individuals.

(iii) Reporting and preparing the Company's general remuneration policy and in particular the policies relating to the categories of staff whose professional activities have a significant impact on the Company's risk profile and those that are intended to prevent or manage conflicts of interest with the Company's customers.

(iv) Analysing, formulating and periodically reviewing the remuneration programmes, weighing their adequacy and performance and ensuring compliance.

(v) Proposing to the Board the approval of the remuneration reports or policies that it is required to submit to the General Meeting as well as reporting to the Board on any remuneration-related proposals or motions the Board may intend to lay before the General Meeting.

(vi) Considering the suggestions it receives from the Company's Chairman, Board members, executives and shareholders.

NOTE: the rules on the figure of Lead Director, the majority composition of independent members on the Risk, Remuneration and Appointments Committees, and the functions of the Appointments Committee are all set out in the new version of the Bylaws ratified at the 2017 AGM and in the Regulations of the Board of Directors, which are pending authorisation by the competent body.

16.4. A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime

The Company's system of governance complies with and follows, in all material respects, the corporate governance guidelines, recommendations and practices of the Code of Good Governance for listed companies approved by the Spanish Securities Market Commission (CNMV), dated 18 February 2015.

The 2016 Annual Good Corporate Governance Report, which is incorporated herein by reference and which can be viewed on CaixaBank's website (https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/Informacion_Economica_Financiera/CABK_IAGC2016_es.pdf) and on the CNMV's own website (www.cnmv.es), shows and explains the Company's compliance with the recommendations contained in the Good of Good Corporate Governance.

Of the 64 Recommendations, CaixaBank COMPLIES IN FULL with 55 (fifty-five) and PARTIALLY with 5 (five). These partially observed recommendations are:

Recommendation 5, since the Annual General Meeting of 28 April 2016 passed a resolution to delegate powers to the Board to issue bonds, preference shares and any other fixed-income or similar securities or securities convertible into CaixaBank shares, with authority to disapply the pre-emptive subscription right. Accordingly, any rights issues the Board of Directors may approve under this authorisation are subject to the legal limit of 50% of capital, and therefore without the aforementioned restriction of 20% in relation to the disapplication of the pre-emptive subscription right, all the foregoing in order to make the Bank as flexible as possible when it comes to eligible instruments for its regulatory capital.

Recommendation 10, given that the rules for voting on a possible motion at the Annual General Meeting (AGM) submitted by shareholders are not the same as for proposals submitted by the Board.

Recommendation 27, because proxies for voting at Board meetings, when applicable, are granted without specific instructions as it is considered best practice.

Recommendation 31, because CaixaBank does not differentiate between Board members when establishing requirements to include a new proposal on the agenda for its meetings.

Recommendation 36, given that the self-assessment of the Board does not individually evaluate the performance of each director.

Meanwhile, CAIXABANK is NOT COMPLIANT with 2 (two) Recommendations: Recommendation 13, because the Board has a larger number of members than suggested, given its history and particular characteristics as well as the law and regulations to which it is subject; and Recommendation 62, because the shares delivered to executive directors as part of their annual bonus are subject to a 12-month lock-up period, but no further requirements after this period.

Lastly, 2 (two) of the Recommendations DO NOT APPLY to CaixaBank, since the bank itself is the only listed company at the CaixaBank Group and because there is no Lead Director at the Company at the date of this document, although it intends to nominate one in due course. As indeed happened on 22 June, when the Board of Directors agreed to appoint Francesc Xavier Vives Torrents (independent director) as its lead director.

The Recommendations with which the Company DOES NOT COMPLY (GROUP 1), PARTIALLY COMPLIES (GROUP 2) OR THOSE THAT ARE NOT APPLICABLE (GROUP 3) are explained in greater detail below:

Group 1: Recommendations with which the Company does not comply.

Recommendation 13

"The Board of Directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members."

At 31 December 2016 the Board of Directors comprised 18 members (with two vacancies).

The composition of the Board is deemed suitable to ensure maximum effectiveness and participation with a wide range of opinions.

The size of the Board is also deemed to be suitable given the Bank's history, namely that it was previously a savings bank with a 21-member board.

The current size and composition of the Board of Directors is justified, as well, by the need to include a certain number of independent directors and to comply with the shareholders agreement stemming from the merger with Banca Cívica. This agreement calls for the inclusion of two additional Board members representing the savings banks (currently banking foundations) acquired as a result of the merger.

Finally, and in compliance with new legal requirements, as the Bank has five board committees it requires a sufficient number of directors to avoid, if relevant, duplications therein. Therefore, despite the Bank exceeding the recommended number of directors, it considers this number to be appropriate as it ensures maximum effectiveness and participation of both the Board and its committees.

This notwithstanding, it is recorded that, in the framework of the amendment to the Integration Agreement between CaixaBank and Banca Cívica (Significant Event filing of 17 October 2016, reporting the amendment to Clause 5 of the Shareholders' Agreement between "la Caixa" Banking Foundation and the Foundations so that they could propose only one member of CaixaBank's Board of Directors), on 27 October the Caja Navarra Banking Foundation tendered its resignation from its position as director. Moreover, on 15 December 2016, Eva Aurín tendered her resignation as member of the Board of Directors and Alejandro García-Bragado Dalmau was appointed to the Board as a proprietary director, effective as of 1 January 2017. Therefore, the Board of Directors currently comprises 18 members (with one vacancy).

Recommendation 62

Following the award of shares, share options or other rights on shares derived from the remuneration system, directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.

The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.

The shares delivered as settlement of the annual bonus, and which are deferred over 3 years, are subject to a 12-month lock-up period after delivery and no minimum amount must be held once this period has concluded.

It was agreed at the Board meeting held on 17 November 2016 to approve the modification to the Policy on the Remuneration of Identified Staff so as to extend the deferral period from three to five years applicable from 2018 onward. This change has been made to comply with the EBA Guidelines on Remuneration Policies.

With regard to the prohibition on transferring the ownership of a number of shares equivalent to twice the fixed annual remuneration, in the case of CaixaBank it is not applied in this way. The purpose established in Principle 25 whereby the directors' remuneration favours the achievement of the business objectives and the company's best interest is also achieved through the existence of malus and clawback clauses and through the remuneration structure of the executive directors, whose remuneration in shares (corresponding to half the variable remuneration) is deferred with a 12 month restriction period, and this variable remuneration also represents a limited part of the total remuneration, which is fully consistent with the prudential principles of not providing an incentive for risk taking and with the alignment of objectives and the sustainable evolution of the Bank.

Group 2: Recommendations with which the Company partially complies.

. Recommendation 5

The Board of Directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without the pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When the Board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the Company shall immediately post on its website the reports required by applicable company law explaining why the right has been disapplied."

The Board of Directors, at a meeting held on 10 March 2016, agreed to propose to the General Meeting on 28 April the approval of an motion to delegate powers to the Board of Directors in order to issue bonds, preference shares and any other fixed income securities or instruments of a similar nature that are convertible into CaixaBank shares, or which directly or indirectly give the right to the subscription or acquisition of the company's shares, including warrants. The proposed delegation expressly included the power to disapply the pre-emptive subscription right of shareholders. This proposal was approved at the General Meeting held on 28 April 2016.

The capital increases that the Board of Directors may approve under this authorisation to carry out the conversion of shares in whose issuance the pre-emptive subscription right has been disapplied are not subject to the maximum limit of 20% of the share capital that the General Meeting of 23 April 2015 unanimously agreed for any capital increases that the Board of Directors may approve (the legal limit of 50% of the capital at the time of the approval does apply).

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 companies and Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, and Spanish Act 11/2015 of 18 June on the recovery and resolution of credit institutions and investment services companies, anticipate the need for credit entities to provide, in certain proportions, different instruments in the composition of their regulatory capital so that they can be considered suitably capitalised. Therefore, different capital categories are contemplated that must be covered by specific instruments. Despite the Company's adequate capital situation, it was deemed necessary to adopt an agreement that allows instruments to be issued that may eventually be convertible in certain cases. To the extent that the issuance of these instruments implies the need to have an authorised capital that, at the time of its issuance, covers a possible convertibility and in order to provide the company with greater flexibility, it was deemed convenient for the capital increases that the Board approves to be carried out under the delegation agreement in this report in order to address the conversion of shares in whose issuance the pre-emptive subscription right has been excluded, not being subject to the maximum limit of 20% of the capital which is applicable to all other capital increases that the Board is authorised to approve.

Recommendation 10

"When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

a) Immediately circulate the supplementary items and new proposals.

b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the Board of Directors.

c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the Board of Directors, with particular regard to presumptions or deductions about the direction of votes.

d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals."

With regard to section c), the Board agrees that there are different presumptions about the direction of the vote for proposals submitted by shareholders and those submitted by the Board (as established in the Regulations of the Company's General Meeting), opting for the presumption of a vote in favour of agreements proposed by the Board of Directors (because the shareholders absent for the vote have had the opportunity to record their absence so their vote is not counted and they can also vote early in another direction through the mechanisms established for that purpose) and for the presumption of a vote against agreements proposed by shareholders (since there is a probability that the new proposals will deal with agreements that are contradictory to the proposals submitted by the Board of Directors and it is impossible to attribute opposite directions for their votes to the same shareholder. Additionally, shareholders who were absent have not had the opportunity to assess and vote early on the proposal).

Although this practice does not reflect the wording of Recommendation 10, it does better achieve the final objective of Principle 7 of the Good Governance Code which makes express reference to the Corporate Governance Principles of the OECD, which outline that the procedures used in Shareholders' Meetings must ensure the transparency of the count and the adequate registration of votes, especially in situations of voting battles, new items on the agenda and alternative proposals, because it is a measure of transparency and a guarantee of consistency when exercising voting rights.

Recommendation 27

"Director absences should be kept to a strict minimum and quantified in the Annual Corporate Governance Report. In the event of an absence, directors should delegate their powers of representation with the appropriate instructions."

In the case of inevitable absences, in order to prevent de facto changes to the balance of the Board of Directors the legislation allows a proxy to be granted to another director (non-executives only to other non-executives) - this is established in Principle 14 of the Good Governance Code and also contained in article 16 of the Board's Regulations, which determines that directors must personally attend Board meetings. However, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein. Non-executive directors can only delegate to another non-executive director.

The Board of Directors considers, as good corporate governance practice, that in the cases where it is impossible to attend, proxies when they occur do not generally come with specific instructions. This does not amend, de facto, the balance of the Board given that by law, the delegations of non-executive directors may only be made to other non-executive directors and it must be remembered that, regardless of their type, the director must always defend the company's best interest.

Moreover, and reflecting the freedom of each director who may also delegate with the appropriate instructions as suggested in the Board's Regulations, the decision to delegate without instructions represents each director's freedom to consider what provides most value to their proxy and they may finally decide on the basis that they want to allow their proxy to adapt to the result of the debate in the Board. This, in addition, is line in line with the law on the powers of the Chairman of Board, who is given, among others, the responsibility of encouraging a good level of debate and the active involvement of all directors, safeguarding their right to adopt any position or stance they see fit.

Therefore, the freedom to grant proxies with or without specific instructions, at the discretion of each director, is considered good practice and, specifically, the absence of instructions is seen as facilitating the proxy's ability to adapt to the content of the debate.

Recommendation 31

The agendas of Board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the Chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.

In accordance with that established in article 25.g) of the Board's Regulations, no additional requirement is established for Board members to include a new proposal on the agenda of their meetings as a result of their status as Chairman, Deputy Chairman or Chief Executive Officer. Equal treatment in terms of this prerogative is considered to be a measure that encourages the participation of all members and takes into account the importance of all board members regardless of any category or condition they exercise when defending the Company's best interest.

Recommendation 36

The Board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

a) *The quality and efficiency of the Board's operation.*

b) *The performance and membership of its committees.*

c) *The diversity of Board membership and competences.*

d) *The performance of the Chairman of the Board of Directors and the company's Chief Executive.*

e) *The performance and contribution of individual directors, with particular attention to the chairmen of Board committees.*

The evaluation of Board committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report of the Appointments Committee.

Every three years, the Board of Directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the Appointments Committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the Annual Corporate Governance Report.

The process followed and areas evaluated should be detailed in the Annual Corporate Governance Report.

Once a year, the Board sitting in plenary session evaluates the quality and efficiency of the Board's operation, the diversity in its composition, its powers as a collegiate body, the performance of the Chairman and the Chief Executive Officer and the performance and membership of its committees. However, no individual assessment of each director is carried out as regards their performance or contribution to the Board or the Company. Individual performance assessments are not considered to be a practice that adds value to the awareness of any possible deficiencies in the functioning of the Board as a collegiate body, except for the cases of the Chairman and Chief Executive Officer, who have specific and individualised tasks that are suitable for performance assessment.

Similarly, taking into account the provisions of Recommendation 36, the Board has made the decision to seek the assistance of a third party (previously approved by the Appointments Committee) to carry out its assessment for 2017.

Group 3: Recommendations that do not apply at the Company.

Recommendation 2

When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:

The activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies.

The mechanisms in place to resolve possible conflicts of interest.

Not applicable in the case of CaixaBank, since the Bank is the only listed company belonging to the Group.

Recommendation 34

When a lead independent director has been appointed, the Bylaws or Regulations of the Board of Directors should grant him or her the following powers over and above those conferred by law: chair the Board of Directors in the absence of the Chairman or Deputy Chairmen; give voice to the concerns of non-executive directors; maintain contact with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the Company's corporate governance; and coordinate the Chairman's succession plan.

At CaixaBank, the positions of Board chairman and chief executive are held by two different persons, meaning there is no risk of excessive power becoming vested in the hands of a single person.

As such, the balancing measure suggested in Principle 16 of appointing a lead director from among the independent directors has yet to be put in place as there is no need to counteract any excessive concentration of powers on the Board.

However, to complete the prudential deconsolidation between Criteria Caixa and CaixaBank (Significant Event filing of May 2016), Criteria Caixa has agreed with the European Central Bank to appoint a lead director from among CaixaBank's independent directors. This lead independent director will have broad powers, including authority to liaise with shareholders on matters relating to corporate governance.

It is therefore likely that in the near future the Board of Directors will resolve to appoint a lead director from among its independent directors in order to comply with the requirements for prudential deconsolidation, with this lead director to have the duties and responsibilities set out in Recommendation 34.

On 22 June 2017, CaixaBank's Board of Directors agreed to appoint Francesc Xavier Vives Torrents (independent director) as lead director, in view of a report issued by the Appointments Committee supporting his appointment. This appointment shall take effect once the modification to the Bylaws approved by the Annual General Meeting on 6 April 2017 (Significant Event filing 250402) is authorised by the European Central Bank.

17. EMPLOYEES

17.1. Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year

The following table shows the number of employees of the CAIXABANK Group at the end of the financial years in question, broken down by main category of activity:

	2016	2015	2014
CAIXABANK individual	29,990	29,972	28,984
Senior Management[1]	*217*	*195*	*184*
Middle management	*5,549*	*5,623*	*5,677*
Technicians and specialists	*12,441*	*12,273*	*12,430*
Back office staff	*11,783*	*11,881*	*10,693*
Insurance Group	502	450	639
Collective investment and securities companies	174	174	149
Specialised financing companies	938	868	733
Real estate services companies	254	207	172
IT and new technologies companies	334	316	300
Other companies	211	255	233
Total workforce - CAIXABANK Group	**32,403**	**32,242**	**31,210**
Percentage of women - CAIXABANK Group	**52.3%**	**52.3%**	**51.4%**

[1] For these purposes, Senior Management means the members of the Management Committee as well as any other executive officers at CaixaBank.

Geographical distribution of the workforce - CaixaBank individual (at 31 December 2016):

Álava	118	Las Palmas	451
Albacete	87	León	149

Alicante	670	Lleida	481
Almería	170	Lugo	70
Asturias	260	Madrid	3,745
Ávila	44	Malaga	534
Badajoz	181	Melilla	9
Balearic Islands	948	Murcia	551
Barcelona	8,097	Navarra	856
Burgos	494	Orense	63
Cáceres	90	Palencia	68
Cádiz	818	Pontevedra	297
Cantabria	212	Salamanca	83
Castellón	214	Segovia	43
Ceuta	18	Seville	1,952
Ciudad Real	132	Soria	22
Córdoba	340	Sta. Cruz de Tenerife	951
Cuenca	42	Tarragona	858
Girona	943	Teruel	24
Granada	351	Toledo	204
Guadalajara	192	Valencia	1,329
Guipúzcoa	216	Valladolid	184
Huelva	505	Vizcaya	552
Huesca	68	Zamora	32
Jaén	250	Zaragoza	414
La Coruña	372	**Subtotal**	29,891
La Rioja	137	Abroad	99
		Total	**29,990**

The following table shows the main workforce changes over the course of 2016.

2016	Hirings	Departures	Total change

2016	Hirings	Departures	Total change
CAIXABANK individual	1,619	1,601	18
CAIXABANK Group companies	455	312	143
Total - CAIXABANK Group	**Net change**		**161**

At the close of 2016, the headcount at CaixaBank stand-alone was 29,990 persons, revealing a year-on-year increase of 18 workers.

At 31 March 2017, and following the incorporation of Banco BPI and Subsidiaries (+5,445), the total headcount at the CAIXABANK Group stood at 37,620 employees. For CaixaBank stand-alone, the figure at that same date was 29,701 employees.

17.2. Shareholdings and stock options

The following table shows the shareholdings in the Company held or controlled by the members of its Board of Directors and members of its Management Committee, as well as their percentage of the Company's capital of the Company, at the date of this document and based on the information available to CAIXABANK.

Director	No. of shares			Percentage of capital
	Held directly	Held indirectly	Total	
Jordi Gual Solé	51,191	0	51,191	0,001%
Antonio Massanell Lavilla	119,251	0	119,251	0,002%
Gonzalo Gortázar Rotaeche	602,473	0	602,473	0,010%
Mª Teresa Bassons Boncompte	19,369	0	19,369	0,000%
Fundación Caja Canarias	38,237,375	0	38,237,375	0,639%
María Verónica Fisas Vergés	0	0	0	0,000%
Alejandro García-Bragado Dalmau	3,718	0	3,718	0,000%
Ignacio Garralda Ruiz de Velasco	0	0	0	0,000%
Javier Ibarz Alegría	13,058	0	13,058	0,000%
Alain Minc	12,932	0	12,932	0,000%
Maria Amparo Moraleda Martínez	0	0	0	0,000%
John S. Reed	12,564	0	12,564	0,000%
Joan Rosell Lastortras(*)	0	42,031	42,031	0,001%
Antonio Sainz de Vicuña y Barroso	609	0	609	0,000%
José Serna Masiá(**)	2,040	10,462	12,502	0,000%
Koro Usarraga Unsain	0	0	0	0,000%
Francesc Xavier Vives Torrents	3,345	0	3,345	0,000%
TOTAL	**39,077,925**	**52,493**	**39,130,418**	**0,654%**

(*) The holders of the indirect stake are Civislar, S.A. and Congost, S.A.
(**) The holder of the indirect stake is Soledad García-Conde Angoso

Senior managers not sitting on the Board of Directors				
Name	**No. of shares**			**Percentage of capital**
	Held directly	**Held indirectly**	**Total**	
				5,981,438,031
Juan Antonio Alcaraz	55,596	0	55,596	0,001%
Matthias Bulach	0	0	0	0,000%
Óscar Calderón	21,712	0	21,712	0,000%
Francesc Xavier Coll	39,286	0	39,286	0,001%
Jordi Fontanals	22,885	0	22,885	0,000%
Pablo Forero	49,971	0	49,971	0,001%
Mª Luisa Martínez	5,951	0	5,951	0,000%
Maria Victoria Matía	35,670	0	35,670	0,001%
Jorge Mondéjar López	45,710	0	45,710	0,001%
Tomás Muniesa	124,439	0	124,439	0,002%
Javier Pano(1)	35,954	892	36,846	0,001%
Joaquín Vilar(2)	44,574	4,477	49,051	0,001%
TOTAL	481,748	5,369	487,117	0,008%

(1) Mr Pano holds his indirect stake through his spouse.

(2) Mr Vilar holds his indirect stake through his spouse.

17.3. <u>Description of any arrangements for involving the employees in the capital of the issuer</u>

There are currently two schemes in place at CaixaBank whereby executive directors, senior managers and certain key employees can receive shares in the Bank: a long-term variable remuneration plan based on shares and the risk-adjusted variable remuneration scheme for Identified Staff at the CaixaBank Group. Both are described in detail below:

Long-term share-based variable remuneration plan for executive directors, members of the Management Committee, the rest of the management team and key employees at the Group.

The Annual General Meeting held on 23 April 2015 approved a long-term variable remuneration plan for executive directors, members of the Management Committee, the rest of the management team and key employees at the CaixaBank Group, the foregoing in accordance with the terms of article 219 of the Spanish Corporate Enterprises Act, article 34 of the Bylaws and the remuneration plan for directors.

The Plan, linked to CaixaBank's 2015-2018 Strategic Plan, was approved with the following basic features, all to be implemented in the Regulations on the Long-Term Variable Remuneration Plan approved by the Board of Directors.

Following the review of the Strategic Plan and its objectives approved on 1 February 2017 by the Board of Directors, the decision was reached at a meeting held on 25 May 2017 to modify the Regulations of the Long-Term Incentives Plan accordingly by updating the ROTE and the Cost-to-Income Ratio to the new objectives proposed.

1. Description and object of the Plan

The Plan will allow its beneficiaries to receive, after a specified period of time, a given number of common shares in CaixaBank, provided certain strategic objectives of the Company are met, the requirements for which are set out in the Plan Regulations.

Under the plan, a certain number of units are awarded to each Beneficiary free of charge. These units then serve as the basis to calculate the number of CaixaBank shares to be given, if any, to each plan Beneficiary, depending on the degree of fulfilment of certain targets.

The plan does not confer the status of Company shareholder on the Beneficiaries, meaning therefore the units do not confer economic or voting rights regarding Company shares or any other shareholder rights.

The rights are also conferred *intuitu personae* and cannot therefore be transferred except for in the special situations envisioned in the Regulations approved by the Company's Board of Directors.

2.- Beneficiaries

The beneficiaries of the plan will be the members of the Management Committee and the rest of the management team and key employees of CaixaBank who are expressly invited to take part by the Board of Directors, on the proposal of the Remuneration Committee, as well as the members of the Board of Directors who have executive functions. Moreover, the Bank's Board of Directors may, acting in CaixaBank's interests, allow certain key employees at CaixaBank Group companies to be included as beneficiaries of the plan under the same conditions as CaixaBank's own beneficiaries.

The maximum estimated number of beneficiaries of the Plan authorised under this resolution amounts to eighty (80), including in that number any new beneficiaries invited to take part in the plan while it remains in effect.

The following executive directors are included as beneficiaries under the plan:

Gonzalo Gortázar Rotaeche – Chief Executive Officer

Antonio Massanell Lavilla – Deputy Chairman

3.- Duration and settlement of the Plan

The measurement period for the plan runs from 1 January 2015 through to 31 December 2018.

The plan will end on 31 December 2018, without prejudice to the effective settlement of the plan, which will take place in June 2019.

4.- Determining the number of units to be assigned to each Beneficiary

In order to determine the Units to be assigned to each Beneficiary (which will be notified to each Beneficiary in a Letter of Invitation), the following will be taken into account: (i) a reference "target" amount, which will be determined on the basis of the Beneficiary's professional function; and (ii) the arithmetic mean price rounded to the third decimal place of the closing price of the CaixaBank share in the corresponding stock market sessions during the month of February 2015. The Units to be assigned to each Beneficiary will be determined using the following formula:

$$\boxed{N.U. = TA/AAP}$$

where:

N.U. = Number of Units to be allocated to each Beneficiary, rounded up to the nearest whole number.

TA = the Target Amount for the Beneficiary, based on their professional category.

AAP = the Arithmetic Average Price of CaixaBank's closing share prices in stock market sessions in February 2015.

The Board of Directors, at the proposal of the Remuneration Committee, may assign new Units, incorporate new beneficiaries or increase the number of Units initially granted to the beneficiaries, doing so once a year in January, except in the case of Board members, for whom it will be the General Meeting that assigns new Units.

The TA for executive directors is set at EUR 800,000 for Gonzalo Gortázar Rotaeche and EUR 500,000 for Antonio Massanell Lavilla.

5.- Determining the number of shares to be delivered on settlement of the

Plan

The total number of shares to be delivered to each Beneficiary on the settlement date will be determined using the following formula:

$$\boxed{N.S. = N.U. \times DIA}$$

where:

N.S. = Number of Company shares to be delivered to each Beneficiary on the Plan Settlement

Date, rounded up to the nearest whole number.

N.U. = Number of Units allocated to the Beneficiary.

DIA = Degree of incentive attainment, meaning the extent to which the Plan objectives have been met, to be calculated in accordance with section 8 below.

The maximum amount of shares herein authorised also takes into account the shares necessary to be able to award new Units to new Beneficiaries or to grant new Units to existing Beneficiaries. Any such allocation must be agreed upon by the Company's Board of Directors, in view of a report from the Remuneration Committee supporting that allocation, except in the case of executive directors, whose allocation must be approved by shareholders at the General Meeting.

6.- Maximum number of shares to be delivered

According to the terms of the preceding paragraphs, it is estimated that the maximum number of shares awarded under the Plan to all Beneficiaries will be 3,943,275, of which 261,578 correspond to Gonzalo Gortázar Rotaeche and 163,486 to Antonio Massanell Lavilla. The allocation of shares is planned for the first half of 2019. However, and given the possibility that the Plan may be settled early, the shares may be delivered in any of the years prior to 2019, subject to the same maximum annual limit as that anticipated for the entire duration and settlement of the Plan and in no case may the sum of the allocations exceed the maximum limit set.

This is the maximum number of shares that can be delivered assuming the maximum coefficients for objective attainment are met.

7.- Value of the shares to be taken as a reference

The value of the shares that will serve as a reference for the Plan will be the arithmetic average price, rounded to three decimal places, of the closing prices of the CaixaBank share for the trading sessions corresponding to February 2015, that is, EUR 3,982/share.

8.- Metrics

The Degree of Incentive Attainment (DIA) will depend on the extent to which the Plan objectives are accomplished.

The actual number of CaixaBank shares to be delivered to each Beneficiary on the Settlement Date, assuming the relevant conditions are met, will depend on: (i) the Bank's Total Shareholder Return (hereinafter, **"TSR"**) in comparison with the same indicator for 19 peer banks (20 banks in total, including CaixaBank); (ii) the *Bank's Return on Tangible Equity* (hereinafter, **"ROTE"**); and (iii) the Bank's Cost-to-Income Ratio (hereinafter, **"CIR"**), all these being the Company's key metrics.

- TSR: difference (expressed as a percentage) between the final value of the investment in common shares and the initial vale of that investment, taking into account that for the calculation of that final value, dividends and other similar items (such as scrip dividends) received by the shareholder on that investment during the corresponding period of time will be counted.

A coefficient of between 0 and 1.5 will be used, depending on where CaixaBank ranks in the selected sample of 20 comparable peer banks:

If CaixaBank's position in the TSR ranking is between 1 and 3, the TSR coefficient = 1.5.
If CaixaBank's position in the TSR ranking is between 4 and 6, the TSR coefficient = 1.2.
If CaixaBank's position in the TSR ranking is between 7 and 9, the TSR coefficient = 1.
If CaixaBank's position in the TSR ranking is between 10 and 12, the TSR coefficient = 0.5.
If CaixaBank's position in the TSR ranking is between 13 and 20, the TSR coefficient = 0.

The reference banks taken into consideration with regard to the TSR, for the purposes of this Plan (the "Comparison Group") are Santander, BNP, BBVA, ING Groep NV-CVA, Intesa Sanpaolo, Deutsche Bank AGRegistered, Unicredit SPA, Crédit Agricole SA, Société Générale SA, KBC Groep NV, Natixis, Commerzbank AG, Bank of Ireland, Banco Sabadell SA, Erste Group Bank AG, Banco Popular Español, Mediobanca SPA, Bankinter SA and Bankia SA.

With a view to avoiding atypical movements in the indicator, the reference values used, both on the date immediately preceding the start of the Measurement Period (31 December 2014) and on the end date of the Measurement Period (31 December 2018), will be the arithmetic mean price rounded to three decimal places of the closing prices of the shares in 31 stock market sessions. These 31 sessions will comprise the 31 December session and the 15 sessions immediately preceding and following this date.

- ROTE: return on tangible equity during the Measurement Period. This formula does not include intangible assets or goodwill as part of the Company's equity.

A coefficient of between 0 and 1.2 will be used for the ROTE metric, based on the following scales:

1 January 2015 to 31 December 2016:

If the 2018 ROTE is $\geq$ 14: ROTE coefficient = 1.2
If the 2018 ROTE is = 12: ROTE coefficient = 1
If the 2018 ROTE is = 10: ROTE coefficient = 0.8
If the 2018 ROTE is < 10: ROTE coefficient = 0

1 January 2017 to 31 December 2018:

If the 2018 ROTE is $\geq$ 9: ROTE coefficient = 1.2
If the 2018 ROTE is = 8: ROTE coefficient = 1
If the 2018 ROTE is = 7: ROTE coefficient = 0.8
If the 2018 ROTE is < 7: ROTE coefficient = 0

The degree of achievement of the incentive arising from the ROTE target will be calculated, following the above tables, by linear interpolation for each period.

In both cases, average ROTE will be calculated between 31 December 2017 and 31 December 2018.

- CIR: percentage of income consumed by costs. This is calculated as the percentage ratio between ordinary operating income and costs.

A coefficient of between 0 and 1.2 will be used for the CIR metric, based on the following scales:

1 January 2015 to 31 December 2016:

If 2018 CIR $\leq$ 43: CIR coefficient = 1.2
If 2018 CIR = 45: CIR coefficient = 1
If 2018 CIR = 47: CIR coefficient = 0.8
If 2018 CIR > 47: CIR coefficient = 0

1 January 2017 to 31 December 2018:

If 2018 CIR $\leq$ 53: CIR coefficient = 1.2
If 2018 CIR = 55: CIR coefficient = 1
If 2018 CIR = 57: CIR coefficient = 0.8
If 2018 CIR > 57: CIR coefficient = 0

The degree of achievement of the incentive arising from the CIR target will be calculated, following the above tables, by linear interpolation for each period.

In both cases for the CIR metric, the value at 31 December 2018 will be used.

The Degree of Incentive Attainment will be determined on the basis of the following formula, with the weightings included in it:

$$\boxed{DIA = A_{TSR} \times 34\% + A_{ROTE} \times 33\% + A_{CIR} \times 33\%}$$

where:

DIA = Degree of Incentive Attainment expressed as a percentage.

ATSR = Attainment of TSR versus target TSR, based on the scale established for the TSR target in this section.

AROTE = Attainment of ROTE versus target ROTE, based on the scales established for the ROTE target in this section.

ACIR = Attainment of CIR versus target CIR, based on the scales established for the CIR target in this section.

The TSR metric will be calculated by a reputable and well-respected independent expert at the end of the Plan, at the Bank's request. The Bank itself will calculate the ROTE and CIR metrics, which will be audited as part of Bank's financial statements.

9.- Requirements for obtaining the shares

The requirements for the Beneficiary to receive shares under the Plan are as follows:

1. They must comply with the objectives set for them under the Plan, subject to the terms and conditions described.

2. The Beneficiary must remain at the Company until the End Date of the Plan, except in special circumstances, such as death, permanent disability, retirement, and the other circumstances set out in the Plan

regulations. Any such circumstance must be approved by the Company's Board of Directors. Therefore, the Beneficiary will forfeit their entitlement to shares under the Plan in the event of resignation or fair dismissal.

The shares will be delivered in all cases on the date established for Beneficiaries of the Plan, in accordance with the requirements and procedures laid out in the Plan.

The Plan will only be settled and the shares delivered if doing so is sustainable and justified in light of the Company's prevailing situation and results. The shares under this Plan will not be delivered to the Beneficiaries - who will forfeit any right to receive them - in the event that CaixaBank reports a loss, does not distribute a dividend or fails the stress tests required by the European Banking Authority, in the year of the Plan End Date or Settlement Date.

10.- Delivery of shares and availability

The relevant number of shares under the Plan will be delivered to the Beneficiary in book entry form, or via the applicable stock exchange procedure, and will be recorded in their securities account.

The shares received under this Plan will be fully paid up, stock market quoted, free and clear of all liens and encumbrances and their holders will not be subject to any limitations or restrictions beyond those generally applicable to all Company shareholders, whether by contract, the Bylaws or at law.

Beneficiaries may not carry out any hedging transactions in relation to any shares they may receive under this Plan.

Settlement of the Plan, the procedure for delivering the shares resulting from this Plan and the requirements for their subsequent transfer will all be subject to and dependent on the conditions and requirements regarding payment of variable remuneration to executive directors, senior managers and members of the Identified Staff prescribed by the LOSS and its implementing regulations, Banco de España, the European Banking Authority or any other competent body. These limitations may include the obligation to hold the shares received (net of the corresponding payment on account of personal income tax) for a period of three years from their delivery. The Beneficiary may dispose of the shares in thirds from the year following their delivery.

11.- Early settlement events or modification of the Plan

The Plan may be terminated ahead of schedule or modified in the event of a change of control at the Company or in light of events that, in the opinion of the Board of Directors, significantly impact the Plan.

12.- Malus and clawback clause

Variable remuneration under the Plan will be subject, with regard to executive directors and the other Plan Beneficiaries belonging to the Company's Identified Staff, to the same malus and clawback provisions as those established for variable remuneration in the remuneration policy in effect from time to time.

13.- Adaptation to regulatory requirements

The Board of Directors has authority to make the relevant decisions to ensure the correct management and administration of the Plan, at the proposal of the Remuneration Committee. More specifically, it may modify Plan conditions when the Plan must be adapted in order to comply with legal requirements or interpretations or requirements regarding future or current regulations emanating from any competent authority, especially, but not limited to Banco de España or the European Banking Authority.

System of risk-adjusted annual variable remuneration for the Identified Staff at the CaixaBank Group.

Following the entry into force of new regulations such as Spanish Royal Decree 84/2015, implementing Act 10/2014, of 26 June, on the structuring, supervision and solvency of credit institutions, Circular 2/2016 of Banco de España, or the EBA Guidelines on the Remuneration Policies, CAIXABANK has reviewed and brought its remuneration policies in line with those regulations while aligning itself with trends and practices observed internationally.

Accordingly, CaixaBank's Board of Directors approved the Remuneration Policy for Identified Staff at the CaixaBank Group and the General Meeting of 6 April 2017 approved the Remuneration Policy of the Board of Directors of CaixaBank. Both documents set out the risk-adjusted variable remuneration system for executive directors, the Senior Management and the categories of staff whose professional activities have a significant impact on an entity's risk profile, according to Commission Delegated Regulation (EU) No. 604/2014 of 4 March 2014.

The risk-adjustment of variable remuneration and the deferral system pursue the following main objectives:

- Adjusting the amount of variable remuneration to the risks taken by employees in achieving the objectives in place and the global results of CaixaBank.
- Adjusting the amount of variable remuneration payable to each employee in the event that the risks assumed by CaixaBank materialise.
- Enhance employee engagement at CaixaBank through the delivery of shares in the Company.

This system is linked to the existing variable remuneration schemes and does not constitute an additional remuneration mechanism; instead it modifies the manner in which the amount to be received is valued and the settlement method, replacing payment in cash of part of the variable remuneration with the deferred and conditional delivery of shares.

For the Senior Management and executive directors, the bonus deferral and share delivery system is as follows:

- Direct payment: 50% of each variable pay item (in cash and shares) will be paid before the end of February. In the case of executive directors, the non-deferred remuneration percentage is lowered to 40%.
- Deferral: payment of 50% of each variable pay item (in cash and shares) will be deferred over five (5) years, from the 2017 bonus plan onward, with a fifth of the total amount to be paid out each year. In the case of executive directors, the deferred remuneration percentage will be increased to 60%.
- For each variable remuneration payment, settlement will be 50% in cash and 50% in shares, once the corresponding taxes (or withholdings) have been paid.
- A series of scenarios are established which in certain cases may reduce, nullify or even lead to the clawback of the deferred variable remuneration.
- All shares delivered will be subject to a lock-up period preventing their sale for one year from acquiring the right.

Based on the above, the Annual General Meeting passed the following resolutions:

- Annual General Meeting held on 6 April 2017: the total maximum amount payable in shares to the executive directors and senior executives in 2018 and the three following years, under the 2017 variable remuneration scheme, is estimated at EUR 1,391,982, before tax and withholdings, assuming that this group and the target bonus amount remain unchanged.

The maximum number of shares to be delivered, net of taxes and withholdings, will be this estimated maximum amount divided by the Company's share price at the close of 15 February 2018 or, as the case may be, the previous trading day.

The resolution of the Annual General Meeting held on 6 April 2017 delegates powers to the Board of Directors.

- Annual General Meeting held on 28 April 2016: the total maximum amount payable in shares to the executive directors and senior executives in 2017 and the three following years, under the 2016 variable remuneration scheme, is estimated at EUR 1,347,000, before tax and withholdings, assuming that this group and the target bonus amount remain unchanged.

The maximum number of shares to be delivered, net of taxes and withholdings, was the ratio between this estimated maximum amount and the Company's share price at the close of 15 February 2017 or, as the case may be, the previous trading day. The price was set at EUR 3,401 (close at 15 February 2017), meaning the maximum number of shares resulting from the calculation was 396,059.

- Annual General Meeting held on 23 April 2015: the total maximum amount payable in shares to the executive directors and senior executives in 2016 and the three following years, under the 2015 variable remuneration scheme, is estimated at EUR 1,277,400, before tax and withholdings, assuming that this group and the target bonus amount remain unchanged.

The maximum number of shares to be delivered, net of taxes and withholdings, was the ratio between this estimated maximum amount and the Company's share price at the close of 15 February 2016 or, as the case may be, the previous trading day. The price was set at EUR 2,577 (close at 15 February 2016), meaning the maximum number of shares resulting from the calculation was 495,693.

- Annual General Meeting held on 24 April 2014: The total maximum amount payable in shares to the Deputy Chairman, CEO and senior managers in 2015 and the three following years under the 2014 variable remuneration scheme is estimated at EUR 1,347,600, before tax and withholdings, assuming that this group and the target bonus amount remain unchanged.

The maximum number of shares to be delivered, net of taxes and withholdings, was the ratio between this estimated maximum amount and the Company's share price at the close of 15 February 2015 or, as the case may be, the previous trading day. The price was set at EUR 4,117 (close at 13 February 2015), meaning the maximum number of shares resulting from the calculation was 327,325.

- Annual General Meeting held on 25 April 2013: The total maximum amount payable in shares to the Deputy Chairman, CEO and senior managers in 2014 and the three following years under the 2013 variable remuneration scheme is estimated at EUR 1,195,800, before tax and withholdings, assuming that this group and the target bonus amount remain unchanged.

The maximum number of shares to be delivered, net of taxes and withholdings, was the ratio between this estimated maximum amount and the Company's share price at the close of 15 February 2014 or, as the case may be, the previous trading day. The price was set at EUR 4,742 (close at 14 February 2014), meaning the maximum number of shares resulting from the calculation was 252,172.

The variable annual remuneration scheme for executive directors and members of the Management Committee for 2013, 2014, 2015 and 2016 during 2017 year-to-date, is as follows:

2013 Plan		**2014 Plan**		**2015 Plan**		**2016 Plan**	
No. of shares delivered, net	**Deferred for 2013, pending delivery**	**No. of shares delivered, net**	**Deferred for 2014, pending delivery**	**No. of shares delivered, net**	**Deferred for 2015, pending delivery**	**No. of shares delivered, net**	**Deferred for 2016, pending delivery**
107,782	0	94,634	34,590	128,595	117,886	94,154	178,864

The number of shares currently held by the members of the Management Committee is set out in section 17.2 of this document.

18. <u>MAJOR SHAREHOLDERS</u>

Translation for information purposes only, in case of discrepancy between this English version and the original Spanish version of the Registration Document, the Spanish version shall prevail.

18.1. <u>In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, an appropriate negative statement</u>

Name or corporate name of the shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
FUNDACIÓN BANCARIA LA CAIXA (at 9 February 2017)	3,493	2,392,575,212	40.00%
INVESCO LIMITED (at 2 November 2015)	0	58,429,063	1.00%
BLACKROCK, INC (at 13 June 2017)	0	180,215,128	3,013%*

The date of the last communication to the CNMV is stated next to the name of each company.

(*) This percentage could climb to 3.11% if the relevant financial instruments are exercised

Name or corporate name of indirect shareholder	Held through: Name or corporate name of the direct shareholder	Number of voting rights
FUNDACIÓN BANCARIA LA CAIXA (at 9 February 2017)	CRITERIA CAIXA, SAU	2,392,575,212
INVESCO LIMITED (at 2 November 2015)	INVESCO ASSET MANAGEMENT LIMITED	52,428,870
INVESCO LIMITED (at 2 November 2015)	OTHER ENTITIES TOTAL STAKE (INDIVIDUALLY ADMITTED TO TRADING UNDER SECTION 10)	6,000,193
BLACKROCK, INC (shares, securities lent and contract for difference) – at 13 June 2017	CONTROLLED ENTITIES WHOSE INDIVIDUAL STAKE, IN SHARES AND FINANCIAL INSTRUMENTS, DOES NOT REACH 3% OR 1% FOR TAX HAVEN RESIDENTS	180,215,128 - shares 5,227,442– Securities lent and 604,558 – Contract for difference in cash settlement

*The date of the last communication to the CNMV is stated next to the name of each company.

CaixaBank's majority shareholder is CriteriaCaixa (40% at 6 February 2017). Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" Banking Foundation controls Criteria Caixa, S.A.U.

According to the conditions established by the European Central Bank, Criteria Caixa, S.A.U. is considered to control CaixaBank, S.A. for prudential purposes.

Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" Banking Foundation controls Criteria Caixa, S.A.U.

According to the conditions established by the European Central Bank, Criteria Caixa, S.A.U. is considered to control CaixaBank, S.A. for prudential purposes.

It should also be noted that on 26 May 2016, CriteriaCaixa reported that it had consulted the European Central Bank (ECB) on the precise conditions under which it would be deemed to have relinquished control of CaixaBank so as to entail the effective deconsolidation of CaixaBank from CriteriaCaixa for prudential purposes. The ECB then proceeded to communicate the conditions under which it would consider that CriteriaCaixa had relinquished control over CaixaBank for prudential purposes. The relevant conditions prescribed by the ECB include the voting and dividend rights of CriteriaCaixa at CaixaBank not exceeding 40% of the total voting and dividend rights.

CriteriaCaixa also reported that the Board of Directors of both ”la Caixa” Banking Foundation and CriteriaCaixa had agreed to place on record their intent to comply, before the end of 2017, with the aforementioned conditions such that the prudential deconsolidation of CriteriaCaixa with respect to the CaixaBank Group may proceed.

A) Regarding the controlling shareholder:

As mentioned earlier, Caixa d’Estalvis i Pensions de Barcelona, ”la Caixa”, Banking Foundation is the controlling shareholder of Criteria Caixa, S.A.U. and, under the terms established by the European Central Bank, Criteria Caixa, S.A.U. is deemed to exercise control over CaixaBank, S.A. for prudential purposes.

Nevertheless, CriteriaCaixa reported to the CNMV and to the market that the governing bodies of both ”la Caixa” Banking Foundation and CriteriaCaixa had agreed to place on record their intent to comply with the conditions prescribed by the ECB so as to bring about the prudential deconsolidation of CriteriaCaixa from CaixaBank Group before the end of 2017.

To enhance transparency and good governance at the Company, and in line with Recommendation 2 of the Unified Code of Good Governance, CaixaBank and ”la Caixa” Banking Foundation, as its controlling shareholder, signed an Internal Relations Protocol, which has been novated on various occasions to reflect the changes in the Group’s structure.

The initial protocol, which was signed when the Company (previously called Criteria CaixaCorp, S.A.) was listed on the stock market, was replaced by a new protocol resulting from the restructuring process 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 Monte de Piedad’s business activity to CaixaBank, the protocol was amended by means of a novation agreement to remove the reference to the exceptionality of Monte de Piedad’s indirect activity.

The protocol was intended to regulate the basic principles governing relations between ”la Caixa” and CaixaBank; define the main areas of activity of CaixaBank, bearing in mind that CaixaBank is the vehicle through which the financial activity of ”la Caixa” is carried on; demarcate the general parameters governing any mutual business or corporate dealings between CaixaBank and its Group and ”la Caixa” and other ”la Caixa” group companies; and to ensure an adequate flow of information so as to allow ”la Caixa” and CaixaBank to prepare financial statements and meet their periodic reporting and supervision obligations with Banco de España, the CNMV and other regulatory bodies.

Following the entry into force of Act 26/2013 of 27 December, on savings banks and banking foundations, inasmuch as Caja de Ahorros y Pensiones de Barcelona ”la Caixa” owned over 10% of the share capital and voting rights of CaixaBank, the former must become a banking foundation. The primary activity of the banking foundation shall be to manage and carry out welfare projects and appropriately manage its stake in CaixaBank. Consequently, this extinguishes the arrangement whereby Caja de Ahorros y Pensiones de Barcelona ”la Caixa” indirectly carries out its financial activity through CaixaBank. Once the ”la Caixa” Banking Foundation was registered in the Foundations Registry, the ”la Caixa” Banking Foundation immediately ceased to carry out its financial activity indirectly through CaixaBank, therefore rendering the Protocol ineffective. It was therefore necessary to amend the Protocol to extend its validity for all matters which are not related to the indirect exercising of the Caja de Ahorros y Pensiones de Barcelona ”la Caixa” Banking Foundation’s financial activity until a new Internal Relations Protocol is signed outlining the ”la Caixa” Group’s new structure.

By virtue of the foregoing, the Parties entered into a novation agreement amending the Protocol on 16 June 2014, duly informing the CNMV the following day.

Act 26/2013 on Savings Banks and Banking Foundations requires banking foundations to approve, within two months from their creation a Protocol for managing its ownership interest in the financial institution. This 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 bank foundation and the investee credit institution, and the mechanisms to avoid potential conflicts of interest. The ”la Caixa” Banking Foundation signed its protocol for managing its ownership interest in CaixaBank on 24 July 2014. The CNMV was notified on 9 December 2014 following approval from Banco de España.

On 18 February 2016, the members of the Board of Trustees of ”la Caixa” Banking Foundation signed a new protocol for managing the financial ownership in CaixaBank, S.A., which resulted in the adaptation of the protocol approved by the Board of Trustees on 24 July 2014 to the content of Circular 6/2015.

On 19 December 2016, in accordance with the provisions of the Protocol for Managing the Financial Investment, ”la Caixa” Banking Foundation, as parent of the ”la Caixa” Group, CriteriaCaixa, as direct shareholder in CaixaBank, and CaixaBank, as a listed company, signed a new Internal Relations Protocol to replace the previous protocol and whose main objectives are to:

- manage the related-party transactions deriving from transactions or services rendered;
- establish mechanisms that attempt to avoid the emergence of conflicts of interest;
- make provision for ”la Caixa” Banking Foundation to have a right of pre-emptive acquisition in the event of a transfer by CaixaBank of Monte de Piedad, which it owns;
- establish the basic principles for a possible collaboration between CaixaBank and the ”la Caixa” Banking Foundation in matters relating to CSR;
- regulate the flow of adequate information to allow ”la Caixa” Banking Foundation, Criteria and CaixaBank to prepare their financial statements and to comply with periodic reporting and supervisory duties;
- establish the mechanisms needed for Criteria to assume all the requirements deriving from the ECB’s decision to consider CriteriaCaixa as the entity ultimately responsible for the financial conglomerate.

B) Regarding the controlling shareholder agreement:

Following the merger by absorption of Banca Cívica by CaixaBank, the following shareholders: Caja de Ahorros y Pensiones de Barcelona, ”la Caixa” (currently ”la Caixa” Banking Foundation) and Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Cajasol), Caja Canarias (currently Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja de Burgos, Banking Foundation), (hereinafter “the Foundations”) entered into an agreement on 1 August 2012 to regulate their relations as shareholders of CaixaBank, and their reciprocal relations of cooperation as well as with CaixaBank, with the aim of strengthening their respective actions in respect of the latter and supporting their control of ”la Caixa” Banking Foundation. They also agreed to appoint 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 on a four-year lock up period, as well as a commitment to exercise their pre-emptive acquisition rights over two years in favour of the other foundations in the first place and subsidiarily ”la Caixa” Banking Foundation, should any of the Savings Banks wish to transfer all or part of their stake, once the lock-up period has expired. On 17 October 2016, the amendments to the Integration Agreement between CaixaBank and Banca Cívica and the CaixaBank Shareholders’ Agreement were agreed, which means that the “Foundations”, instead of proposing the appointment of two (2) directors at CaixaBank, may propose one director at CaixaBank and one at VidaCaixa, and that the three-year extension of the agreements that automatically occurred at the beginning of August will instead have a duration of four years. At the time the Shareholders’ Agreement was signed, ”la Caixa” and the Foundations held between them a stake 80,597% in the share capital CAIXABANK.

18.2. <u>Whether the issuer’s major shareholders have different voting rights, or an appropriate negative statement</u>

Fundación Bancaria Caixa d’Estalvis i Pensions de Barcelona, the Issuer’s majority shareholder, does not have different voting rights to those held by Company’s other shareholders. All shares representing the Company’s capital confer the same dividend and voting rights. Each share grants one vote, and there are no preferred shares. See also section 18.1 above.

18.3. To the extent known to the issuer, whether the issuer is directly or indirectly owned or controlled and by whom, the nature of such control, and the measures in place to ensure that such control is not abused

See section 18.1 of this Registration Document.

18.4. Description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change of control of the issuer

See section 18.1 of this Registration Document.

19. RELATED PARTY TRANSACTIONS

CAIXABANK's key management personnel and executives are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including all (executive and non-executive) members of the Board of Directors and Senior Management. Given their posts, each member of key management personnel is a "related party" of CAIXABANK. Therefore, CAIXABANK must disclose, among other transactions, the information explained in this section.

Also considered CaixaBank related parties are family members close to "key management personnel", understood as being those family members who may influence or be influenced by that person in their dealings with the Bank. These include: (i) that person's spouse or partner through an analogous relationship; (ii) that person's parents, children or siblings or the spouses or partners through an analogous relationship of these individuals; (iii) the parents, children or siblings of the person's spouse or partner through an analogous relationship; and (iv) any individuals under the person's care or that of the spouse or partner through an analogous relationship. They also include any companies over which key personnel or their close family members exercise control, joint control or significant influence, or have, directly or indirectly, significant voting power.

According to the Regulations of the Board of Directors, transactions between directors and their related parties must be authorised by the Board of Directors, subject to a report by the Audit and Control Committee, except if they meet the following three conditions: (i) they are performed under contracts with standard conditions and applied en masse to a large number of customers; (ii) they are performed at market prices or rates, generally established by the party acting as the provider of the relevant good or service; and (iii) their amount does not exceed one per cent (1%) of the annual revenue of the Company.

Notwithstanding the above, according to prevailing legislation, express authorisation by Banco de España is required for the granting of loans, credits or guarantees to the Chairman, Deputy Chairman, and other directors and General Managers and similar office holders.

The approval policy for loans to members of the Board of Directors who are employees of CAIXABANK and Senior Management is governed by the provisions of the collective bargaining agreement for the savings bank industry and the internal employment regulations implementing that agreement.

All other loan and deposit transactions or financial services arranged by CaixaBank with key management personnel (Board of Directors and Senior Management), insofar as not subject to employment regulations, were arranged at arm's length (normal market conditions). Moreover, none of those transactions involved a significant amount of money.

CAIXABANK also has service level agreements with related parties. These agreements form part of its normal course of business and are arranged at arm's length.

Details of the most significant balances in 2016, 2015 and 2014 are as follows:

2016

(Thousands of euros)	With the majority shareholder, "la Caixa" Banking Foundation and its Group (1)	Associates and joint ventures	Directors and Senior Management (2)	Other related parties (3)	Employee pension plan
ASSETS					
Loans and advances to credit institutions		588			
Loans and advances	1,973,065	374,603	11,444	25,932	0
Reverse repurchase agreements					
Mortgage loans	424,456	3,775	10,992	17,667	
Other (4)	1,548,609	370,828	452	8,265	
of which: loan-loss provisions	*(49)*	*(8,498)*	*(9)*	*(4,930)*	
Equity instruments					4,035
Debt securities	1,364,805	5,683			
Total	**3,337,870**	**380,874**	**11,444**	**25,932**	**4,035**
LIABILITIES					
Deposits from credit institutions	22,655	1,387	15		
Customer deposits	2,391,577	875,519	52,750	54,427	43,509
Debt securities issued					4,700
Off-balance sheet liabilities (5)			70,354	32,763	
Total	**2,414,232**	**876,906**	**123,119**	**87,190**	**48,209**
INCOME STATEMENT					
Interest income	47,187	7,763	75	544	
Interest expenses (6)	(814)	(910)	(100)	(69)	(554)
Dividend income (7)					
Fee and commission income	5,407	172,575	9	20	
Fee and commission expenses			(4)		
Total	**51,780**	**179,428**	**(20)**	**495**	**(554)**
OTHER					
Security posted – Guarantees and others	160,000	82,666	10	97	
Contingent commitments granted - Drawable by third parties and other (8)	1,743,269	457,657	6,344	11,108	
Accrued post-employment commitments			49,375		
Total	**1,903,269**	**540,323**	**55,729**	**11,205**	**0**

(1) Includes transactions with "la Caixa" Banking Foundation and its Group companies, joint ventures and associates.
(2) Information provided on the directors and Senior Management of "la Caixa" Banking Foundation, CaixaBank and Criteria.
(3) Family members and entities related to members of the Boards of Directors and Senior Management of "la Caixa", CaixaBank and Criteria and other related parties.
(4) Includes other loans and receivables.
(5) Includes mutual funds, insurance contracts, pension funds and post-employment commitments contributed.
(6) Does not include the finance cost relating to off-balance sheet liabilities.
(7) Set on an accrual basis.
(8) Includes amounts drawable against commercial risk lines.

2015

(Thousands of euros)	With the majority shareholder, "la Caixa" Banking Foundation and its Group (1)	Associates and joint ventures	Directors and Senior Management (2)	Other related parties (3)	Employee pension plan
ASSETS					
Loans and advances to credit institutions		209			
Loans and advances	2,915,789	624,593	11,326	54,505	
Reverse repurchase agreements					
Mortgage loans	443,233	14,897	10,876	34,246	
Other (4)	2,472,556	609,696	450	20,259	
of which: loan-loss provisions	(262)	*(126,362)*			
Equity instruments					2,665
Debt securities	1,114,976	2,494			
Total	**4,030,765**	**627,296**	**11,326**	**54,505**	**2,665**
LIABILITIES					
Deposits from credit institutions	10,450	33,014	15,923		
Customer deposits	1,276,440	848,508	66,535	28,039	17,114
Debt securities issued					40,198
Off-balance sheet liabilities (5)			82,383	31,211	
Total	**1,286,890**	**881,522**	**164,841**	**59,250**	**57,312**
INCOME STATEMENT					
Interest income	50,609	10,536	106	922	
Interest expenses (6)	(16,040)	(2,515)	(703)	(133)	(1,473)
Dividend income (7)					
Fee and commission income	5,096	136,415	81	185	
Fee and commission expenses			(14)	(1)	
Total	**39,665**	**144,436**	**(530)**	**973**	**(1,473)**
OTHER					
Security posted – Guarantees and others	277,851	129,713	3,559	1,500	
Contingent commitments given – Drawable by third parties and others (8)	1,726,924	572,046	9,475	18,789	
Accrued post-employment commitments			45,696		
Total	**2,004,775**	**701,759**	**58,730**	**20,289**	**0**

(1) Includes transactions with "la Caixa" Banking Foundation and its Group companies, joint ventures and associates.

(2) Information provided on the directors and Senior Management of "la Caixa" Banking Foundation, CaixaBank and Criteria.

(3) Family members and entities related to members of the Boards of Directors and Senior Management of "la Caixa" Banking Foundation, CaixaBank and Criteria and other related parties.

(4) Includes other loans and receivables.

(5) Includes mutual funds, insurance contracts, pension funds and post-employment obligations contributed.

(6) Does not include the finance cost relating to off-balance sheet liabilities.

(7) Set on an accrual basis.

(8) Includes amounts drawable against commercial risk lines.

2014

(Thousands of euros)

	With the majority shareholder, "la Caixa" Banking Foundation and its Group (1)	Associates and jointly controlled entities	Directors and Senior Management (2)	Other related parties (3)
ASSETS				
Loans and advances to credit institutions		72,555		
Loans and receivables	4,399,571	787,726	11,460	70,453
Reverse repurchase agreements				
Mortgage loans	*465,603*	*16,862*	*10,543*	*44,438*
Other (4)	*3,933,968*	*770,864*	*917*	*26,015*
of which: loan-loss provisions		*(92,777)*		
Total	**4,399,571**	**860,281**	**11,460**	**70,453**
LIABILITIES				
Deposits from credit institutions	69,998	49,846	54,052	
Customer deposits (5)	2,565,977	794,295	47,534	171,634
Off-balance sheet liabilities (6)			11,387	35,623
Total	**2,635,975**	**844,141**	**112,973**	**207,257**
INCOME STATEMENT				
Interest expense and similar charges (7)	(24,508)	(13,826)	(1,658)	(2,767)
Interest and similar income	35,605	16,788	140	1,473
Total	**11,097**	**2,962**	**(1,518)**	**(1,294)**
OTHER				
Contingent liabilities - Guarantees and other	380,947	116,881	3,565	1,807
Contingent commitments - Drawable by third parties and others (8)	1,805,888	392,385	10,018	14,370
Accrued defined benefit post-employment commitments			35,315	
Total	**2,186,835**	**509,266**	**48,898**	**16,177**

(1) Includes transactions with "la Caixa" Banking Foundation and its Group companies, jointly controlled entities and associates.

(2) Directors and Senior Management of the "la Caixa" Banking Foundation, CaixaBank and Criteria CaixaHolding.

(3) Family members and entities related to members of the Boards of Directors and Senior Management of "la Caixa", CaixaBank and Criteria CaixaHolding and other related parties, such as the employee pension plan.

(4) Includes other loans, credits and debt securities.

(5) Includes deposits, marketable debt securities and subordinated debt.

(6) Includes mutual funds, insurance contracts, pension funds and post-employment obligations contributed.

(7) Does not include the finance cost relating to off-balance sheet liabilities.

(8) Includes amounts drawable against commercial risk lines and reverse factoring transactions.

The most significant balances and transactions included in the above amounts relating to 2016 are as follows:

- The balance at 31 December 2016 of financing provided by CaixaBank to "la Caixa" Banking Foundation stood at EUR 86 million (EUR 100 million at 31 December 2015). This loan corresponds to financing provided by the Council of Europe Bank to the Banking Foundation, which is channelled through CaixaBank.

  Additionally, at 31 December 2016 "la Caixa" Banking Foundation held demand and term deposits at CaixaBank of EUR 27 million (EUR 7 million at 31 December 2015).

- At 31 December 2016, CaixaBank had extended financing of EUR 550 million to CriteriaCaixa (EUR 1,200 million at 31 December 2015).
  CriteriaCaixa has term and demand deposits amounting to EUR 1,667 million (EUR 80 million at 31 December 2015).
  In addition, CriteriaCaixa has a credit facility agreement for EUR 750 million, which had not been utilised at 31 December 2016 and 2015.
  CriteriaCaixa has also arranged various derivative products with CaixaBank to hedge interest rates on bilateral bank loans, for a nominal sum of EUR 1,900 million at 31 December 2015. This amount fell to EUR 1,100 million at 31 December 2016. The fair value of the derivative at 31 December 2016 was a positive EUR 20 million (positive EUR 9 million at 31 December 2015).

- At 31 December 2016 financing granted by CaixaBank to CriteriaCaixa's real estate subsidiaries totalled EUR 588 million (EUR 657 million at 31 December 2015).

- At 31 December 2016, Gas Natural and Grupo Abertis Infraestructuras (CriteriaCaixa Group associates/joint ventures) have demand and term deposits at CaixaBank totalling EUR 499 million and EUR 74 million, respectively (EUR 770 million and EUR 307 million, respectively, at 31 December 2015).
  Meanwhile, at 31 December 2016, CaixaBank had extended finance to Gas Natural and Abertis Infraestructuras of EUR 221 million and EUR 348 million, respectively (EUR 474 million and EUR 163 million, respectively, at 31 December 2015).

- At 31 December 2016, VidaCaixa holds investments in fixed-income securities of Abertis Infraestructuras for EUR 823 million (EUR 786 million at 31 December 2015).

- At 31 December 2016, Repsol (an associate of CaixaBank) had term and demand deposits at CaixaBank amounting to EUR 672 million (EUR 658 million at 31 December 2015).

  Meanwhile, at 31 December 2016, CaixaBank had extended finance of EUR 130 million to Repsol (EUR 259 million at 31 December 2015).

Transactions between Group companies form part of the normal course of business and are carried out at arm's length. The most significant transactions between Group companies in 2016 were as follows:

- Transactions related to the swap of stakes in Grupo Financiero Inbursa and The Bank of East Asia with CriteriaCaixa.

- Transactions related to the sale of 10% of Gas Natural SDG, SA by CriteriaCaixa during the third quarter of 2016, for EUR 1,901 million. This amount was used as follows: (i) repayment of EUR 650 million in CriteriaCaixa loans at CaixaBank; and (ii) the deposit at CaixaBank of part of the cash received from the transaction.

The most significant transactions with Criteria (the majority shareholder) during the first quarter of 2017 were as follows:

- Cancellation of financing to CriteriaCaixa, amounting to EUR 550 million at 31 December 2016.
- Reduction in the financing granted by CaixaBank to CriteriaCaixa's real estate subsidiaries, totalling EUR 193 million at 31 March 2017 (EUR 588 million at 31 December 2016).

CaixaBank did not distribute any dividends to CriteriaCaixa during the first quarter of 2017.

Other than the aspects disclosed in this note, the balances maintained with other related parties at 31 March 2017 did not vary significantly from the balances held at 31 December 2016.

At 31 December 2016 and 2015, there was no evidence of impairment to the value of the financial assets or the guarantees or contingent commitments held with key management personnel and executives.

The balances of loans at 31 December 2016 and 2015 arranged with serving directors and Senior Management at those two dates have an average maturity of 21.05 and 22.70 years, respectively, and bear interest at an average rate of 0.57% and 0.79%, respectively.

Financing granted in 2012 to serving directors and senior executives at 31 December 2016 and 2015 amounted to EUR 2,526 thousand and EUR 3,133 thousand, respectively, with an average maturity period of 1 and 4.01 years, earning interest at an average rate of 1.90% and 1.74%, respectively.

Description of the relationship between ”la Caixa” Banking Foundation and CAIXABANK

To enhance the Group’s transparency, autonomy and good governance, as well as to limit and regulate conflicts of interest, ”la Caixa” and CaixaBank signed an internal relations protocol on 1 July 2011. According to the Protocol, any new intragroup service or transaction shall always be formalised in a contract and shall be governed by the general principles contained therein.

As a result of its transformation into a banking foundation and the conclusion of the indirect exercise of banking activity through CaixaBank, and in accordance with the provisions of Law 26/2013, of 27 December, governing savings banks and banking foundations, on 24 July 2014, amended on 31 March 2016, the foundation’s Board of Trustees approved a protocol for managing its ownership interest in the financial corporation. This protocol regulates the following principal aspects:

- The basic strategic lines governing ”la Caixa” Banking Foundation’s management of its stake in CaixaBank.
- Relations between the Board of Trustees and CaixaBank’s governing bodies
- The general criteria governing transactions between ”la Caixa” Banking Foundation and CaixaBank, and the mechanisms to be introduced to prevent potential conflicts of interest
- The mechanisms to avoid the emergence of conflicts of interest
- The basic criteria relating to the assignment and use of distinctive signs and domain names owned by ”la Caixa” Banking Foundation by CaixaBank and the companies in its Group
- The provision for ”la Caixa” Banking Foundation to have a right of pre-emptive acquisition in the event of transfer by CaixaBank of Monte de Piedad, which it owns
- The basic principles for a possible collaboration so that (a) CaixaBank may implement corporate social responsibility policies through the ”la Caixa” Banking Foundation, and, at the same time (b) the ”la Caixa” Banking Foundation may disseminate its Welfare Projects through the CaixaBank branch network, and where appropriate, through other material means
- The flow of adequate information to allow ”la Caixa” Banking Foundation and CaixaBank to prepare their financial statements and to comply with periodic reporting and supervisory duties with Banco de España and other regulatory bodies

Under the management protocol, ”la Caixa” Banking Foundation, CriteriaCaixa and CaixaBank agreed to formalise a new internal relations protocol modifying the protocol of July 2011 in order to include management protocol aspects required by CaixaBank’s role as a partner of ”la Caixa” Banking Foundation and of CriteriaCaixa.

On 19 December 2016, the Internal Protocol Governing Relations between ”la Caixa” Banking Foundation, CriteriaCaixa and CaixaBank was signed, following approval by the ”la Caixa” Banking Foundation Board of Trustees and the Boards of Directors of the latter two entities,

20. FINANCIAL INFORMATION CONCERNING THE ISSUER’S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

The CAIXABANK Group’s financial information for 2016 is based on audited accounting records. Financial information for 2015 and 2014 is presented for comparison purposes only.

The Group’s consolidated financial statements, which are incorporated herein by reference, have been prepared in accordance with the regulatory financial reporting framework applicable to the CAIXABANK Group, which is set forth in the International Financial Reporting Standards (“IFRS”) as adopted by the

European Union through EU Regulations, in accordance with Regulation No 1606/2002 of the European Parliament and of the Council of 19 July 2002, and subsequent amendments. It has also been prepared with due regard to Circular 4/2004 of Banco de España, of 22 December ("the Circular"), on public financial and inside information and standard formats for presenting the financial statements of credit institutions, showing how Spain has adapted the IFRS adopted by the European Union to Spanish credit institutions, and subsequent amendments.

For comparative purposes, it should be noted that Barclays Bank was included in the scope of consolidation in January 2015 (for further information see section *5.1.5. Important events in the development of the issuer's business).*

In relation to the 2015 income statement, the gains/(losses) on the purchase and sale of foreign currency in customer transactions have been reclassified. They are therefore no longer presented under "Exchange differences (net)" and "Gains/(losses) on financial assets and liabilities held for trading (net)" and are presented instead under "Fee and commission income". This resulted in the reclassification in 2015 of EUR 101 million, EUR 86 million of which corresponded to "Exchange differences, net".

Similarly, proceeds from sales of strategic investments were not presented in 2016 under "Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" but were presented instead under "Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net" in trading income. The CaixaBank Group recognised results from this type of sale of EUR 99 million in 2015, which were reclassified in the comparative balances.

In October 2015, the CaixaBank Group started marketing and selling a new immediate life annuity product where the value of part of the commitments with policyholders is pegged to the fair value of the assets concerned. These investments, which were recognised under "Financial assets held for trading" at 31 December 2015, have been reclassified to "Other assets at fair value through profit or loss". The investments related with the unit-linked component – contracts where the policyholder assumes the investment risk – are also presented under this heading, as it is understood that the risks and rewards associated with this part of the new product are equivalent to the unit-linked portfolio, and the new classification better reflects the economic reality. The reclassified amounts held in these investments amounted to EUR 219 million at 31 December 2015. Equally, a total of EUR 284 million was reclassified at the aforesaid date from "Liabilities under insurance contracts" to "Other financial liabilities at fair value through profit or loss". Both the reclassified commitments with policyholders and the related financial assets continue to be valued at fair value through profit or loss. The differences between the reclassified amounts at the different dates are due to the cash associated with this new product.

Banco de España published Circular 5/2014, of 28 November, to bring the content of public financial reporting and inside information in line with the preparation criteria, terminology, definitions and formats of the statements known as FINREP in the European Union. The financial statements at 31 December 2015 have been restated for comparison purposes. The financial statements at 31 December 2014 are included for reference purposes but cannot be compared with the information presented for 2016 y 2015 since they were prepared under the model established by Circular 4/2004 of Banco de España.

20.1. <u>Trend information</u>

A) CONSOLIDATED BALANCE SHEETS

BALANCE SHEETS

At 31 December 2016 and 2015, in thousands of euros

Assets

	2016	2015	Change 2016-2015
Cash and cash balances at central banks and other demand deposits	**13,259,957**	**6,615,172**	**100.4%**

Translation for information purposes only, in case of discrepancy between this English version and the original Spanish version of the Registration Document, the Spanish version shall prevail.

Financial assets held for trading	**11,667,687**	**13,312,220**	**-12.4%**
Derivatives	9,575,832	9,806,191	-2.3%
Equity instruments	294,923	250,543	17.7%
Debt securities	1,796,932	3,255,486	-44.8%
Memorandum items: loaned or delivered as collateral with the right of sale or pledge	*1,796,932*	*751,331*	139.2%
Financial assets designated at fair value through profit or loss	**3,139,646**	**1,785,804**	**75.8%**
Equity instruments	1,806,976	816,728	121.2%
Debt securities	1,332,670	969,076	37.5%
Memorandum items: loaned or delivered as collateral with the right of sale or pledge	*0*	*0*	
Available-for-sale financial assets	**65,076,973**	**62,997,235**	**3.3%**
Equity instruments	2,946,030	3,379,273	-12.8%
Debt securities	62,130,943	59,617,962	4.2%
Memorandum items: loaned or delivered as collateral with the right of sale or pledge	*9,377,156*	*3,319,455*	182.5%
Loans and receivables	**207,640,937**	**210,473,400**	**-1.3%**
Debt securities	561,139	927,655	-39.5%
Loans and advances	207,079,798	209,545,745	-1.2%
Credit institutions	6,741,354	6,649,545	1.4%
Customers	200,338,444	202,896,200	-1.3%
Memorandum items: loaned or delivered as collateral with the right of sale or pledge	*80,981,698*	*64,393,412*	25.8%
Held-to-maturity investments	**8,305,902**	**3,820,114**	**117.4%**
Memorandum items: loaned or delivered as collateral with the right of sale or pledge	*2,875,627*	*520,793*	452.2%
Derivatives - Hedge accounting	**3,090,475**	**3,917,462**	**-21.1%**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**134,586**	**3,279**	**4004.5%**
Investments in joint ventures and associates	**6,420,710**	**9,673,694**	**-33.6%**
Joint ventures	1,193,962	1,142,773	4.5%
Associates	5,226,748	8,530,921	-38.7%
Assets under insurance and reinsurance contracts	**344,144**	**391,225**	**-12.0%**
Tangible assets	**6,436,908**	**6,293,319**	**2.3%**
Property, plant and equipment	3,004,662	3,039,823	-1.2%
For own use	*3,004,662*	*3,039,823*	-1.2%
Investment property	3,432,246	3,253,496	5.5%
Intangible assets	**3,687,352**	**3,671,588**	**0.4%**
Goodwill	3,050,845	3,050,845	0.0%
Other intangible assets	636,507	620,743	2.5%
Tax assets	**10,521,402**	**11,123,143**	**-5.4%**
Current tax assets	878,739	1,029,933	-14.7%
Deferred tax assets	9,642,663	10,093,210	-4.5%
Other assets	**1,795,723**	**2,217,157**	**-19.0%**
Insurance contracts linked to pensions	0	0	
Inventories	1,012,896	1,135,337	-10.8%
Other assets	782,827	1,081,820	-27.6%
Non-current assets and disposal groups classified as held for sale	**6,404,860**	**7,960,663**	**-19.5%**
Total assets	**347,927,262**	**344,255,475**	**1.1%**
	2016	**2015**	**Change 2016-2015**
Memorandum items			
Guarantees given	**3,486,709**	**3,304,480**	**5.5%**
Contingent commitments given	**75,651,105**	**65,374,524**	**15.7%**

Assets

	2014
Cash and deposits at central banks	**4,156,781**
Financial assets held for trading	**12,256,760**

Debt securities	2,049,774
Equity instruments	32,616
Trading derivatives	10,174,370
Memorandum items: Loaned or advanced as collateral	
Other financial assets at fair value through profit or loss	**937,043**
Debt securities	549,070
Equity instruments	387,973
Available-for-sale financial assets	**71,100,537**
Debt securities	67,205,087
Equity instruments	3,895,450
Memorandum items: Loaned or advanced as collateral	*3,049,202*
Loans and receivables	**195,731,456**
Loans and advances to credit institutions	4,377,197
Loans and advances to customers	188,761,864
Debt securities	2,592,395
Memorandum items: Loaned or advanced as collateral	*59,642,121*
Held-to-maturity investments	**9,608,489**
Memorandum items: Loaned or advanced as collateral	*299,878*
Adjustments to financial assets – macro-hedges	**138,812**
Hedging derivatives	**5,155,973**
Non-current assets held for sale	**7,247,941**
Investments	**9,266,397**
Associates	8,110,608
Jointly controlled entities	1,155,789
Reinsurance assets	**451,652**
Tangible assets	**6,404,416**
Property, plant and equipment	3,144,819
For own use	*3,144,819*
Investment property	3,259,597
Intangible assets	**3,634,566**
Goodwill	3,050,845
Other intangible assets	583,721
Tax assets	**10,097,557**
Current	707,311
Deferred	9,390,246
Other assets	**2,435,069**
Inventories	1,197,035
Other	1,238,034
Total assets	**338,623,449**
Memorandum items	
Contingent liabilities	10,241,836
Contingent commitments	50,706,226

BALANCE SHEETS

At 31 December 2016 and 2015, in thousands of euros

Liabilities

	2016	2015	Change 2016-2015

Financial liabilities held for trading	**10,292,298**	**12,200,290**	**-15.6%**
Derivatives	9,394,559	9,498,607	-1.1%
Short positions	897,739	2,701,683	-66.8%
Financial liabilities designated at fair value through profit or loss	**3,763,976**	**2,359,517**	**59.5%**
Deposits	3,763,976	2,359,517	59.5%
Customers	3,763,976	2,359,517	59.5%
Financial liabilities measured at amortised cost	**254,093,295**	**253,498,820**	**0.2%**
Deposits	223,511,848	218,372,716	2.4%
Central banks	30,029,382	23,753,214	26.4%
Credit institutions	6,315,758	10,509,238	-39.9%
Customers	187,166,708	184,110,264	1.7%
Debt securities issued	27,708,015	32,336,159	-14.3%
Other financial liabilities	2,873,432	2,789,945	3.0%
Memorandum items: subordinated liabilities	4,118,792	4,345,199	-5.2%
Derivatives - Hedge accounting	**625,544**	**756,163**	**-17.3%**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**1,984,854**	**2,213,205**	**-10.3%**
Liabilities under insurance contracts	**45,803,579**	**40,290,523**	**13.7%**
Provisions	**4,730,271**	**4,597,740**	**2.9%**
Pensions and other post-employment defined benefit obligations	2,028,612	1,958,334	3.6%
Other long-term employee benefits	972,767	900,311	8.0%
Pending legal issues and tax litigation	633,224	514,206	23.1%
Commitments and guarantees given	228,553	381,477	-40.1%
Other provisions	867,115	843,412	2.8%
Tax liabilities	**1,186,209**	**1,555,970**	**-23.8%**
Current tax liabilities	218	379	-42.5%
Deferred tax liabilities	1,185,991	1,555,591	-23.8%
Other liabilities	**1,805,635**	**1,499,638**	**20.4%**
Liabilities included in disposal groups classified as held for sale	**86,039**	**79,059**	**8.8%**
Total liabilities	**324,371,700**	**319,050,925**	**1.7%**

BALANCE SHEETS

At 31 December 2016 and 2015, in thousands of euros

Equity

	2016	2015	Change 2016-2015
SHAREHOLDERS' EQUITY	**23,399,819**	**23,688,634**	**-1.2%**
Capital	5,981,438	5,823,990	2.7%
Paid-up capital	5,981,438	5,823,990	2.7%
Share premium	12,032,802	12,032,802	0.0%
Other equity	7,499	5,120	46.5%
Retained earnings	5,239,487	4,850,813	8.0%
Other reserves	(716,893)	413,916	-273.2%
Less: Treasury shares	(14,339)	(19,713)	-27.3%
Profit/(loss) attributable to owners of the parent	1,047,004	814,460	28.6%
Less: Interim dividends	(177,179)	(232,754)	-23.9%
ACCUMULATED OTHER COMPREHENSIVE INCOME	**126,621**	**1,480,290**	**-91.4%**
Items that may be reclassified to profit or loss	126,621	1,480,290	-91.4%
Foreign currency translation	2,332	378,102	-99.4%
Hedging derivatives. Cash flow hedges (effective portion)	25,316	85,622	-70.4%
Available-for-sale financial assets	(26,494)	816,586	-103.2%
Debt instruments	366,815	761,777	-51.8%
Equity instruments	(393,309)	54,809	-817.6%

Share of other recognised income and expense of investments in joint ventures and associates	125,467	199,980	-37.3%
MINORITY INTERESTS (non-controlling interests)	**29,122**	**35,626**	**-18.3%**
Accumulated other comprehensive income	50	530	-90.6%
Other items	29,072	35,096	-17.2%
Total equity	**23,555,562**	**25,204,550**	**-6.5%**
Total equity and total liabilities	**347,927,262**	**344,255,475**	**1.1%**

BALANCE SHEETS

At 31 December 2014, in thousands of euros

Liabilities and equity

	2014
Liabilities	
Financial assets held for trading	**11,974,880**
Trading derivatives	10,105,414
Short positions	1,869,466
Other financial liabilities at fair value through profit or loss	**1,442,391**
Customer deposits	1,442,391
Financial liabilities measured at amortised cost	**247,538,656**
Deposits from central banks	12,156,872
Deposits from credit institutions	13,762,059
Customer deposits	180,200,450
Marketable debt securities	32,920,219
Subordinated liabilities	4,396,075
Other financial liabilities	4,102,981
Adjustments to financial liabilities – macro-hedges	**3,242,925**
Hedging derivatives	**876,116**
Liabilities associated with non-current assets held for sale	
Liabilities under insurance contracts	**40,434,093**
Provisions	**4,370,507**
Provisions for pensions and similar obligations	2,964,457
Provisions for taxes and other legal contingencies	396,589
Provisions for contingent liabilities and commitments	563,597
Other provisions	445,864
Tax liabilities	**1,671,832**
Current	265
Deferred	1,671,567
Other liabilities	**1,839,481**
Total liabilities	**313,390,881**
Equity	
Shareholders' equity	**23,372,983**
Capital	5,714,956

Share premium	12,032,802
Reserves	5,069,833
Accumulated reserves (losses)	*3,982,602*
Reserves/(losses) of entities accounted for using the equity method	*1,087,231*
Other equity instruments	0
Less: Treasury shares	(11,013)
Profit/(loss) attributable to the Group	620,020
Less: Dividends and remuneration	(53,615)
Valuation adjustments	**1,821,656**
Available-for-sale financial assets	1,601,142
Cash flow hedges	(20,872)
Exchange differences	174,915
Entities accounted for using the equity method	66,471
Non-controlling interests	**37,929**
Valuation adjustments	560
Other	37,369
Total equity	**25,232,568**
Total equity and total liabilities	**338,623,449**

• The integration for accounting purposes of Barclays on 2 January 2015 led to growth of approximately 5-6% in CAIXABANK's total pre-integration assets, affecting all balance sheet headings.

At 31 December 2016, total assets amounted to EUR 347,927 million. Highlights for the year included:

• The most notable changes in assets and liabilities associated with the retail business were as follows:

- On-balance sheet customer funds (basically deposits, subordinated liabilities and marketable debt securities sold to customers) using management criteria totalled EUR 217,123 million, up 0.1%.

- Liabilities under insurance contracts were up 17.1% thanks to the success of the commercial campaigns rolled out under the CaixaFu[Tu]ro programme.

- Customer loans and advances, gross totalled EUR 204,857 million, down 0.8% in 2016, although the performing loan portfolio was up 0.4% in the year. The change is mainly due to the reduction in exposure to the real estate development sector.

• Market interest rate and exchange rate fluctuations affected the performance of asset and liability trading derivatives (trading portfolio).

• The change in on-balance sheet assets (rest of the trading portfolio and available-for-sale financial assets) and liabilities (rest of the trading portfolio) associated with cash management and ALM *(Asset and Liability Committee)* was shaped by:

o Management of cash balances and repurchase agreements, fixed income assets and an increase in ECB financing.

  - Lower wholesale funding, basically due to the non-rollover of matured issues.

- In 2016, the CaixaBank Group sold assets on the fixed income market classified as financial assets available for sale in an attempt to make gains from market opportunities. These sales generated unrealised capital gains of EUR 608 million.

- The change in 2016 in investment assets held to maturity was largely down to the purchase of both Spanish public debt (mainly medium to long-term Spanish bonds) for a nominal sum of EUR 5,649 million and maturities for a nominal sum of EUR 1,124 million, and the maturity of a credit issue for the nominal sum of EUR 24 million.

- Changes in share capital in 2016 are down to the rights issues under the scrip dividend programme:

  - In March 2016: 86,252,367 shares with a par value of EUR 1 each.

  - In December 2016: 71,195,347 shares with a par value of EUR 1 each.

- Meanwhile, the change in other reserves in 2016 was largely down to the Board of Directors exercising the authority granted at the Annual General Meeting held on 28 April 2016 and therefore agreeing to sell a total of 585,000,000 treasury shares, representing 9.9% of CaixaBank's share capital, in a private placement among qualified investors to shore up its regulatory capital ratio in light of the takeover bid for Banco BPI shares.

The treasury shares were mostly acquired by CaixaBank from its shareholder Criteria under the terms of the swap agreement for the stakes in GFI and BEA. The price per treasury share was set at EUR 2.26, giving a discount of 3.67% on the closing price of the CaixaBank share on the date of sale. The carrying amount of the treasury shares eventually sold amounted to EUR 2,013 million. Proceeds for CaixaBank from the sale amounted to EUR 1,322 million.

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B) INCOME STATEMENTS

INCOME STATEMENTS

for the years ended 31 December 2016 and 2015, in thousands of euros

	2016	2015	Change 2016-2015
Interest income	6,753,052	8,373,068	-19.3%
Interest expenses	(2,596,196)	(4,020,418)	-35.4%
NET INTEREST INCOME	**4,156,856**	**4,352,650**	**-4.5%**
Dividend income	198,618	202,719	-2.0%
Share of profit (loss) of entities accounted for using the equity method	628,518	375,135	67.5%
Fee and commission income	2,261,910	2,258,170	0.2%
Fee and commission expenses	(171,657)	(143,395)	19.7%
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	786,714	772,543	1.8%
Gains/(losses) on financial assets and liabilities held for trading (net)	21,176	43,409	-51.2%
Gains/(losses) from hedge accounting, net	12,689	9,920	27.9%
Exchange differences (gain/(loss), net	28,562	37,856	-24.6%
Other operating income	588,419	481,541	22.2%
Other operating expenses	(995,774)	(780,809)	27.5%
Income from assets under insurance and reinsurance contracts	803,630	735,197	9.3%
Expenses from liabilities under insurance and reinsurance contracts	(493,129)	(520,701)	-5.3%
GROSS INCOME	**7,826,532**	**7,824,235**	**0.0%**
Administrative expenses	(3,745,413)	(4,239,792)	-11.7%
Staff expenses	(2,745,349)	(3,178,805)	-13.6%
Other administrative expenses	(1,000,064)	(1,060,987)	-5.7%
Depreciation and amortisation	(370,202)	(365,923)	1.2%
Provisions or reversal of provisions	(486,532)	(422,315)	15.2%
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	(582,077)	(2,094,068)	-72.2%
Available-for-sale financial assets	(233,048)	(267,202)	-12.8%
Loans and receivables	(467,974)	(1,655,348)	-71.7%
Held-to-maturity investments	118,945	(171,518)	-169.3%
NET OPERATING INCOME/(LOSS)	**2,642,308**	**702,137**	**276.3%**
Impairment/(reversal) of impairment on investments in joint ventures and associates.	(3,986)	132,722	-103.0%
Impairment/(reversal) of impairment on non-financial assets.	(228,413)	(455,484)	-49.9%
Tangible assets	(224,278)	(407,408)	-45.0%
Intangible assets	(503)	(48,076)	-99.0%
Others	(3,632)	0	
Gains/(losses) on derecognition of non-financial assets and investments, net	(151,752)	33,795	-549.0%
Negative goodwill recognised in profit or loss	66,925	602,183	-88.9%
Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	(787,020)	(377,249)	108.6%
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**1,538,062**	**638,104**	**141.0%**
Tax expense or income related to profit or loss from continuing operations	(482,183)	180,758	-366.8%
PROFIT/(LOSS) AFTER TAX FROM CONTINUING	**1,055,879**	**818,862**	**28.9%**

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INCOME STATEMENTS

for the years ended 31 December 2016 and 2015, in thousands of euros

	2016	2015	Change 2016-2015
OPERATIONS			
Profit/(loss) after tax from discontinued operations	(944)	(2,360)	-60.0%
PROFIT/(LOSS) FOR THE PERIOD	**1,054,935**	**816,502**	**29.2%**
Attributable to minority interests (non-controlling interests)	7,931	2,042	288.4%
Attributable to owners of the parent	1,047,004	814,460	28.6%

INCOME STATEMENTS

Year ended 31 December 2014, in thousands of euros

	2014
Interest and similar income	**8,791,327**
Interest and similar charges	**(4,636,761)**
NET INTEREST INCOME	**4,154,566**
Return on equity instruments	**185,374**
Share of profit (loss) of entities accounted for using the equity method	**305,705**
Fees and commissions received	**1,973,488**
Fees and commissions paid	**(148,328)**
Gains/(losses) on financial assets and liabilities (net)	**573,596**
Financial assets held for trading	(41,767)
Financial instruments not measured at fair value through profit or loss	452,787
Other	162,576
Exchange differences (gain/(loss), net	**65,990**
Other operating income	**1,057,288**
Income from insurance and reinsurance contracts	637,237
Sales and income from provision of non-financial services	129,516
Other operating income	290,535
Other operating expenses	**(1,228,074)**
Expenses from insurance and reinsurance contracts	(488,501)
Changes in inventories	(124,519)
Other operating expenses	(615,054)
GROSS INCOME	**6,939,605**
Administrative expenses	**(3,423,442)**
Staff expenses	(2,577,893)
Other general administrative expenses	(845,549)
Depreciation and amortisation	**(349,811)**
Provisions (net)	**(384,874)**
Impairment losses on financial assets (net)	**(2,193,370)**
Loans and receivables	(2,053,803)
Other financial instruments not measured at fair value through profit or loss	(139,567)
NET OPERATING INCOME/(LOSS)	**588,108**
Impairment losses on other assets (net)	**(48,809)**
Goodwill and other intangible assets	(14,119)

Other assets	(34,690)
Gains/(losses) on disposal of assets not classified as non-current assets held for sale	**(28,149)**
Negative goodwill in business combinations	
Gains/(losses) on non-current assets held for sale not classified as discontinued operations (Note ##GAC)	**(308,977)**
PROFIT/(LOSS) BEFORE TAX	**202,173**
Income tax	**417,752**
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**619,925**
Profit/(loss) from discontinued operations (net)	
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD	**619,925**
Profit/(loss) attributable to the Parent	**620,020**
Profit attributable to non-controlling interests	**(95)**

Changes in the 2016 income statement are discussed in section 9.2 of this Registration Document.

C) STATEMENTS OF TOTAL CHANGES IN EQUITY

Statement showing all changes in equity or changes in equity that do not stem from capital transactions with owners or distributions to owners.

CONSOLIDATED STATEMENTS OF TOTAL CHANGES IN EQUITY

for the years ended 31 December 2016 and 2015, in thousands of euros

	Equity attributable to the parent									Non-controlling interests		
	Shareholders' equity											
2016	Capital	Share premium	Other equity items	Retained earnings	Other reserves	Less: Treasury shares	Profit/(loss) attributable to owners of the parent	Less: Interim dividends	Accumulated other comprehensive income	Accumulated other comprehensive income	Other items	**Total**
Opening balance (before restatement)	**5,823,990**	**12,032,802**	**5,120**	**4,850,813**	**413,916**	**(19,713)**	**814,460**	**(232,754)**	**1,480,290**	**530**	**35,096**	**25,204,550**
Effects of corrections of errors												0
Effects of changes in accounting policies												0
Opening balance at 31.12,2015	**5,823,990**	**12,032,802**	**5,120**	**4,850,813**	**413,916**	**(19,713)**	**814,460**	**(232,754)**	**1,480,290**	**530**	**35,096**	**25,204,550**
Total comprehensive income for the period							**1,047,004**		**(1,353,669)**	**(480)**	**7,931**	**(299,214)**
Other changes in equity	**157,448**	**0**	**2,379**	**388,674**	**(1,130,809)**	**5,374**	**(814,460)**	**55,575**	**0**	**0**	**(13,955)**	**(1,349,774)**
Issuance of ordinary shares	157,448			(157,448)								0
Dividends (or remuneration to shareholders)				(283,205)				(177,179)			(4,656)	(465,040)
Purchase of treasury shares (Note ##PN)						(2,008,803)						(2,008,803)
Sale or cancellation of treasury shares (Note ##PN)					(703,684)	2,014,177						1,310,493
Transfers among components of equity				889,327	(307,621)		(814,460)	232,754				0
Other increase/(decrease) in equity			2,379	(60,000)	(119,504)						(9,299)	(186,424)
Closing balance at 31.12,2016	**5,981,438**	**12,032,802**	**7,499**	**5,239,487**	**(716,893)**	**(14,339)**	**1,047,004**	**(177,179)**	**126,621**	**50**	**29,072**	**23,555,562**

CONSOLIDATED STATEMENTS OF TOTAL CHANGES IN EQUITY

for the years ended 31 December 2016 and 2015, in thousands of euros

	Equity attributable to the parent									Non-controlling interests		
	Shareholders' equity											
2015	Capital	Share premium	Other equity items	Retained earnings	Other reserves	Less: Treasury shares	Profit/(loss) attributable to owners of the parent	Less: Interim dividends	Accumulated other comprehensive income	Accumulated other comprehensive income	Other items	**Total**
Opening balance (before restatement)	**5,714,956**	**12,032,802**	**0**	**4,524,957**	**544,876**	**(11,013)**	**620,020**	**(53,615)**	**1,821,656**	**560**	**37,369**	**25,232,568**
Effects of corrections of errors												0
Effects of changes in accounting policies												0
Opening balance at 31.12,2014	**5,714,956**	**12,032,802**	**0**	**4,524,957**	**544,876**	**(11,013)**	**620,020**	**(53,615)**	**1,821,656**	**560**	**37,369**	**25,232,568**
Total comprehensive income for the period							**814,460**		**(341,366)**	**(30)**	**2,042**	**475,106**
Other changes in equity	**109,034**	**0**	**5,120**	**325,856**	**(130,960)**	**(8,700)**	**(620,020)**	**(179,139)**	**0**	**0**	**(4,315)**	**(503,124)**
Issuance of other equity instruments	109,034			(109,034)								0
Dividends (or remuneration to shareholders)				(264,955)				(232,754)			(205)	(497,914)
Purchase of treasury shares						(38,587)						(38,587)
Sale or cancellation of treasury shares				92	(20)	29,887						29,959
Transfers among components of equity				665,374	(98,969)		(620,020)	53,615				0
Other increase/(decrease) in equity			5,120	34,379	(31,971)						(4,110)	3,418
Closing balance at 31.12,2015	**5,823,990**	**12,032,802**	**5,120**	**4,850,813**	**413,916**	**(19,713)**	**814,460**	**(232,754)**	**1,480,290**	**530**	**35,096**	**25,204,550**

Information on the Issuer's capital is provided in section 10.1 of this Registration Document.

D) STATEMENTS OF CASH FLOWS

CONSOLIDATED STATEMENTS OF CASH FLOWS (INDIRECT METHOD)

for the years ended 31 December 2016 and 2015, in thousands of euros

	2016	2015	Change 2016-2015
A) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**14,145,969**	**2,539,493**	**457.0%**
Profit/(loss) for the period	**1,054,935**	**816,502**	**29.2%**
Adjustments to obtain cash flows from operating activities	**6,181,210**	**5,444,288**	**13.5%**
Depreciation and amortisation	370,202	365,923	1.2%
Other adjustments	5,811,008	5,078,365	14.4%
Net increase/(decrease) in operating assets	**2,554,125**	**6,482,782**	**-60.6%**
Financial assets held for trading	1,864,377	(1,271,690)	
Financial assets designated at fair value through profit or loss	(1,573,686)	(628,917)	150.2%
Available-for-sale financial assets	(2,794,520)	7,697,526	
Loans and receivables	1,566,538	787,122	99.0%
Other operating assets	3,491,416	(101,259)	
Net increase/(decrease) in operating liabilities	**4,254,551**	**(9,935,272)**	**-142.8%**
Financial liabilities held for trading	(1,907,992)	217,024	
Financial liabilities designated at fair value through profit or loss	1,688,575	633,010	166.8%
Financial liabilities measured at amortised cost	6,547,081	(5,964,461)	
Other operating liabilities	(2,073,113)	(4,820,845)	-57.0%
Income tax (paid)/received	**101,148**	**(268,807)**	-137.6%
B) CASH FLOWS FROM INVESTING ACTIVITIES	**(2,906,210)**	**4,764,308**	
Payments	**(4,910,698)**	**(2,294,023)**	**114.1%**
Tangible assets	(459,494)	(421,803)	8.9%
Intangible assets	(179,366)	(136,163)	31.7%
Investments in joint ventures and associates	(104,890)	(757,842)	-86.2%
Subsidiaries and other business units	0	(815,703)	-100.0%
Non-current assets and liabilities classified as held for sale	(35,160)	(162,512)	-78.4%
Held-to-maturity investments	(4,131,788)	0	
Proceeds	**2,004,488**	**7,058,331**	**-71.6%**
Tangible assets	209,403	158,185	32.4%
Intangible assets	0	600	-100.0%
Investments in joint ventures and associates	699,607	852,203	-17.9%
Non-current assets and liabilities classified as held for sale	1,095,478	303,445	261.0%
Held-to-maturity investments	0	5,616,376	-100.0%
Other proceeds related to investing activities	0	127,522	-100.0%
C) CASH FLOWS FROM FINANCING ACTIVITIES	**(4,596,291)**	**(5,411,793)**	**-15.1%**
Payments	**(7,406,883)**	**(7,423,752)**	**-0.2%**
Dividends	(460,384)	(497,709)	-7.5%
Subordinated liabilities	0	(48,600)	-100.0%
Purchase of own equity instruments	(346)	(38,587)	-99.1%
Other payments related to financing activities	(6,946,153)	(6,838,856)	1.6%
Proceeds	**2,810,592**	**2,011,959**	**39.7%**
Disposal of own equity instruments	1,310,592	29,959	4274.6%
Other proceeds related to financing activities	1,500,000	1,982,000	-24.3%
D) EFFECT OF EXCHANGE RATE CHANGES	**1,317**	**2,276**	**-42.1%**
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**6,644,785**	**1,894,284**	**250.8%**
F) CASH AND CASH EQUIVALENTS AT START OF PERIOD	**6,615,172**	**4,720,888**	**40.1%**
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	**13,259,957**	**6,615,172**	**100.4%**
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD			
Cash	1,584,407	1,796,141	-11.8%
Cash equivalents at central banks	10,909,339	3,975,426	174.4%
Other financial assets	766,211	843,605	-9.2%
Less: bank overdrafts repayable on demand			
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	**13,259,957**	**6,615,172**	**100.4%**

A narrative description of the Issuer's cash flows is provided in section 10.2 of this Registration Document.

E) ACCOUNTING POLICIES ADOPTED AND DISCLOSURES

The accounting policies, principles and criteria specified in Note 2 to the 2016 consolidated financial statements have all been applied.

The information provided was prepared from the accounting records of CAIXABANK and the other Group companies, and includes certain adjustments and reclassifications required to apply the policies and criteria used by the Group companies on a consistent basis with those of CAIXABANK.

Further information on these balance sheet items is provided in the CAIXABANK Group's financial statements, available on the CAIXABANK and CNMV websites**.**

20.2. Pro-forma financial information

Not applicable.

20.3. Financial statements

The Issuer prepares the consolidated financial statements shown in section 20.1 above.

20.4. Auditing of historical annual financial information

20.4.1. Statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given

The individual and consolidated financial statements for 2014, 2015 and 2016 were audited by Deloitte, S.L. The audit reports thereon contained no disclaimers or qualifications.

20.4.2 Indication of other information in the registration document which has been audited by the auditors

Not applicable.

20.4.3. Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited

Unaudited interim financial information for the first quarter of 2017 is provided in section 20.6.

20.5. Age of latest financial information

The audited financial information included in this Registration Document is as at and for the first year ended 31 December 2016. It therefore does not precede the date of approval of this Registration Document by more than 18 months. Unaudited interim financial information for the first quarter of 2017 is provided in Section 20.6.

20.6. <u>Interim and other financial information</u>

20.6.1. If the Issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the Registration Document. If the quarterly or half yearly financial information has been reviewed or audited, the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact

The CAIXABANK Group's interim financial information, published in the Activities and Results Report (filed with the CNMV on 28 April 2017) for the first quarter of 2017, is provided below. This information has not been audited. The glossary of the Business Activity and Results report provides information on how the structure of the public income statement has been adapted to management format.

Following the integration of BPI, the Group's income statement has been broken down into the following two basic perimeters in order to make it more readily comparable with other periods:

- CAIXABANK (CABK): shows the results of CAIXABANK, which operates largely in Spain. It includes the results of BPI under the equity method through to February (marking the effective takeover completion), as well as the results of the business combination since it resulted from a corporate transaction.

- BPI: includes the results that BPI contributes to the Group, which have been reported using the full consolidation method from February onward.

	Group			CABK		BPI
	January - March			January - March		February - March
€ million	2017	2016	Change %	2017	Change %	2017
Interest income	1,711	1,699	0.7	1,640	(3.5)	71
Interest expense	(558)	(679)	(17.8)	(556)	(18.1)	(2)
Net interest income	**1,153**	**1,020**	**13.1**	**1,084**	**6.3**	**69**
Dividend income	8	5	61.6	8	60.1	
Share of profit/(loss) of entities accounted for using the equity method	85	132	(35.8)	46	(65.0)	39
Net fee and commission income	588	488	20.3	545	11.6	43
Gains/(losses) on financial assets and liabilities and others	43	268	(83.7)	38	(85.9)	5
Income and expense arising from insurance or reinsurance contracts	110	64	72.8	110	72.8	
Other operating income and expense	(94)	(55)	72.7	(95)	73.1	1
Gross income	**1,893**	**1,922**	**(1.5)**	**1,736**	**(9.7)**	**157**
Recurring administrative expenses, depreciation and amortisation	(1,091)	(1,003)	8.8	(1,013)	1.0	(78)
Extraordinary expenses	(10)					(10)
Pre-impairment income	**792**	**919**	**(13.8)**	**723**	**(21.3)**	**69**
Pre-impairment income stripping out extraordinary expenses	**802**	**919**	**(12.7)**	**723**	**(21.3)**	**79**
Allowance for insolvency risk	(249)	(225)	11.0	(255)	13.3	6
Other charges to provisions	(370)	(185)	99.8	(369)	99.6	(1)
Gains/(losses) on disposal of assets and others	278	(133)		278		
Profit/(loss) before tax	**451**	**376**	**19.7**	**377**	**0.1**	**74**
Income tax expense	(36)	(101)	(64.6)	(22)	(78.8)	(14)
Profit/(loss) after tax	**415**	**275**	**50.9**	**355**	**29.3**	**60**
Profit/(loss) attributable to minority interest and others	12	2		2		10
Profit/(loss) attributable to the Group	**403**	**273**	**47.9**	**353**	**29.5**	**50**

CAIXABANK's results for the first quarter of 2017 were affected by the following factors:

- The full consolidation of the results of BPI from February 2017 onward has impacted the main headings of the income statement when compared with the previous year.

- Net interest income amounted to EUR 1,153 million (+13.1% year on year) in response to the integration of the business of BPI, which contributed 6.8% of growth. At CAIXABANK, net interest income gained 6.3%, largely on the back of:

- Forceful management of retail financing, especially maturity deposits, the cost of which has fallen from 0.69% in the first quarter of 2016 to 0.14% in the same period of 2017 (-55 basis points), plus the lower cost of institutional financing due to lower volumes and rates.

- Negative income performance due to falling returns on the loan portfolio and the fixed income portfolio, which were prompted by a drop in market interest rates.

- Fee and commission income of EUR 588 million. The change here (+20.3%) was down to BPI's contribution (+8.7%) as well as the increased income deriving from CAIXABANK's commercial activity (+11.6%).

- Income from equity investments stood at EUR 93 million (-32.5%). The change here was partly down to BPI's move to sell 2% of its stake in BFA (EUR -97 million), plus perimeter changes.

- Gains/(losses) on financial assets and liabilities and others amounted to EUR 43 million (-83.7%). In 2016, this figure included the materialisation of unrealised gains on fixed-income assets classified as available-for-sale financial assets.

- Recurring administrative expenses, depreciation and amortisation was impacted by the perimeter change and stood at EUR 1,091 million (+8.8%, or +1.0% stripping out BPI).

- Pre-impairment income totalled EUR 792 million, down 13.8% largely on account of lower income generation capacity on financial assets and investees.

- Impairment losses on financial assets amounted to EUR 249 million (+11.0%) in a quarter that featured various one-off impairment allowances. Other charges to provisions in the first quarter included coverage of future contingencies and impairment of other assets. The period also included EUR 152 million associated with the early retirements and EUR 154 million in write-downs on exposure to the SAREB.

- Gains/(losses) on disposals of assets and others includes in 2017, among other items, the result of the business combination resulting from the acquisition of BPI for EUR 256 million and proceeds on the sale of foreclosed real estate assets.

- With respect to income tax expense, double taxation avoidance principles are applied to income contributed by investees. This heading was impacted in 2017 by the reporting of the results of the business combination.

- Profit attributable to the Group in the first quarter of 2017 amounted to EUR 403 million, up 47.9% year on year.

CAIXABANK Group consolidated balance sheet

€ million	31.03.17	31.12.16	Change	Change in %
	Group			
Cash, cash balances at central banks and other demand deposits	6,055	13,260	(7,205)	(54.3)
Financial assets held for trading	13,311	11,668	1,643	14.1
Available-for-sale financial assets	68,398	65,077	3,321	5.1
Loans and receivables	229,109	207,641	21,468	10.3
Loans and advances to central banks and credit institutions	6,496	6,742	(246)	(3.6)
Loans and advances to customers	219,667	200,338	19,329	9.6
Debt securities	2,946	561	2,385	
Held-to-maturity investments	8,320	8,306	14	0.2
Investments in joint ventures and associates	6,359	6,421	(62)	(1.0)
Tangible assets	6,531	6,437	94	1.5
Intangible assets	3,837	3,687	150	4.1
Non-current assets held for sale	6,568	6,405	163	2.5
Other assets	21,779	19,025	2,754	14.5
Total assets	**370,267**	**347,927**	**22,340**	**6.4**
Liabilities	**345,488**	**324,371**	**21,117**	**6.5**
Financial liabilities held for trading	10,342	10,292	50	0.5
Financial liabilities measured at amortised cost	268,498	254,093	14,405	5.7
Deposits from central banks and credit institutions	40,323	36,345	3,978	10.9
Customer deposits	196,961	187,167	9,794	5.2
Debt securities issued	27,385	27,708	(323)	(1.2)
Other financial liabilities	3,829	2,873	956	33.3
Memorandum item: Subordinated liabilities	*5,189*	*4,119*	*1,070*	*26.0*
Liabilities under insurance or reinsurance contracts	48,676	45,804	2,872	6.3
Provisions	5,104	4,730	374	7.9
Other liabilities	12,868	9,452	3,416	36.1
Equity	**24,779**	**23,556**	**1,223**	**5.2**
Own funds	23,833	23,400	433	1.9
Of which: Profit/(loss) attributable to the Group	*403*	*1,047*		
Minority interest	383	29	354	
Valuation adjustment and other	563	127	436	
Total liabilities and equity	**370,267**	**347,927**	**22,340**	**6.4**

Total assets amounted to EUR 370,267 million at 31 March 2017 (+6.4%).

The most notable changes in assets and liabilities in the quarter were as follows:

- The integration of BPI, which accounts for approximately 10% of CAIXABANK's total assets. Loans and advances to customers and customer deposits in particular were impacted by the incorporation of the Portuguese bank's retail activity.

- Meanwhile, Cash, cash balances at central banks and other demand deposits was down largely as a result of the maturity of the assignment of repos not renewed in the first quarter.

- The change in Customer deposits is largely down to the increase in deposits under management following the integration of Banco BPI, as well as the decline in the balance of counterparty entities.

Segment reporting

Information on businesses is presented for the same business units that existed prior to the effective takeover of BPI, although from February 2017 onward the attributable results contributed by this investee are no longer included under the Equity Investments business but are reported instead as a new business (BPI).

CAIXABANK

• **Banking and Insurance**: shows earnings from the Group's banking, insurance and asset management activity mainly in Spain, as well as liquidity management, ALCO, income from financing the other businesses and the Group-wide corporate centre.

Following 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.

• **Non-Core Real Estate**: includes the results, net of the related financing charge, of real estate assets in Spain defined as non-core, which comprise:

- Non-core lending to real estate developers.
- Foreclosed real estate assets (available for sale and rental) mainly owned by the real estate subsidiary BuildingCenter.
- Other real estate assets and interests.

• **Equity Investments**: includes essentially income from dividends and/or profit accounted for using the equity method, net of financing costs, from the interests held in Erste Group Bank, Repsol and Telefónica. It also includes the significant impacts on income of other relevant stakes acquired by the Group as part of its diversification across sectors, as added as part of the Group's latest acquisitions in Spain.

Includes the contribution to the CaixaBank Group through to May 2016 of the attributable results from the stakes held in Bank of East Asia and GF Inbursa. In 2017, it includes BPI's results through to and including January. With the takeover now completed, as of February BPI's results have been reported as a new business under the full consolidation method.

Operating expenses for these three 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 Investment 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 resources.

The difference between the Group's total own funds and the capital assigned to the other businesses is included in the Banking and Insurance business, which includes the Group's corporate centre.

BPI

Shows the results brought to the consolidated statements by BPI from February 2017 onward under the full consolidation of assets and liabilities method (considering the adjustments made in the business combination) and the own funds of this business are essentially those of BPI on a sub-consolidated basis. The income statement includes the reversal of the adjustments deriving from the measurement at fair value of the assets and liabilities under the business combination.

Million of euros	Banking and insurance			Non-core real estate			Equity Investments			BPI	Total Group	
	January - March		Change %	January - March		Change %	January - March		Change %	February - March	January - March	
	2017	2016		2017	2016		2017	2016		2017	2017	2016
Net interest income	**1,142**	**1,082**	**5.7**	**(15)**	**(10)**	**50.6**	**(43)**	**(52)**	**(15.5)**	**69**	**1,153**	**1,020**
Dividends and share of profit/(loss) of entities accounted for using the equity method	44	27	65.4	11	3		(1)	107		39	93	137
Net fee and commission income	544	488	11.4	1						43	588	488
Gains/(losses) on financial assets and liabilities and others	38	268	(85.8)							5	43	268
Income and expense arising from insurance or reinsurance contracts	110	64	72.8								110	64
Other operating income and expense	16	33	(52.5)	(111)	(89)	24.5		1		1	(94)	(55)
Gross income	**1,894**	**1,962**	**(3.4)**	**(114)**	**(96)**	**18.8**	**(44)**	**56**		**157**	**1,893**	**1,922**
Recurring administrative expenses	(984)	(975)	0.9	(28)	(27)	3.7	(1)	(1)	7.8	(78)	(1,091)	(1,003)
Extraordinary expenses										(10)	(10)	
Pre-impairment income	**910**	**987**	**(7.8)**	**(142)**	**(123)**	**14.6**	**(45)**	**55**		**69**	**792**	**919**
Pre-impairment income stripping out extraordinary expenses	**910**	**987**	**(7.8)**	**(142)**	**(123)**	**14.6**	**(45)**	**55**		**79**	**802**	**919**
Allowance for insolvency risk	(272)	(177)	52.6	17	(48)					6	(249)	(225)
Other charges to provisions	(219)	(47)		(150)	26			(164)		(1)	(370)	(185)
Gains/(losses) on disposal of assets and others	253			25	(53)			(80)			278	(133)
Profit/(loss) before tax	**672**	**763**	**(11.9)**	**(250)**	**(198)**	**25.6**	**(45)**	**(189)**	**(76.1)**	**74**	**451**	**376**
Income tax expense	(113)	(217)	(48.1)	78	54	43.6	13	62	(78.8)	(14)	(36)	(101)
Profit/(loss) after tax	**559**	**546**	**2.6**	**(172)**	**(144)**	**19.4**	**(32)**	**(127)**	**(74.8)**	**60**	**415**	**275**
Profit/(loss) attributable to minority interest and others	2	2	4.1							10	12	2
Profit/(loss) attributable to the Group	**557**	**544**	**2.4**	**(172)**	**(144)**	**19.4**	**(32)**	**(127)**	**(74.8)**	**50**	**403**	**273**

Capital adequacy

CAIXABANK had a Common Equity Tier 1 (CET1) ratio of 11.5% at 31 March 2017. The integration of Banco BPI in the first quarter of the year had an impact of -108 basis points on CET1.

Total capital fully-loaded amounted to 15.1 %, while the leverage ratio stood at 5.4%.

According to the criteria in force in 2016 for phased-in implementation, regulatory capital and leverage were: 11.9% CET1 and 15.5% total capital, with a leverage ratio of 5.6%. When analysing these regulatory ratios, the impact of the change of year in the phase-in schedule (decrease in CET1 of approximately 29 basis points) should be factored in.

Regulatory risk-weighted assets (RWA) amounted to EUR 153,060 million, up EUR 18,196 million on December 2016 mainly as a result of the acquisition of BPI.

The European Central Bank (ECB) and the national supervisor require CAIXABANK to maintain a regulatory CET1 ratio of 7,375% at 31 March 2017 (including capital conservation and systemic risk buffers) and of 8.75% fully loaded. The Bank's current CET1 ratio shows that the requirements imposed on CaixaBank will not trigger any of the restrictions envisaged in applicable capital adequacy regulations relating to payouts of dividends, variable remuneration and interest to holders of additional tier 1 capital instruments.

The minimum Tier 1 and Total Capital ratios required by the supervisor are, in regulatory terms, 8,875% and 10,875%, respectively, climbing to 10.25% and 12.25%, respectively, when fully loaded.

Risk management

Non-performing loans, excluding the incorporation of balances following the acquisition of BPI, were down EUR 127 million in the quarter (EUR -1,798 million in the last twelve months), showing the improving quality of the loan portfolio.

Meanwhile, the CAIXABANK Group's NPL ratio was 6.7% (6.9% at 31 December 2016). The NPL coverage ratio came to 49% (EUR 7,985 million in provisions).

The portfolio of net foreclosed assets available for sale in Spain totalled EUR 6,285 million (not including foreclosure rights at auctions of EUR 542 million, net, as possession of the properties has yet to be taken).

The coverage ratio (initial loan write-downs and charges to provisions associated with foreclosed real estate assets, divided by the debt repaid on foreclosure (sum of net carrying amount and coverage)) stood at 59%.

Fewer additions to the portfolio of foreclosed real estate assets and high levels of sales (at sale price), reaching EUR 296 million in the first quarter of 2017 (up 6.9% on the same period of the previous year), with positive proceeds on sales since the fourth quarter of 2015.

Net foreclosed assets held for rent amounted to EUR 3,088 million, with an occupancy ratio of 90%.

20.6.2 If the Registration Document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, which may be unaudited, covering at least the first six months of the financial year (this fact must be stated where applicable)

Not applicable.

20.7. Legal and arbitration proceedings

At 31 December 2016, there were no legal or labour proceedings deemed individually significant. CAIXABANK and the other Group companies are party to claims and legal proceedings arising from the normal course of their business, including claims in connection with lending activities, relationships with employees and other commercial or tax matters. The outcome of court proceedings is inherently uncertain. Based on available information, the Group considers that at 31 December 2016, it had reliably estimated the obligations arising from each proceeding and had recognised, where appropriate, sufficient provisions to reasonably cover the liabilities that may arise as a result of these tax and legal situations. It also considers that any responsibility arising from these proceedings will not, as a whole, have a material adverse effect on the Group's businesses, financial position or results of operations.

CAIXABANK has recognised provisions to cover any obligations that may arise from various ongoing legal proceedings, for a total of EUR 385.8 million. These provisions relate to several legal claims for amounts that are not individually material. Given the nature of these obligations, the expected timing of outflows of funds embodying economic benefits, should they arise, is uncertain.

Class action brought by the ADICAE association (floor clauses)

A class action is under way in which the claimants are seeking to disapply the use of floor causes in certain mortgage loans in the Bank's portfolio.

A judgement was issued on 7 April 2016 rendering null and void, due to insufficient transparency, the floor clauses contained in the general terms and conditions of the mortgage loan agreements entered into with consumers that were identical to those affected by the class action. As a result, banks must now: eliminate those clauses from their mortgage contracts; (ii) stop using them in a non-transparent manner; and (iii) repay to affected consumers the amounts unduly charged as a result of applying the null and void clauses as from the date of the Supreme Court judgement of 9 May 2013, plus any applicable interest payable by law. The Group eliminated these floor clauses in 2015, with an annual impact on net interest income of EUR -220 million.

This judgement is not final and has therefore been appealed by several parties, including CaixaBank. In its appeal, the ADICAE consumer association called for reimbursements not to be limited to the amounts collected since 9 May 2013 but to include, in each case, all amounts collected since each mortgage loan was arranged. The Public Prosecutor has opposed this request (unless the European Court of Justice rules otherwise). For the CaixaBank Group this means a maximum exposure of approximately EUR 1,250 million.

On 13 July 2016, the Advocate General of the European Union, which issues his opinion prior to the decision delivered by the Court of Justice of the European Union (CJEU), decided in favour of the Spanish Supreme Court's decision to limit repayments back to May 2013 (this being the doctrine applied by Commercial Court 11). However, on 21 December 2016 the judgment handed down by the CJEU failed to heed the reports issued by the Advocate General and upheld full retroactive reimbursement in relation to the abusive floor clauses.

Given the circumstances, in 2015 the Group posted a total provision of EUR 515 million under Other provisions - Losses from agreements not formalised and other risks to cover the best estimated value of disbursements that it was expected could derive from this case, based on what the Bank deemed to be the most probable outcome. In view of how the case is unfolding and the uncertainty surrounding the outcome, an additional provision of EUR 110 million was recognised at year-end 2016 to cover any reasonably expected payouts based on best estimates. The final provision therefore totals EUR 625 million. This amount is also sufficient for the scenario envisioned in Royal Legislative Decree 1/2017, on urgent measures to protect consumers in relation to floor clauses.

The best estimate on which this provision was calculated is based on an external report prepared by EY, which contains experience-based analyses, projections and calculations that are useful here and that also address the impact of Royal Legislative Decree 1/2017.

Although this new enhanced provision is based on best estimates, the Bank will continue to closely monitor and analyse its sufficiency every three months while drawing on its experience and the lessons learned, and will increase and/or enhance the provision accordingly as and when needed.

CAIXABANK is not aware of any governmental, legal or arbitration proceedings that could have a material effect beyond those disclosed in this document and the consolidated financial statements.

Years open to tax inspection

On 24 July 2015, the tax authorities notified CAIXABANK of the commencement of tax inspection proceedings for the main taxes applicable to the Group for the years 2010 to 2012, inclusive. Accordingly, CAIXABANK has the year 2013 and following years open for review for the main taxes applicable.

The main tax proceedings ongoing at year-end 2015 were as follows:

- In 2011, the tax authorities began an inspection of ”la Caixa” for the main taxes applicable between 2007 and 2009. This inspection was completed in 2013 and assessments were issued, mainly in relation to temporary differences arising from divergences between accounting and tax standards. Assessments signed in agreement were paid, while those signed under protest are still awaiting a ruling from the Tax Appeals Board. For the latter, CaixaBank has recognised provisions amounting to EUR 11,174 thousand.

- In 2008, the tax authorities began an inspection of ”la Caixa” for the main taxes applicable between 2004 and 2006. This inspection was completed in 2010 and assessments were issued, mainly in relation to temporary differences arising from divergences between accounting and tax standards. The Bank has allocated provisions of EUR 33,171 thousand to cover the maximum contingencies that may arise in relation to assessments assigned under protest as yet unresolved by the National High Court (Audiencia Nacional).

Furthermore, as the successor of Banca Cívica and the savings banks that formerly contributed their gains from financial activities to Banca Cívica and Banco de Valencia, information is shown below on the reviews and inspections carried out for the main taxes and obligations, which generally cover the following tax years:

a) Cajasol, to 2010; Caja Canarias, to 2010 and Caja Navarra, to 2009.
b) In addition, on 11 July 2013, the tax authorities notified Caja de Burgos of the commencement of inspection proceedings for the main taxes applicable to it for the years 2008 to 2010, inclusive. The inspections were completed this year and the assessments issued and signed in agreement. The tax payable was paid.
c) Banco de Valencia has the year 2010 and following years open for review for the main taxes applicable.

Last but not least, in relation to Barclays Bank, SAU the year 2010 and following years are open for review for the main taxes applicable.

The various interpretations that can be drawn from the tax regulations governing transactions carried out by financial institutions may give rise to certain contingent tax liabilities that cannot be objectively quantified. The Bank’s Management considers that the provision under Provisions for taxes and other legal contingencies on the balance sheet is sufficient to cover these contingent liabilities.

20.8. Significant changes in the Issuer's financial or trading position

Since 31 March 2017, there have been no significant changes in the Company's financial or trading position or other significant events affecting the Company, beyond those described above or included in this Registration Document (for further information on the issuance of preference shares and the voluntary paid retirement and resignation plan, see *section 5.1.5. Important events in the development of the Issuer's business*).

In any case, all material information on the Issuer has been duly disclosed to the CNMV through the filing of Significant Events (*Hechos Relevantes*) on the website www.cnmv.es. All such filings are deemed incorporated herein by reference.

21. ADDITIONAL INFORMATION..

21.1 Share capital

21.1.1 Amount of issued capital, and for each class of share capital:

At the date of this Registration Document, CAIXABANK's share capital stands at EUR 5,981,438,031, represented by 5,981,438,031 shares, each having a par value of EUR 1, all belonging to the same class and series, all conferring the same voting and dividend rights, and all represented in book-entry form. The entity responsible for keeping account of the same is Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR). The shares into which CAIXABANK's share capital is divided are listed for trading on the Barcelona, Bilbao, Madrid and Valencia stock exchanges through the Automated Trading System (Continuous Market).

On 1 June, CaixaBank announced the approval of an issue of contingent convertibles (convertible into new-issue shares) (Additional Tier 1) worth EUR 1,000 million, with the pre-emptive subscription right disapplied. The terms of the placement were decided that same day.

The Issue, available only to qualified investors, was made at par value and the coupon on the CoCos, payment of which is subject to certain conditions and is also discretionary, was set at 6.75% per year for the first seven years. Thereafter, it will be revised to equal the applicable five-year mid swap rate (5-year EUR Mid Swap Rate) plus 649.8 basis points. Payment of the coupon (where payable) will be quarterly in arrears.

While the CoCos are perpetual, they may be redeemed under specific circumstances at the option of CaixaBank. They will be converted into new-issue common shares of the Bank if CaixaBank or the CaixaBank Group reports a Common Equity Tier 1 ratio (CET1) of less than 5,125%, calculated in accordance with Regulation 575/2013 (EU) of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms.

The conversion price of the CoCos will be the highest of: (i) the volume-weighted daily average price of the CaixaBank share in the five trading days prior to the day the corresponding conversion is announced; (ii) EUR 2,803 (Floor Price); and (iii) the par value of the CaixaBank shares at the time of conversion (on today's date, the par value of the share is one euro (EUR 1)).

a) Number of shares authorised

In accordance with the provisions of article 297.1b) of the Corporate Enterprises Act, CAIXABANK's Annual General Meeting resolved on 23 April 2015 to authorise CAIXABANK's Board of Directors to increase share capital on one or more occasions and at any time within a period of five years from the date of that General Meeting. The increase was not to exceed EUR 2,857,477,950 (i.e. half total share capital at the date of the motion: 12 March 2015) and was to be effected through the issuance of new shares, with or without share premium and with or without voting rights and with consideration for these new shares to be paid in cash. The Board was granted powers to set the terms and conditions of the capital increase and the characteristics of the new shares and also allowed to freely offer any shares not subscribed within the preferential subscription period or periods, to determine that, in the event of incomplete subscription, capital would be increased only in the amount of the subscriptions made, and to reword the articles of the Bylaws governing capital and shares accordingly. The Board of Directors was also authorised to fully or partially disapply the preferential subscription right pursuant to article 506 of the Corporate Enterprises Act. The capital increases the Board is authorised to effect under this power when excluding the pre-emptive subscription right was limited to a total of

EUR 1,142,991,180 (equivalent to 20% of share capital at the date of the motion, that is, 12 March 2015). The above notwithstanding, any capital increase approved by the Company's Board of Directors in order to cover the conversion of bonds for which the pre-emptive subscription right has been disapplied on issue, pursuant to the resolution to delegate powers to issue convertible bonds approved at the Annual General Meeting of 28 April 2016 under item 12 on the agenda, will not be subject to the maximum limit of 20% of share capital (EUR 1,142,991,180), with the applicable limit in this case to be half of total share capital (EUR 2,857,477,950). The Board of Directors is authorised to delegate any powers under that original authorisation to the Executive Committee and, as the case may be, to the director or directors it deems fit, insofar as those powers can be delegated.

At the date of this Registration Document, the Board of Directors' only action under this delegation of powers has been to issue contingent convertibles instruments convertible into new-issue shares in CaixaBank (*Additional Tier 1*), with the pre-emptive subscription right disapplied. This issue has been described previously and is for a total amount of EUR 1,000 million. It is intended exclusively for accredited investors.

b) Number of shares issued and fully paid and issued but not fully paid

There are no payments pending. All the shares into which the share capital of CAIXABANK is divided are fully subscribed and paid in.

c) Par value per share, or that the shares have no par value

All the shares into which the share capital of CAIXABANK is divided have a par value of EUR 1 each.

d) Reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact

The number of CAIXABANK shares outstanding at the date of this Registration Document is 5,981,438,031 .

At 1 January 2016, CAIXABANK's share capital amounted to EUR 5,823,990,317, divided into 5,823,990,317 shares each with a par value of EUR 1**.**

At 31 December 2016, CAIXABANK's share capital was represented by 5,981,438,031 common shares, with a par value of EUR 1 each, all fully subscribed and paid up.

21.1.2 If there are shares not representing capital, state the number and main characteristics of such shares

There are no shares that do not represent capital.

21.1.3 Number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer

At 31 December 2016, the CAIXABANK Group held 4,335,865 treasury shares, representing 0.07% of its capital, acquired at a cost of EUR 14,339 thousand.

Treasury stock transactions in 2016 generated capital losses of EUR 703,826 thousand, net.

The Annual General Meeting held on 28 April 2016 resolved to authorise the Board of Directors of CAIXABANK to proceed with the derivative acquisition of treasury shares, both directly and indirectly via its dependent companies, in the terms indicated below and with a term of validity of five years.

a) The acquisition may be made in the form of a sale, swap, dation in payment or any other legally admissible form, on one or more occasions, providing the combined par value of the acquired shares and those already held by the Company does not exceed 10% of the subscribed capital.

b) When the acquisition is for consideration, the price or equivalent value shall be the price of the Company share on the Continuous Market at the close of the day prior to the acquisition, +/-15%.

The shares acquired by virtue of this authorisation may be subsequently sold or redeemed, or else extended to employees and directors of the Company or its group as part of the remuneration systems set out in article 146 a), paragraph three of the Corporate Enterprises Act. The purpose of all of this is to improve the liquidity of the CAIXABANK share on the market and the stability of share prices, and any other purposes envisaged in the Internal Code of Conduct for Treasury Stock Transactions available on the electronic portal or corporate website of CAIXABANK (www.caixabank.com) and other requirements of the Spanish Companies Act.

The following table shows the balance of treasury shares at the end of each financial year covered by the historical financial information and also at 31 May 2017.

	No. shares	Amount (face value)	Percentage of capital	Average purchase price (€)	Average selling price (€)
Balance at 31/12/2013	2,190,809	2,190,809	0.04%		
Acquisitions	13,888,036	13,888,036	0.24	4,375	
Sales	13,422,194	13,422,194	0.23%		4,452
Balance at 31/12/2014	2,656,651	2,656,651	0.05%		
Acquisitions	9,817,863	9,817,863	0.17%	3,929	
Sales	7,324,043	7,324,043	0.13%		4,092
Balance at 31/12/2015	5,150,471	5,150,471	0.09%		
Acquisitions	584,978,245	584,978,245	9.90%	3,434	
Sales	851,954	851,954	0.01%		2,927
Balance at 31/12/2016	4,335,865 (1)	4,335,865 (1)	0.07%		
Acquisitions	54,326	54,326	0.0%	3,421	
Sales	829,540	829,540	0.01%		3,412
Balance at 31/05/2017(2)	**3,560,651** (2)	**3,560,651**	**0.06%**		

(1) Includes 39,648 shares owned by subsidiary companies.

(2) Includes 45,567 shares owned by subsidiary companies.

Capital gains/(losses) generated:

- 2014: EUR 2,529 million
- 2015: EUR 0,072 million
- 2016: EUR - 703,826 million
- 31/5/2017: EUR 0,041 million

21.1.4 Amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription

On 1 June 2017, a Significant Event filing was published announcing the approval of an issuance of contingent convertible instruments convertible into new-issue shares in CaixaBank (*Additional Tier 1*), with the pre-emptive subscription right disapplied. The issue is worth EUR 1,000 million and is intended exclusively for accredited investors. On 13 June 2017, all the instruments were confirmed as being fully subscribed for and paid up, having obtained approval for admission for trading on the AIAF Fixed-Income Market. While the CoCos are perpetual, they may be redeemed under specific circumstances at the option of CaixaBank. They will be converted into new-issue common shares of the Bank if CaixaBank or the CaixaBank Group reports a Common Equity Tier 1 ratio (CET1) of less than 5,125%, calculated in accordance with Regulation 575/2013 (EU) of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms. The conversion price of the CoCos will be the highest of: (i) the volume-weighted daily average price of the CaixaBank share in the five trading days prior to the day the corresponding conversion is announced; (ii) EUR 2,803 (Floor Price); and (iii) the par value of the CaixaBank shares at the time of conversion (on today's date, the par value of the share is one euro (EUR 1)).

As the nominal amount of the Issue amounts to one billion euros (EUR 1,000,000,000) and applying the Minimum Conversion Price of EUR 2,803 per share, the maximum number of shares to be issued would be three hundred and fifty-six million, seven hundred and sixty thousand six hundred and thirteen (356,760,613) common shares of the Bank, assuming that no anti-dilution adjustment is made and that the number of shares outstanding is the same as at the verification date of this Registration Document. Accordingly, if the shares are converted at the minimum price just discussed, the post-issue percentage of participation in the share capital of the preference share holders would be 5.63%.

21.1.5 Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital

Authorisations from the Annual General Meeting to issue securities convertible into CaixaBank shares.

A resolution was passed at the Annual General Meeting of CAIXABANK held on 28 April 2016 to authorise the Board of Directors to issue securities convertible into CAIXABANK shares, or securities directly or indirectly entitling their holders to subscribe or acquire CAIXABANK shares, including warrants. These instruments may be additionally or alternatively exchangeable for CAIXABANK shares. This includes the authority to increase capital and, as the case may be, to disapply the pre-emptive subscription right. The Board of Directors may make use of this delegation of powers on one or more occasions over the maximum term of five (5) years, i.e. until 28 April 2021, and subject to a cap of three billion euros (EUR 3,000,000,000) or equivalent value in another currency. It was agreed under this same authorisation to proceed with the placement of contingent convertibles described in section 21.1.4.

Aside from the above, there are no further acquisition rights and/or obligations at the date of this Registration Document in respect of authorised but unissued capital or any undertaking to increase the capital.

21.1.6 Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate

At the verification date of this Registration Document, there is no option attaching to the capital of CAIXABANK or any Group company.

21.1.7 A history of share capital, highlighting information about any changes, for the period covered by the historical financial information

During the period covered by the historical financial information, CAIXABANK's share capital undergone the following modifications:

	Initial balance	Increase / reduction/	Date	Amount	Shares	Closing balance
1	4,956,284,390 euros	Capital increase with issuance of shares to cover the voluntary conversion of Series I/2011 subordinated mandatory convertible bonds	03/01/2014	943,035 euros	943,035	4,957,227,425 euros 4,957,227,425

2	4,957,227,425 euros	Capital increase with issuance of shares to cover the voluntary conversion of Series I/2012 subordinated mandatory convertible and/or exchangeable bonds	03/01/2014	70,382,857 euros	70,382,857	5,027,610,282 euros 5,027,610,282
3	5,027,610,282 euros	Scrip issue	24/03/2014	50,726,824 euros	50,726,824	5,078,337,106 euros 5,078,337,106
4	5,078,337,106 euros	Capital increase with issuance of shares to cover the compulsory conversion of Series I/2012 subordinated mandatory convertible and/or exchangeable bonds	04/04/2014	323,146,336 euros	323,146,336	5,401,483,442 euros 5,401,483,442
5	5,401,483,442 euros	Scrip issue	23/06/2014	46,532,670 euros	46,532,670	5,448,016,112 euros 5,448,016,112
6	5,448,016,112 euros	Capital increase with issuance of shares to cover the discretionary conversion of the entire Series I/2011 subordinated mandatory convertible bonds	04/07/2014	149,484,999 euros	149,484,999	5,597,501,111 euros 5,597,501,111
7	5,597,501,111 euros	Scrip issue	29/09/2014	53,422,606 euros	53,422,606	5,650,923,717 euros 5,650,923,717
8	5,650,923,717 euros	Scrip issue	15/12/2014	64,032,183 euros	64,032,183	5,714,955,900 euros 5,714,955,900
9	5,714,955,900 euros	Scrip issue	23/03/2015	53,331,614 euros	53,331,614	5,768,287,514 euros 5,768,287,514
10	5,768,287,514 euros	Scrip issue	28/09/15	55,702,803 euros	55,702,803	5,823,990,317 euros 5,823,990,317
11	5,823,990,317 euros	Scrip issue	21/03/16	86,252,367 euros	86,252,367	5,910,242,684 euros 5,910,242,684
12	5,910,242,684 euros	Scrip issue	13/12/16	71,195,347 euros	71,195,347	5,981,438,031 euros 5,981,438,031

21.2 Memorandum and articles of association

21.2.1. Description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association

The Annual General Meeting of CAIXABANK held on 23 April 2015 approved the amendment of article 2 of the Bylaws on the corporate object, with a view to including an express provision on the development of activities both in Spain and abroad, as it had been doing in practice. This amendment, subject to the system of authorisations envisaged in article 10 of Royal Decree 84/2015, of 13 February, which implements the LOSSEAR, was authorised by means of a resolution dated 27 July 2015. The deed of amendment was authorised on 8 September 2015 by Barcelona notary, Tomás Giménez Duart, under number 2,256 of his protocol, and is recorded as entry 797 at the Barcelona Companies Registry.

Below is a transcription of Article 2 of the Bylaws on the corporate object of CAIXABANK, as approved at the Annual General Meeting held on 23 April 2015.

““Article 2.- Corporate object

1. The following activities are the corporate object of the Company:

(i) all manner of activities, operations, acts, contracts and services related to the banking sector in general or directly or indirectly related thereto, permitted by current legislation, including the provision of investment services and ancillary services and performance of the activities of an insurance agency, either exclusively or in association, without simultaneous exercise of both activities;

(ii) receiving public funds in the form of irregular deposits or in other similar formats, for the purposes of application on its own account to active credit and microcredit operations, i.e. the granting of loans without collateral in a bid to finance small business initiatives by individuals and legal entities which, in view of their social and economic circumstances, have difficulty in gaining access to traditional finance from banks, and to other investments, with or without pledged collateral, mortgage collateral or other forms of collateral, pursuant to business laws and customs, providing customers with services including dispatch, transfer, custody, mediation and others in relation to these, in connection with business commissions; and

(iii) acquisition, holding, enjoyment and disposal of all manner of securities and drawing up takeover bids and sales of securities, and of all manner of ownership interests in any entity or company.

2. The activities which make up the corporate object may be carried out, in both Spain and abroad, totally or partially in an indirect fashion, in any format permitted by law, especially through the holding of shares or ownership interests in companies or other entities the object of which is identical or similar, ancillary or complementary to such activities.

21.2.2. A summary of any provisions of the issuer’s articles of association, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory bodies

The Annual General Meeting of CAIXABANK held on 6 April 2017 approved a number of modifications to the Bylaws so as to define the remit of the Board of Directors in respect of the companies belonging to the CaixaBank Group; to introduce certain corporate governance improvements concerning compliance with the prudential deconsolidation requirements for Criteria Caixa, S.A.U. established by the European Central Bank; and to incorporate other good governance improvements. The General Meeting agreed to modify articles 32, 35, 37 and 40 of the Bylaws so as to include and reflect the following requirements prescribed by the European Central Bank as a necessary condition for the prudential deconsolidation of Criteria Caixa, S.A.U. (in CaixaBank’s corporate interests): (i) no shareholder may be represented by a number of proprietary directors exceeding 40% of the members of the Board of Directors, without prejudice to the right of all shareholders to be represented at the Company in proportion to their stake, in accordance with applicable law; (ii) the position of lead director must be created and filled; (iii) independent directors may only grant proxies to other independent directors; (iv) if a shareholder is represented on the Board by more than one proprietary director, his or her proprietary directors must abstain from any appointments or motions to appoint independent directors; (v) all committees attached to the Board of Directors (and not only the Audit and Control Committee) must comprise a majority of independent directors; and (vi) a final provision must be added to limit the nomination of executive directors from among the proprietary directors representing the same shareholder, or from among those sitting on the governing bodies or belonging to the senior management of a shareholder that has, or has had in the past, control of the Company. At the date of this Registration Document, the European Central Bank has yet to grant its authorisation and as a result these modifications to the Bylaws have yet to be notarised in public instrument and filed with the Companies Registry. The new version of the Bylaws approved at the Annual General Meeting of 6 April 2017 and featuring the new modifications is available on CAIXABANK’s corporate website (www.caixabank.com).

Meanwhile, the Board of Directors of CAIXABANK, at a meeting held on 23 February 2017, approved a set of modifications to articles 1 (“Origin and purpose”), 4 (“Functions of the Board of Directors”), 5 (“Qualitative composition”), 7 (“The Chairman of the Board”), 8 (“The Deputy Chairman”), 12 (“Delegation of powers. Committees of the Board of Directors”), 14 (“The Audit and Control Committee and the Risk Committee”), 15 (“The Appointments Committee and the Remuneration Committee”), 16 (“Meetings of the Board of

Directors”), 17 (“Course of the meetings”) and 27 (“Duty of loyalty”). It also incorporated a new article 9 (“Lead Director”) and a Final Provision to bring the provisions of the Bylaws in line with the motion to modify the Bylaws laid before the Annual General Meeting on 6 April 2017. Also at that meeting the Board of Directors approved the new revised text of the Regulations of the Board of Directors. The modifications and the new version of the Regulations resulting from the changes were made available to shareholders and reported at CAIXABANK’s Annual General Meeting held on 6 April 2017, pursuant to article 529 of the Corporate Enterprises Act. The amendments to the Regulations of the Board of Directors are subject to authorisation of the modifications to the Bylaws approved at the same Annual General Meeting of 6 April 2017. At the date of this Registration Document, the modifications to the Bylaws have yet to be authorised and as a result the new version of the Regulations of the Board of Directors have yet to be notarised in public instrument and filed with the Companies Registry.

The Regulations of the Board of Directors contain the terms of reference and internal regulations of CAIXABANK’s Board of Directors and of its various committees. They therefore set out the principles guiding the actions of the Board of Directors, along with the basic rules governing its structure and functioning and the code of conduct expected of Board members.

The Bylaws and the Regulations of the Board of Directors of CAIXABANK contain the following key provisions relating to the members of the governing, management and supervisory bodies of CAIXABANK:

a) The Board of Directors will be composed of a minimum of twelve (12) and a maximum of twenty-two (22) members.

b) It is not necessary for directors to be shareholders of the Company.

c) The Board of Directors, when exercising its powers to lay motions before the General Meeting and when covering vacancies by means of co-option, shall ensure that the composition of the Board of Directors is such that the number of external or non-executive directors constitutes a broad majority when compared to the number of executive directors, and that the latter comprise only the minimum number strictly needed.

d) Under the new proposed version of the Bylaws and the Regulations of the Board of Directors, which has yet to be authorised, no shareholder may be represented on the Board of Directors by a number of proprietary directors exceeding forty per cent of the total number of Board members, without prejudice to the right of all shareholders to be represented at the Company in proportion to their stake, in accordance with applicable law.

e) Directors shall hold office for a term of four years, without prejudice to their reappointment or removal by the General Meeting at any time in accordance with the law and as envisaged also in the Company’s Bylaws. However, independent directors will not remain as such for a continuous period of more than 12 years.

f) The Board of Directors will appoint from among its ranks a Chairman and one or more Deputy Chairmen, following a report from the Appointments Committee. It shall likewise appoint, following a report from the Appointments Committee, a Secretary and, optionally, a Deputy Secretary, neither of whom need not be Board members.

g) The Board will be validly convened when a majority of its members are either present at the meeting or represented by proxy and resolutions will be carried by an absolute majority of votes cast by the directors present or represented by proxy, except where the law or the Bylaws state otherwise. In the event of a tie, the Chairman will have the casting vote.

h) The Board of Directors shall meet at least eight (8) times a year, holding at least one meeting every quarter. It shall also meet, at the Chairman’s discretion, as often as the Chairman deems necessary or desirable to ensure the good running of the Company. The Board of Directors shall also meet when requested to do so by at least two of its members or one of its independent directors. If the Chairman fails to call a meeting within one month of receiving the request without good reason, and provided the request is supported by at least one third of the members of the Board of Directors, the directors who requested the meeting may call the meeting insofar as they represent at least one third of the total Board members.

i) The Board of Directors may set up an Executive Committee or appoint one or more Chief Executive Officers from among its ranks, without prejudice to its authority to confer upon any person any or all of the powers that can be lawfully delegated, whether on a temporary or permanent basis.

CAIXABANK has an Internal Code of Conduct in place to ensure compliance with the terms of the Spanish Securities Market Act and applicable regulations on market abuse. The Internal Code of Conduct seeks to ensure that CAIXABANK's actions, as a listed credit institution, issuer of securities and provider of investment services, and those of its governing bodies, employees and representatives when engaging in activities relating to the securities market, are suitably aligned with the rules of conduct set out in the Securities Market Act and its implementing provisions. The ultimate purpose is to improve transparency in the markets and to protect, at all times, the legitimate interests of investors. A further objective of the Internal Code of Conduct is to establish a Conflicts of Interest Policy, in accordance with applicable law.

The main features of the Internal Code of Conduct are as follows:

a) The following persons are subject to the Internal Code of Conduct: (i) members of the Company's Board of Directors and the Secretary and Deputy Secretary of the Board of Directors if they are not Board members; (ii) members of the Company's Management Committee and those senior executives who have regular access to inside information directly or indirectly concerning entities subject to the Code and with managerial responsibilities to make decisions that affect the Company's future performance; (iii) those executives and employees who carry out their work in areas relating to securities markets and/or who have regular access to inside information, as well as those individuals rendering services in a separate area (as discussed in the Code of Conduct) and who meet the aforementioned conditions, and also those persons who, while not directly involved in the securities market, should nevertheless be made temporarily subject to the Code due to their involvement or knowledge of transactions involving inside information; and (iv) any other person at the entities subject to the code who the Code of Conduct Regulations Committee -on a proposal from Regulatory Compliance- believes should fall within the scope of this Code of Conduct in view of the prevailing circumstances in each case. another for all employees which focuses on identifying and notifying any suspicious market abuse operations, the corporate conflict of interest policy and employees' general obligations regarding insider information.

b) Restrictions and conditions are in place for transactions carried out by persons subject to the Internal Code of Conduct, including restrictions, among other things, on the purchase or sale of CAIXABANK securities or financial instruments and of negotiable securities issued by public or private persons or entities. It also imposes obligations to disclose certain transactions.

   The duties in relation to inside information include those of abstention, safeguarding and communication. Separate areas and departments have been set up at which different activities related to securities markets are to be carried out, thus establishing physical separation measures and specific procedures to protect inside information and control the flow of information.

   In relation to relevant information, processing and publication measures are in place and authorised contact persons are nominated to liaise with the CNMV.

   Any person who is subject to the Internal Code of Conduct and, in general, all CAIXABANK employees must not prepare or engage in any kind of practices, acts and conduct that might interfere with the free formation of prices on the securities markets. Measures are also in place to analyse and report suspicious transactions.

c) CAIXABANK's policy on conflicts of interests defines the situations and especially the services that can give rise to conflicts of interest, setting general management criteria and procedures for resolving those conflicts.

d) In the context of treasury share operations, transactions involving CAIXABANK shares must always pursue a legitimate purpose, such as contributing to the liquidity of the shares on the market or reducing price fluctuations, or any other admissible purposes in accordance with the regulations in force. Under no circumstances may they seek to distort the free formation of prices on the market or favour certain shareholders of the Company. The Code of Conduct contains a set of restrictions on the volume, price and performance of transactions involving treasury shares.

Specific rules of conduct are established in relation to depositary services, with a specific duty to implement procedures in relation to related-party transactions and to comply with rules on the separation of functions.

e) The Board of Directors, the Management Committee, the ICC Committee, Regulatory Compliance and the heads of the separate areas are tasked with the functions contained in the Code of Conduct, which essentially relate to approval, implementation, control and monitoring.

21.2.3. A description of the rights, preferences and restrictions attaching to each class of the existing shares

All currently outstanding shares representing the capital of CAIXABANK belong to the same class and series and grant their holders the same voting and dividend rights, which are the full voting and dividend rights attaching to those shares as set out in the Corporate Enterprises Act and the Bylaws. The above notwithstanding, please see section 21.2.7 below with regard to the communications concerning the acquisition of significant stakes in CAIXABANK, due to its status as a listed credit institution.

Given that the Company has interests in entities that operate in highly regulated industries such as the financial sector and the insurance sector, the acquisition of a significant percentage of shares in CAIXABANK, where that acquisition means acquiring a significant stake in any of those entities, could be subject to authorisation by, or the obtaining of a no-objection certificate from, the competent regulatory authorities.

21.2.4 Description of what action is necessary to change the rights of holders of the shares, indicating where the conditions are more significant than is required by law

Any change to the rights of holders of CAIXABANK shares will require the relevant modification to the Bylaws. If the change affects some but not all of the shares and involves discriminating between shares, it must be approved by shareholders representing the majority of the shares affected. The Bylaws of CAIXABANK contain no special or further provisions beyond the terms of the Corporate Enterprises Act.

21.2.5. A description of the conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are called including the conditions of admission

The conditions described in this section governing how annual and extraordinary General Meetings are called, including attendance requirements, are set out in CAIXABANK’s current Bylaws and Regulations of the Annual General Meeting.

The Annual General Meeting must meet within the legally established term in each financial year in order to approve the Company’s management and the accounts for the preceding year and decide on the application of earnings. It also approves, if applicable, the consolidated accounts and carries resolutions on any other matter within its remit, provided it appears on the agenda contained in the announcement of the meeting or is legally appropriate and provided also the General Meeting has been formed with the required share capital in attendance. Any General Meeting other than the one envisaged above will be considered an extraordinary General Meeting.

The General Meeting will be convened by the Board of Directors by means of an announcement published in the Companies’ Registry Gazette or in one of the widely distributed newspapers in Spain, on the Company’s corporate website (www.caixabank.com) and on the website of the CNMV. This announcement must be published at least one month ahead of the date of the meeting. Nevertheless, and where legally permissible, extraordinary General Meetings may be called a minimum of fifteen (15) days in advance. The announcement must state the name of the Company and the date, time and venue of the meeting, and will list all the items on the agenda and the position of the person or persons sending the announcement. It may also state the date of second call, where applicable. At least 24 hours must elapse between scheduled first and second meetings.

Shareholders owning at least 1,000 shares, whether individually or when pooled with other shareholders, and whose ownership of those shares is recorded in book-entry format at least five days ahead of the date of the meeting, may attend the General Meeting in person. Likewise, a representative wishing to attend the General Meeting in person must hold and/or represent one or more shareholders owning, on aggregate, a minimum number of 1,000 shares. The above notwithstanding, all shareholders may cast their vote by post or via electronic channels without having to hold a minimum number of shares.

Members of the Board of Directors must attend General Meetings, although their absence for any reason will not prevent the General Meeting in question from being validly held. Likewise, the Chairman of the General Meeting may authorise persons providing services at or for the company to attend and allow them to speak when the Chairman considers their involvement to be in the interests of the General Meeting. The Chairman of the General Meeting may also authorise the presence of the media, financial analysts and other experts. Likewise, the Chairman of the Board of Directors may invite any other person he or she sees fit to invite.

Notwithstanding the right of legal persons shareholders to attend via an authorised natural-person representative, shareholders may be represented by another person, even if he/she is not a shareholder. This proxy must be granted for each specific meeting and may be granted in writing or via remote means that duly guarantee the identity of the represented entity, subject to the rules prescribed by the Corporate Enterprises Act, the Bylaws and the Regulations of the Annual General Meeting.

Shareholders will be entitled to request information in accordance with applicable law, the Bylaws and the Regulations of the Annual General Meeting. The Chairman and Secretary of the Board of Directors will act as Chairman and Secretary at the General Meeting. Where they are absent or unable to attend, or where either position is vacant, the corresponding Deputy Chairman and Deputy Secretary of the Board of Directors, according to their respective ranking where more than one exists, will assume the posts. If there is no such Deputy Chairman or Secretary, the General Meeting will be chaired instead by the oldest director while he youngest director will act as Secretary.

The Chairperson will submit the items on the agenda for deliberation and steer discussions. The General Meeting will adopt resolutions by a simple majority of votes cast by shareholders, except when the law establishes a higher quorum and/or majority. Those matters that are substantially independent, including, in all cases, the appointment, ratification, re-election or removal of directors as well as amendments of the Bylaws, will be voted on separately.

21.2.6 Brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer

There are no bylaw provisions or internal regulations that delay, defer or prevent a change in control of CAIXABANK.

However, in its capacity as a credit institution, the direct or indirect acquisition of stakes the law considers to be significant in the share capital of CAIXABANK will require prior notice to be given to Banco de España in accordance with the LOSS. Pursuant to the article 16 of the LOSS, "significant stake" means any equity interest that directly or indirectly accounts for at least 10% of the capital or voting rights of a credit institution. The term also extends to any interest which, while failing to reach the aforementioned percentage, still enables the holder to exert considerable influence at a credit institution.

21.2.7 An indication of the articles of association, statutes, charter or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed

There is no provision in the Bylaws of CAIXABANK requiring shareholders with a significant stake to disclose that circumstance, notwithstanding applicable legal requirements, particularly Royal Decree 1333/2005, of 11 November, on market abuse; Royal Decree 1362/2007 of 19 October, implementing the Securities Market Act, in relation to transparency requirements regarding information on issuers whose securities are listed for trading on an official secondary market or other regulated market of the European Union; and in CNMV Circular 2/2007 of 19 December.

However, given its status as a credit institution, please note that Royal Decree 84/2015, of 13 February, implementing Act 10/2014, of 26 June, on the structuring, supervision and capital adequacy of credit institutions, also requires CAIXABANK to inform Banco de España of its capital structure.

21.2.8. Description of the conditions imposed by the memorandum and articles of association statutes, charter or bylaw governing changes in the capital, where such conditions are more stringent than is required by law

The conditions to be met when modifying the share capital of CAIXABANK and the respective rights attaching to the shares comprising that capital are governed by the law, with the Bylaws imposing no special conditions in that regard.

However, given its status as a credit institution, please keep in mind the provisions of section 21.2.6 above.

22. MATERIAL CONTRACTS

At the date of this document, there are no relevant contracts outside the Company's normal business. There is also no contract in effect with any Group member that contains a clause whereby a member of the Group assumes an obligation or right that is material for the Group, beyond those described below.

Internal Protocol governing Relations between ”la Caixa” and CAIXABANK

On 1 July 2011, the then Caixa d'Estalvis i Pensions de Barcelona, ”la Caixa”, and CAIXABANK signed an Internal Protocol governing the basic principles of the relationship between ”la Caixa”, CAIXABANK and their respective groups. The protocol is there to ensure that, in a transparent manner, CAIXABANK carries out the financial activity of ”la Caixa” indirectly based on the required principles of good corporate governance. A certain framework of measures was devised to achieve this. However, following the entry into force of Act 26/2013 of 27 December, on savings banks and banking foundations, ”la Caixa” became a banking foundation, whose primary activity is to manage and carry out welfare projects and appropriately manage its stake in CAIXABANK. Consequently, the arrangement whereby ”la Caixa” indirectly carried out its financial activity indirectly through CAIXABANK was extinguished. Accordingly, the protocol (as originally worded) was also rendered null and void once ”la Caixa” stopped indirectly carrying out its financial activity indirectly through CAIXABANK. Therefore, on 16 June 2014 ”la Caixa” and CAIXABANK agreed to renew the Internal Relations Protocol between the two under all the terms and conditions that were not affected by ”la Caixa” ceasing to operate indirectly as a credit institution through CAIXABANK until the new relations protocol between CAIXABANK and the Banking Foundation is adopted.

On 19 December 2016, the ”la Caixa” Banking Foundation, Criteria Caixa and CAIXABANK entered into a new relations protocol, in accordance with the terms of the Protocol for Managing the Financial Holding, which is publicly available at https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/Gobierno_corporativo/2016_PROTOCOLO_INTERNO_DE_RELACIONES_es.pdf.

Protocol governing the Banking Foundation's financial holding in CAIXABANK

See Section 19 of this Registration Document.

Tax consolidation agreement

Caixa d'Estalvis i Pensions de Barcelona, ”la Caixa” has filed consolidated corporate income tax returns since 1991.

With effects from 1 July 2011, “la Caixa” (now ”la Caixa” Banking Foundation) and CAIXABANK renewed the tax consolidation agreement governing their tax relations. The tax consolidation agreement regulates the apportionment of the tax burden among Group companies in accordance with accounting and tax regulations, and the rules for the payment of any payables and receivables that may arise out of the apportionment of the tax burden among Group companies in accordance with tax and accounting regulations.

Following the entry into force on 28 December 2013 of Act 26/2013, governing savings banks and banking foundations, and given that in 2013 the stake held by ”la Caixa” in CAIXABANK fell below 70%, CAIXABANK assumed the position of parent of the tax group, while ”la Caixa” (now ”la Caixa” Banking Foundation) became a subsidiary, with effects from 1 January 2013.

Tax information exchange agreement

”la Caixa” and CAIXABANK have signed an agreement whereby they both undertake to share any information that may be relevant for compliance with their respective tax obligations.

Deconsolidation of CAIXABANK from Criteria for prudential purposes

On 26 May 2016, CriteriaCaixa and ”la Caixa” Banking Foundation announced their intention to take steps to fulfil the conditions laid down by the European Central Bank to deconsolidate CAIXABANK from CriteriaCaixa for prudential purposes before the end of 2017. For more information, see section 7.1. If the issuer is part of a group, a brief description of the group and the issuer’s position within it

23. DECLARATIONS OF ANY INTEREST

23.1. Where a statement or report attributed to a person as an expert is included in the registration document, provide such person’s name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer’s request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorised the contents of that part of the registration document

Not applicable

23.2. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information

Not applicable

24. DOCUMENTS ON DISPLAY

During the validity period of this Registration Document, the following documents can be inspected at the locations likewise described below:

Document	CNMV	Companies Registry of Barcelona
Company’s charter/memorandum	No	Yes
Current bylaws	No	Yes
Regulations of the Board of Directors	Yes	Yes
Regulations of the Annual General Meeting	Yes	Yes
Terms of Reference of the Appointments and Remuneration Committee	Yes	Yes
Individual annual financial statements, management report and audit report for 2014, 2015 and 2016	Yes	Yes
Consolidated annual financial statements, management report and audit report for 2014, 2015 and 2016	Yes	Yes
Quarterly financial report (first quarter 2017)	Yes	Yes
Directors’ remuneration report for 2014, 2015 and 2016	Yes	No
	Yes	No

Document	CNMV	Companies Registry of Barcelona
Significant events reported to the market by CaixaBank on the website of the CNMV (www.cnmv.es)		

The documents just listed will also be made available to interested parties at CAIXABANK's registered office and on its website web (www.caixabank.com), with the exception of the memorandum of association, which can only be consulted at the Company's registered office. The above documents are also available on the website of the CNMV (www.cnmv.es) .

25. INFORMATION ON HOLDINGS

Details of the Company's significant investees, their names, country of incorporation, and the ownership interests held therein are provided in sections 6.2 and 7.2.

ANNEX – ALTERNATIVE PERFORMANCE MEASURES

As well as containing financial information prepared in accordance with International Financial Reporting Standards (IFRS), this document includes certain Alternative Performance Measures (APMs) as defined in the *Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057) (the "ESMA Guidelines").* CAIXABANK relies on certain APMs, which have not been audited, to provide a better understanding of the Company's financial performance. These measures are considered additional disclosures and in no case replace the financial information prepared under IFRSs. Moreover, the way the Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. Accordingly, they may not be comparable.

The *ESMA guidelines* define an APM as a financial measure of historical or future performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

In accordance with these guidelines, below is a list of the APMs used by the Issuer.

Customer spread. difference between the yield on loans and the cost of retail deposits (%).

Yield on loans: net income from loans and advances to customers divided by the average balance of loans and advances to customers for the period (quarterly).

Cost of retail deposits: cost of on-balance sheet retail customer funds divided by the average balance for the period (quarterly), excluding subordinated liabilities.

Balance sheet spread. Difference between the return on assets and the cost of liabilities (%).

Return on assets: interest income for the period (quarter) divided by average total assets on the consolidated balance sheet.

Cost of liabilities: interest expenses for the period (quarter) divided by average total liabilities on the consolidated balance sheet.

Operating income. Difference between gross income and operating expenses, which encompasses both Administration expenses and Amortisation and depreciation.

Cost-to-income ratio. Administrative expenses, depreciation and amortisation divided by gross income (last 12 months).

Cost-to-income ratio, stripping out extraordinary expenses. Administrative expenses, depreciation and amortisation stripping out extraordinary expenses divided by gross income (last twelve months).

ROE (Return on equity). Profit attributable to the Group divided by average equity (last 12 months).

ROTE (Return on tangible equity). Profit attributable to the Group divided by average equity less, where applicable, intangible assets using management criteria (last 12 months).

The value of **intangible assets under management criteria** is the value of intangible assets on the public balance sheet, plus the intangible assets and goodwill associated with investees, net of impairment allowances, recognised in Investments in joint ventures and associates on the public balance sheet.

ROA (Return on assets). Net profit divided by average total assets (last 12 months).

RORWA (Return on risk weighted assets). Net profit divided by regulatory risk-weighted assets (last 12 months).

Cost of risk. Total allowances for insolvency risk (last 12 months) divided by total loans and advances to customers plus average contingent liabilities using management criteria, gross.

Loan-to-deposits. Net loans and advances to customers using management criteria less brokered loans (funded by public institutions), divided by customer funds on the balance sheet.

NPL ratio. Quotient between:

- non-performing loans and advances to customers and contingent liabilities, using management criteria.
- Total loans to customers and contingent liabilities, gross, using management criteria.

Coverage ratio. Quotient between:

- Impairment allowances on loans to customers and contingent liabilities, using management criteria.
- Non-performing loans and advances to customers and contingent liabilities, using management criteria.

Coverage ratio for available-for-sale real estate assets. Initial loan write-downs and charges to provisions associated with the foreclosed real estate assets, divided by the debt cancelled on foreclosure (sum of net carrying amount and coverage).

Accounting coverage ratio for available-for-sale real estate assets. Accounting provisions for the foreclosed assets divided by the gross carrying amount of the real estate asset.

In € million		1Q17		4Q16	
Customer spread	Average yield rate on loans - Average cost rate of retail deposits	2,23 - 0,06	**2.17%**	2,27 - 0,13	**2.14%**
Average yield rate on loans	Income from loans and advances to customers	4,584	**2.23%**	4,372	**2.27%**
	Net average balance of loans and advances to customers	205,544		192,579	
Average cost rate of retail deposits	Cost of on-balance sheet retail customer funds	108	**0.06%**	220	**0.13%**
	Average balance of on-balance sheet retail customer funds	179,976		169,558	
Balance sheet spread	Average return rate on assets - Average cost of fund rate	1,93 - 0,63	**1.30%**	2,02 - 0,75	**1.27%**
Average return rate on assets	Interest income	6,934	**1.93%**	6,841	**2.02%**
	Average assets	359,264		338,674	
Average cost of fund rate	Interest expense	2,263	**0.63%**	2,540	**0.75%**
	Average liabilities	359,264		338,674	
Pre-impairment income	Gross income - Operating expenses	792		890	
Gross income	Net interest income + Dividend income + Result of entities accounted for using the equity method + Net fee and commision + Gains/Losses on financial assets and liabilities and others + Income and expense arising from insurance or reinsurance contracts + Other operating income and expense	1,893		1,888	
Operating expenses	Administrative, depreciation, amortisation and extraordinary expenses	(1,101)		(998)	
Cost-to-income ratio	Administrative expenses, depreciation and amortisation	4,126	**54.0%**	4,116	**52.6%**
	Gross income	7,640		7,827	
Cost-to-income ratio stripping out extraordinary expenses	Recurring Administrative expenses, depr. and amortisation	4,005	**52.4%**	3,995	**51.0%**
	Gross income	7,640		7,827	
ROE	Profit attributable (12 months)	1,177	**5.1%**	1,047	**4.5%**
	Average equity	23,016		23,084	
ROTE	Profit attributable (12 months)	1,177	**6.2%**	1,047	**5.6%**
	Average tangible equity	18,843		18,688	
ROA	Net profit (12 months)	1,196	**0.3%**	1,056	**0.3%**
	Average total assets	344,392		339,507	
RORWA	Net profit (12 months)	1,196	**0.9%**	1,056	**0.8%**
	Average Regulatory risk-weighted assets[1]	138,256		137,644	
Cost of risk[2]	Allowances for insolvency risk (12 months)	1,014	**0.46%**	990	**0.46%**
	Average of gross loans plus contingent liabilities	220,741		216,867	
Loan to deposits[3]	Net loans and adv. To customers excluding brokered loans	216,070	**112.7%**	194,811	**110.9%**
	On-balance sheet customer funds	191,721		175,655	
Non-performing loan ratio[3]	Non-performing loans and contingent liabilities	16,135	**6.7%**	14,754	**6.9%**
	Gross loans and contingent liabilities	239,818		215,465	
Coverage ratio[3]	Impairment allowances on loans and contingent liabilities	7,985	**49%**	6,880	**47%**
	Non-performing loans and contingent liabilities	16,135		14,754	
Real estate available for sale coverage ratio	Gross debt cancelled at foreclosure less NBV of RE asset	9,071	**59.1%**	9,240	**59.6%**
	Gross debt cancelled at the foreclosure	15,356		15,496	
Real estate available for sale coverage ratio with accounting provisions	Charges to provisions of foreclosed assets	6,196	**49.6%**	6,295	**50.2%**
	Book value of the foreclosed asset, gross	12,481		12,551	

(1) RWAs of credit risk (excluding memoranda accounts) and equity investments.

(2) Does not include the release of -676MM€ in the fourth quarter of 2016.

(3) Loans and funds using management criteria.

Barcelona, 10 July 2017

CAIXABANK, S.A.
P.p.

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Matthias Bulach
Head of Financial Accounting, Control and Capital

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