BASE PROSPECTUS

CAIXABANK, S.A.

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

EURO 10,000,000,000
Euro Medium Term Note Programme

Under this Euro 10,000,000,000 Euro Medium Term Note Programme (the **Programme** described in this Base Prospectus (which replaces the Base Prospectus dated 15 October 2013, in respect of the Programme)), CaixaBank, S.A. (the **Issuer** or **CaixaBank**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below) subject to any applicable legal or regulatory restrictions. CaixaBank, and its subsidiaries compose the CaixaBank Group (the **CaixaBank Group** or **the Group**).

The Final Terms (as defined below) for each Tranche (as defined on page 53) of Notes will state whether the Notes of such Tranche are to be (i) Senior Notes or (ii) Subordinated Notes.

The maximum aggregate original nominal amount of all Notes from time to time outstanding under the Programme will not exceed Euro 10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Potential investors should note the statements on pages 114 – 118 regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by Law 10/2014 on the Issuer. In particular, payments on the Notes may be subject to Spanish withholding tax if certain information relating to the Notes is not received by the Issuer in timely manner.

This document has been approved as a base prospectus by the Central Bank of Ireland (the **CBI**) in its capacity as competent authority under Directive 2003/71/EC, as amended including by Directive 2010/73/EU) (the **Prospectus Directive**). The CBI only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to Notes that are to be admitted to trading on the regulated market of the Irish Stock Exchange (the **Main Securities Market**) or on another regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive) or that are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange for Notes to be admitted to its official list (the **Official List**) and trading on the Main Securities Market. References in the Base Prospectus to the Notes being "listed" (and all related references) shall mean that such Notes have been admitted to listing on the Official List of the Irish Stock Exchange and admitted to trading on its regulated market or, as the case may be, a regulated market for the purposes of Directive 2004/39/EC.. The regulated market of the Irish Stock

Exchange is a regulated market for the purposes of Directive 2004/39/EC, as amended. This document may be used to list Notes on the regulated market of the Irish Stock Exchange pursuant to the Programme.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the Main Securities Market and have been admitted to the Official List.

The requirement to publish a prospectus under the Prospectus Directive and any relevant implementing measure in a relevant Member State of the European Economic Area only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)).

Notice of the aggregate original nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which will be delivered to the CBI and, where listed, the Irish Stock Exchange. Copies of Final Terms in relation to Notes to be listed on the Irish Stock Exchange will also be published on the website of the Irish Stock Exchange (www.ise.ie).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer.

The Issuer has been rated BBB (credit watch negative) by Standard & Poor's Credit Market Services Europe Limited (**Standard & Poor's**), Baa3 (review for upgrade) by Moody's Investors Services España, S.A. (**Moody's**), BBB (positive Outlook) by Fitch Ratings España, S.A.U. (**Fitch**) and A (low) (stable) by DBRS Ratings Limited (**DBRS**). Each of Standard and Poor's, Moody's, Fitch and DBRS is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such each of Standard & Poor's, Moody's, Fitch and DBRS is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at *http://www.esma.europa.eu/page/List-registered-and-certified-CRAs*) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger

BARCLAYS

Dealers

Banco Bilbao Vizcaya Argentaria, S.A.
Barclays
BNP PARIBAS
Citigroup
Crédit Agricole CIB
Deutsche Bank
HSBC
Mediobanca
Morgan Stanley
Nomura
Santander Global Banking & Markets
BofA Merrill Lynch
CaixaBank, S.A.
Commerzbank
Credit Suisse
Goldman Sachs International
J.P. Morgan
NATIXIS
Société Générale Corporate & Investment Banking
UBS Investment Bank

The date of this Base Prospectus is 9 June 2015.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus for the purposes of the Prospectus Directive and any relevant implementing measure in a relevant Member State of the European Economic Area.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to

the contrary in the applicable Final Terms, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the United Kingdom, Spain, Republic of Italy, France and Japan, see "*Subscription and Sale*".

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

PRESENTATION OF INFORMATION

In this Base Prospectus, all references to:

- **U.S. dollars** refer to United States dollars;
- **Sterling** and **£** refer to pounds sterling; and

- **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

The language of the prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, and, if appropriate, a supplement to the Base Prospectus or a new Base Prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004, as amended implementing the Prospectus Directive (the **Prospectus Regulation**).

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	CaixaBank, S.A.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include certain risks relating to the structure of particular Series of Notes and certain market risks.
Description:	Euro Medium Term Note Programme
Arranger:	Barclays Bank PLC
Dealers:	Banco Bilbao Vizcaya Argentaria, S.A. Banco Santander, S.A. Barclays Bank PLC BNP Paribas CaixaBank, S.A. Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Merrill Lynch International Mediobanca Banca di Credito Finanziario S.p.A. Morgan Stanley & Co. International plc NATIXIS Nomura International plc Société Générale UBS Limited and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Issuing and Principal Paying Agent:	BNP Paribas Securities Services, Luxembourg Branch.
Programme Size:	Up to EUR 10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) in aggregate original nominal amount of all Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in euro, Sterling, U.S. dollars, yen and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer.
Maturities:	Any maturity greater than one month in the case of Senior Notes and a minimum maturity of five years in the case of Subordinated Notes, as indicated in the applicable Final Terms or such other minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be in bearer form and will on issue be represented by either a temporary global Note or a permanent global Note as specified in the applicable Final Terms. Temporary global Notes will be exchangeable either for (a) interests in a permanent global Note or (b) for definitive Notes as indicated in the applicable Final Terms. Permanent global Notes will be exchangeable for definitive Notes upon either (i) not less than 60 day's written notice from Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société*

anonyme (**Clearstream, Luxembourg**) (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent as described therein or (ii) only upon the occurrence of an Exchange Event as described under "*Form of the Notes*".

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of the reference rate set out in the applicable Final Terms.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Zero Coupon Notes: Zero Coupon Notes (with a maturity of less than 12 months) will be offered and sold at a discount to their original nominal amount and will not bear interest.

Redemption: The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Subordinated Notes may not be redeemed (other than following an Event of Default) prior to their original maturity other than in compliance with applicable Spanish capital adequacy requirements and regulations (as this term is defined in the Conditions) then in force and with the consent of the Regulator (as this term is defined in the

Conditions), if required. See Condition 6 (*Redemption and Purchase*).

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.

Denomination of Notes: The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes having a maturity of less than one year"* above, and save that the minimum denomination of each note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency)..

Taxation: All amounts payable in respect of Notes by the Issuer will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will, save in certain limited circumstances (please refer to Condition 7 (*Taxation*) of the Terms and Conditions of the Notes) be required to pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.

The Issuer considers that, according to the simplified information procedures set out in Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011 of 29th July (**Royal Decree 1965/2007**), the Issuer is not obliged to identify Noteholders as described in "*Taxation – Spain – Simplified information Procedures*". For further information regarding the interpretation of Royal Decree 1065/2007 please refer to "*Risk Factors – Risks relating to the Spanish withholding tax regime*".

All payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

Negative Pledge: The terms of the Senior Notes will contain a negative pledge provision as further described in Condition 3 (*Negative Pledge*).

The terms of the Subordinated Notes will not contain a negative pledge provision.

Cross Default:	The terms of the Senior Notes will contain a cross default provision as further described in Condition 9 (*Events of Default*). The terms of the Subordinated Notes will not contain a cross default provision.
Status of the Senior Notes:	The Senior Notes will be unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer. All as more particularly described in Condition 2.1 (*Status of the Senior Notes*).
Status of the Subordinated Notes:	The Subordinated Notes will constitute subordinated obligations of the Issuer. All as more particularly described in Condition 2.2 (*Status of the Subordinated Notes*).
Rating:	The Issuer has been rated BBB (credit watch negative) by Standard & Poor's. Baa3 (review for upgrade) by Moody's. BBB (positive outlook) by Fitch and A (low) (stable) by DBRS. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing:	This Base Prospectus has been approved by the CBI as competent authority under the Prospectus Directive. Application has been made for Notes issued under the Programme to be listed on the Official List of the Irish Stock Exchange. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. The applicable Final Terms will state on which stock exchanges and/or markets the relevant Notes are to be listed and/or admitted to trading.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law, except the provisions relating to the status of the Notes (and any non-contractual obligations arising out of or in connection with it), the capacity of the Issuer and the relevant corporate resolutions, which are governed by Spanish law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the United Kingdom, Spain, Japan, the Republic of Italy, France and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".
United States Selling	Regulation S. TEFRA C or D/TEFRA not applicable, as specified in

Restrictions:	the applicable Final Terms.

RISK FACTORS

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

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

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

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

Risks relating to Group operations

Some of the Group's business is cyclical and the Group's income may decrease when demand for certain products or services is in a downwards cycle

The level of income the Group derives from certain of its products and services depends on the strength of the economies in the regions where the Group operates and market trends prevailing in those regions. Customer loans and deposits, which collectively account for most of its earnings, are particularly sensitive to economic conditions. In the six months prior to the date of this Base Prospectus, there has been evidence of financial weakening risks in the Eurozone which may impact the Spanish economy. In this regard, if the business environment in Spain does not improve or worsens, the results of operations of the Group could be materially adversely affected.

The Group's business could be affected if its capital is not managed effectively

Effective management of the Group's capital position is important to its ability to operate its business and to pursue its business strategy. However, in response to the recent financial crisis, a number of changes to the regulatory capital framework have been adopted or are being considered. For example, the new regulation governing capital requirements according to the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the **CRD IV Directive**) and Regulation 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation 648/2012 (the **CCR**), which came into force in January 2014.

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

Debt and equity investors, analysts and other market professionals may also require higher capital buffers than those required under current or proposed future regulations due to, among other things, the continued general uncertainty involving the financial services industry and the uncertain global economic conditions. Any such market perception, or any concern regarding compliance with future capital adequacy

requirements, could increase the Group's borrowing costs, limit its access to capital markets or result in a downgrade in its credit ratings, which could have a material adverse effect on its business, financial condition and results of operations.

Current economic conditions may make it more difficult for the Group to continue funding its business on favourable terms or at all

Historically, one of the Group's principal sources of funds has been savings and demand deposits, i.e. essentially retail banking. This is the main reason why the Group relies heavily on short- term deposits for its funding, so that it cannot be sure that, in the event of a sudden or unexpected withdrawal of deposits or shortage of funds in the banking systems or money markets in which it operates, it will be able to maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of its assets. In addition, if public sources of liquidity, such as the European Central Bank (**ECB**) extraordinary measures adopted in response to the financial crisis since 2008, are removed from the market, the Issuer can give no assurance that it will be able to continue funding its business or, if so, maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of its assets.

Continuing economic tensions in the European Union and Spain, including as a result of the ongoing European sovereign debt crisis, could have a material adverse effect on the Group's business, financial condition and results of operations

The continuing crisis in worldwide financial and credit markets has led to a global economic slowdown in recent years, with many economies around the world showing significant signs of weakness or slow growth. In Europe, there has been a significant reduction in risk premiums. Nevertheless, uncertainty regarding the budget deficits and solvency of several countries persists, together with the risk of contagion to other more stable countries. To a lesser extent than during the height of the financial crisis, there is also the risk of default on the sovereign debt of certain EU countries and the impact this would have on the Eurozone countries, including the potential risk that one or more countries may leave the Eurozone, either voluntarily or involuntarily, which has raised concerns about the ongoing viability of the euro currency and the European Monetary Union (the **EMU**). These concerns have been further exacerbated by the rise of Euro-scepticism in certain EU countries, including countries that decided not to enter the EMU such as the United Kingdom.

These and other concerns could lead to the re-introduction of individual currencies in one or more EU Member States. The exit of one or more EU Member States from the EMU could materially adversely affect the European and global economy, cause a redenomination of financial instruments or other contractual obligations from the euro to a different currency and substantially disrupt capital, interbank, banking and other markets, among other effects, any of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In addition, tensions among EU Member States, and growing Euro-scepticism in certain EU countries, could pose additional difficulties in the EU's ability to react to the ongoing economic crisis.

In the Eurozone much of 2014 was marked by a weaker-than-expected growth, although the final stretch of the year showed an increase in business growth. Moreover, the factors behind the upturn look set to continue: domestic demand is recovering, while the effects of the euro’s depreciation and the drop in oil prices will surely have a major impact in 2015. More specifically, political risks, such as the political uncertainty in Greece might result in a contagion threat, although not as great as it was during the 2011-2012 episode. There is also lingering uncertainty as to the macroeconomic outlook the recovery process slowing down even further and with the arrival of negative inflation the risk of deflation will emerge once again.

The Spanish economic recovery during 2014 was mainly driven by private consumption, investment (above all in capital goods, but also construction) and tourism. Borrowing conditions continued to improve over 2014, buoyed by the ECB’s expansionary monetary policy. The Spanish Treasury was therefore able to

increase the average life of Spanish sovereign debt while at the same time lowering the average cost of borrowing.

Another significant factor in 2014 is the performance of the banking sector, which became subject to stricter regulations and oversight. The Single Resolution Mechanism (the **SRM**), the second pillar of the Banking Union, was approved in July and will take the form of a single resolution fund and a new direct recapitalisation instrument for systemic and viable institutions. The SRM will regulate the orderly resolution of financial institutions while lowering the fiscal cost of future bank failures.

Spanish institutions requested practically all the funds available under the first two TLTRO liquidity-providing auctions held by the ECB in September and December 2014, with the auctions conditional on the banks extending credit to the real economy. This should help drive up the number of new lending transactions, especially non-home lending to SMEs and households, with growth in 2014 standing at 8% and 18%, respectively. Furthermore, the non-performing loan ratio will continue to fall, having already shed roughly one percentage point to 12.8%.

In November 2014 the ECB assumed the role of supervisor of all eurozone banks, marking a further step forward in the process of creating the Banking Union. The published results of the asset quality reviews and stress tests conducted on 130 European banks by the ECB and the European Banking Authority (**EBA**) confirmed their resistance, especially in the case of Spanish institutions, and this has pushed up investor confidence in the European banking sector.

On the subject of the fiscal consolidation process, Spanish public sector closed 2014 with a deficit of 5.7% of GDP (slightly off the objective set of 5.5%). Reaching the 2015 public deficit objective (4.2%) will require considerable efforts aimed at fiscal consolidation.

In the first quarter of 2015, indicators revealed a mild upturn in Spanish economic recovery.

Notwithstanding the recovery on the Spanish market and the significant reduction in risk premiums and improved access to funding, the European Commission report on the macroeconomic imbalances present within the Spanish economy considers that Spain must press on with its external adjustments, fiscal consolidation and structural reforms to make this growth sustainable in the long term.

Despite the upturn in the global economy, there is a parallel increase in downward risks. Firstly, a steady entrenchment of geopolitical threats will keep uncertainty high, triggering episodes, so far contained, of heavy volatility in the financial markets. Secondly, slumping oil prices (and indeed prices of all other commodities) will continue to have a considerable impact.

Economic conditions remain uncertain in Spain and the European Union and may deteriorate in the future, which could adversely affect the cost and availability of funding for Spanish and European banks, including the Group and the quality of the Group's loan portfolio, require the Group to take impairments on its exposures to the sovereign debt of one or more countries in the Eurozone or otherwise adversely affect the Group's business, financial condition and results of operations.

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

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

Continued market turmoil and economic recession, especially in Spain, could materially and adversely affect the liquidity, businesses and/or financial conditions of the Group's borrowers, which could in turn increase the Group's own non-performing loan (**NPL**) ratios, impair the Group's loan and other financial assets and result in decreased demand for borrowings in general. In the context of the uneven global recovery from the recent market turmoil and economic recession, and the possibility of continued economic contraction in

continental Europe combined with continued high unemployment and low consumer spending, the value of assets collateralising the Group's secured loans, including homes and other real estate, could decline significantly, possibly resulting in the impairment of the value of the Group's loan assets. In addition, the Group's customers may further significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect the Group's fee and commission income.

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

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

Prior to 2008, demand for housing and mortgage financing in Spain increased significantly driven by, among other things, economic growth, declining unemployment rates, demographic and social trends, the desirability of Spain as a holiday destination and historically low interest rates in the Eurozone. During late 2007, however, the housing market began to adjust in Spain as a result of excess supply and higher interest rates.

Since 2008, as economic growth came to a halt in Spain, housing oversupply has persisted, housing demand has continued to decrease and house prices have declined, while mortgage delinquencies have increased. Further, government measures, such as the increase in the value added tax rate of real estate transactions may lead to further declines in demand for property. Spanish real estate prices had decreased 28% in nominal terms during the six years prior to the date of this Base Prospectus in light of deteriorating economic conditions and it is expected that housing demand will remain weak even if it will gradually recover.

These trends, especially higher interest rates and unemployment rates, coupled with declining real estate prices, could have a material adverse impact on the Group's mortgage payment delinquency rates, which in turn could have a material adverse effect on its business, financial condition and results of operations.

The Group has lending exposure to risks in the property development and construction sector, with loans for property construction and/or development amounting to approximately € 13,099 million (6.2% of the Group's total gross loans and receivables) at 31 March 2015. NPL ratio on loans to real-estate developers at such date stands at 52.6% and provisions for this exposure amounted to approximately €3,954 million, 57.4% of NPL coverage at 31 March 2015.

Any defaults by borrowers in the property construction or development sector could have a material adverse effect on the Group's business, financial condition and results of operations.

Portions of the Group's loan portfolio are subject to risks relating to force majeure and any such event could materially adversely affect its operating results

The Group's financial and operating performance may be adversely affected by force majeure events, such as natural disasters, particularly in locations where a significant portion of its loan portfolio is composed of real estate loans. Natural disasters such as earthquakes and floods may cause widespread damage which could impair the asset quality of its loan portfolio and could have an adverse impact on the economy of the affected region.

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

The Group's risk management techniques and strategies may not be fully effective in mitigating the Group's risk exposure in all economic market environments or against all types of risk, including risks that the Group fails to identify or anticipate. Some of the Group's qualitative tools and metrics for managing risk are based upon the Group's use of observed historical market behaviour. The Group applies statistical and other tools

to these observations to arrive at quantifications of its risk exposures. These qualitative tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the Group did not anticipate or correctly evaluate in its statistical models. This would limit the Group's ability to manage its risks and could result in the Group's losses being significantly greater than the historical measures indicate. In addition, the Group's quantified modelling does not take all risks into account. The Group's more qualitative approach to managing those risks could prove insufficient, exposing it to material unanticipated losses. If existing or potential customers believe the Group's risk management is inadequate, they could take their business elsewhere. This could harm the Group's reputation as well as its revenues and profits.

The Group is exposed to risks faced by other financial institutions

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

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

The performance of financial markets may cause changes in the value of the Group's investment and trading portfolios. In some of the Group's business, protracted adverse market movements, particularly asset price decline, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the Group cannot close out deteriorating positions in a timely way. This may especially be the case for assets of the Group for which there are less liquid markets. Assets that are not traded on stock exchanges or other public trading markets, such as derivative contracts between banks, may have values that the Group calculates using models other than publicly quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses that the Group does not anticipate. The volatility of world equity markets due to recent economic uncertainty has had a particularly strong impact on the financial sector. Continued volatility may affect the value of the Group's investments in entities in this sector and, depending on their fair value and future recovery expectations could become a permanent impairment which would be subject to write-offs against the Group's results, which may have a material adverse effect on the Group's business, financial condition and results of operations.

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

The markets in which the Issuer operates are highly competitive. Financial sector reforms in the markets in which it operates (mainly in Spain) have increased competition among both local and foreign financial institutions, and it believes that this trend will continue. In addition, the trend towards consolidation in the banking industry has created larger and stronger banks with which it must now compete, some of which have recently received public capital.

The Issuer also faces competition from non-bank competitors, such as department stores (for some credit products), automotive finance corporations, leasing companies, factoring companies, mutual funds, pension funds, insurance companies, and public debt.

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

Volatility in interest rates may negatively affect the Group's net interest income and increase the Group's NPL portfolio

The Group's results of operations are substantially dependent upon the level of its net interest income, which is the difference between interest income from interest-earning assets and interest expense on interest bearing liabilities. Interest rates are highly sensitive to many factors beyond its control, including deregulation of the financial sectors in the markets in which it operates, monetary policies pursued by the European Union and national governments, domestic and international economic and political conditions, and other factors.

Rising interest rates may also lead to an increase in the Issuer's bad and doubtful debts portfolio if borrowers cannot refinance in a higher interest rate environment. This would result in an increase in defaults on the Issuer's loans to customers if borrowers are unable to meet their increased interest expense obligations, a reduction in the demand for loans, and the Issuer's ability to generate loans.

Operational risks are inherent in the Group's business

The Group's businesses depend on the ability to process a large number of transactions efficiently and accurately. Losses can result from inadequate personnel, inadequate or failed internal control processes and systems, or from external events that interrupt normal business operations. The Group also faces the risk that the design of its controls and procedures prove to be inadequate or are circumvented. There can be no assurance that the Group will not suffer material losses from operational risk in the future.

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

Credit ratings affect the cost and other terms upon which the Group is able to obtain funding. Rating agencies regularly evaluate the Group and their ratings of its long-term debt are based on a number of factors, including the Group's financial strength as well as conditions affecting the financial services industry generally.

Credit ratings are subject to the evaluation of the financial strength of a company in accordance with the methodology applied by rating agencies. In addition, the Issuer's rating is affected by the sovereign rating of Spain, which is the maximum level achievable by the Issuer.

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

In light of the difficulties in the financial services industry and the financial markets, there can be no assurance that the rating agencies will maintain their current ratings or outlooks. With regard to those rating agencies which have a negative outlook on the Group, there can be no assurances that such agencies will revise such outlooks upward. The Group's failure to maintain favourable ratings and outlooks could increase the cost of its funding and adversely affect the Group's interest margins and results of operations.

Actuarial risk

Actuarial risk refers to the risk of increase in the value of commitments assumed through insurance contracts with customers and employee pension plans due to the differences between the claims estimates and actual performance.

In 2013, the European authorities set 1 January 2016 as the effective start date of the European Solvency II Directive. The Omnibus II Directive was approved in 2014, modifying the Solvency II Directive and shaping the new regulatory and oversight framework for insurance in the EU. The Omnibus II Directive gives powers to EIOPA (European Insurance and Occupational Pensions Authority) to complete the Solvency II Directive. The regulatory matters currently being discussed in Europe should be finalised in 2015 (delegated acts, implementing technical standards and guidelines). All the provisions of Solvency II must be transposed into Spanish law before the end of 2015. In readiness for the effective start of Solvency II from 1 January 2016, the EIOPA issued four preparatory guidelines to help insurers gradually incorporate certain aspects of Solvency II through to 2016. Regulatory developments in Europe currently under debate (delegated acts, technical standards and guidelines) should be completed in 2015.

The Group is proceeding in line with these guidelines and has been actively working to implement Solvency II since the project began, taking part in insurance sector working groups and in quantitative and qualitative impact studies conducted by the supervisors, making the necessary changes and improvements to its systems and operation.

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

The financial services industry is among the most highly regulated industries in the world. The Group's operations are subject to ongoing regulation and associated regulatory risks, including the effects of changes in laws, regulations, policies and interpretations, in Spain and the other markets in which it operates. This is particularly the case in the current market environment, which is witnessing increased levels of government and regulatory intervention in the banking sector which is expected to continue for the foreseeable future. The regulations which most significantly affect the Group include, amongst others regulations relating to capital requirements or provisions, as described below. In addition, the Group is subject to substantial regulation relating to other matters such as liquidity. The Issuer cannot predict if increased liquidity standards, if implemented, could require the Group to maintain a greater proportion of its assets in highly-liquid but lower-yielding financial instruments, which would negatively affect its net interest margin.

The Group is subject to the supervision and/or regulation of the Bank of Spain (*Banco de España*), the ECB, the Spanish Securities Exchange Commission (*Comisión Nacional del Mercado de Valores*) (the **CNMV**) and the Directorate General of Insurance and Pension Funds (*Dirección General de Seguros y Fondos de Pensiones*) are the main regulators of the operations of the Group. The operations of the Group outside of Spain are subject to direct oversight by the local regulators in those jurisdictions. In addition, many of the operations of the Group are dependent upon licenses issued by financial authorities.

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

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

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

The takeover offer over Banco BPI, S.A. (Banco BPI) is subject to conditions and, if successful, may not generate expected synergies

On 17 February 2015, CaixaBank announced the launching of a general and voluntary takeover offer for the acquisition of shares of Banco BPI (the **Offer**). CaixaBank already owns 44.1% of the issued share capital of Banco BPI. The Offer has been conditioned by CaixaBank on the fulfilment of two conditions (i) the removal of the 20% shareholder voting cap established in the articles of association of Banco BPI and (ii) having acceptance statements concerning more than 5.9% of the shares of Banco BPI so that CaixaBank becomes owner of more than 50% of the share capital of Banco BPI.

As of the date hereof, the Group is working with several regulators to obtain all the required regulatory approvals for the Offer and its prospectus has not been yet registered with the Portuguese Securities Commission.

The Group has identified certain potential synergies which the Group believes may be achievable if the Offer is successful, including, among others, sharing of technology and harmonisation of best practices. Whilst the Group believes the underlying assumptions on which it has based its estimates are reasonable, the degree of its success to realise such synergies remains subject to uncertainties and could vary significantly. There can be no assurance that such potential synergies or other anticipated benefits will be realised in the near future.

Risks relating to the Issuer arising from applicable legislation and regulation

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

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

Recent legislation designed to strengthen the Spanish financial sector and regulate the activities of European banks generally may materially impact the Issuer

In December 2010 the Basel Committee on Banking Supervision (the **Basel Committee**) proposed a number of fundamental reforms to the regulatory capital framework for internationally active banks (the **Basel III accords**). The Basel III accords have recently been transposed into EU law by the enactment of the CRD IV Directive. On the same date, CRR was also approved (CRR together with the CRD IV Directive and any implementing measures, the **CRD IV**).

As a Spanish financial institution, the Issuer is subject to CRD IV, which is in the process of being phased in until 1 January 2024. The CRR is applicable from 1 January 2014 and the CRD IV Directive has been largely implemented in Spain by Royal Decree Law 14/2013 of 29 November (**RDL 14/2013**), by Law 10/2014 of 26 June 2014, on regulation, supervision and solvency of credit entities (*Ley 10/2014, de 26 de junio, de ordenación, supervision y solvencia de entidades de crédito*) (**Law 10/2014**) and by the Royal Decree developing Law 10/2014 (*Real Decreto 84/2015, de 13 de febrero, por el que se desarrolla la Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*). RDL 14/2013 has repealed, with effect from 1 January 2014, any Spanish regulatory provisions that may be incompatible with CRR. In addition to RDL 14/2013, the Bank of Spain approved on 31 January, 2014 its new Circular 2/2014 (subsequently amended by Circular 3/2014, of 30 July) which derogates its previous Circular 7/2012, and makes certain regulatory determinations contained in CRR pursuant to the delegation contained in RDL 14/2013, including, relevant rules concerning the applicable transitional regime on capital requirements and the treatment of deductions.

As for Law 10/2014, it not only continued with the implementation of the CRD IV Directive (implementing in Spain certain provisions relating to buffer requirements and restrictions on distributions), but also restated in a single body of law the main regulations on ordinance and supervision of credit entities.

There can be no assurance that the implementation of these new capital standards as well as any final and restrictive interpretation or legal change will not adversely affect the Bank´s ability to pay dividends or require it to issue additional securities that qualify as regulatory capital, to liquidate assets, to curtail business or to take any other actions, any of which may have adverse effects on the Bank´s business, financial condition and results of operations. Furthermore, increased capital requirements may negatively affect the Bank´s return on equity and other financial performance indicators.

As an example, the "la Caixa" group of companies of which the CaixaBank Group is a part (the **"la Caixa" Group**), is considered by the relevant authorities as a financial conglomerate due to the significance of its insurance activities and it is subject to the additional supervision established in Directive 2002/87/CE (which has been implemented in Spain by the Law 5/2005 and the Royal Decree 1332/2005). The Bank of Spain authorised the "la Caixa" Group to apply the alternative treatment provided under CRR article 49.1 (the **Danish Compromise**) so that investments in insurance companies belonging to the financial conglomerate are not deducted from the Group's own funds. As of December 31, 2014, the tangible book value of VidaCaixa, the insurance subsidiary of CaixaBank Group, amounts to ca. €2.0 billion, which are currently risk weighted under the Danish Compromise. If regulatory changes led to the removal of the Danish Compromise or the removal of the Bank of Spain's authorisation, this could have a negative effect on the capital position of the CaixaBank Group as a whole.

Another example is the possibility that supervisory authorities may impose further "Pillar 2" capital requirements to cover other risks, including those not considered to be fully captured by the minimum "own funds" requirements under CRD IV or to address macro-prudential considerations. This may result in the imposition of additional own funds requirements on the Issuer and/or the CaixaBank Group pursuant to this "Pillar 2" framework.

The implementation of the Bank Recovery and Resolution Directive (**RRD**) could also affect the Issuer's capital position since the quantum of minimum requirements for own funds and eligible liabilities (or

MREL) (which can be met using Tier 1 or Tier 2 instruments or other eligible liabilities) will be determined by the resolution authorities.

Issuer may be subject to European Banking recommendations

In 2014, the ECB and the EBA conducted a comprehensive assessment of the European banking sector. The process involved an asset quality review (**AQR**) and a raft of stress tests on the position of European banks at 31 December 2013. EBA recommended that banks should exceed an 8% CET1 (phased-in) in the baseline scenario and a 5.5% CET1 (phase-in) in an adverse scenario.

According to the official results published in October, the "la Caixa" Group, which includes CaixaBank, comfortably passed the stress-test with a CET1 ratio of 9.3% projected in an adverse scenario for 2016 and a ratio of 11.6% in the baseline scenario. An internal assessment only for CaixaBank using the same methodology threw up a CET1 ratio (phased in) of 10.3% in an adverse scenario for 2016 and a 12.6% in a baseline scenario. The AQR, which consisted of an exhaustive review of the quality of the "la Caixa" Group's assets, concluded that practically no further provisioning was required, confirming that the bank comfortably met its coverage requirements and applied a prudent policy of flagging and provisioning for impaired assets. The AQR conclusions also included a series of recommendations to reinforce and formalise the Group's collateral valuation policies, a process that is currently underway and nearing completion. An extension of the calculation perimeter for the *Credit Value Adjustment* was also recommended (which has already been completed) in addition to the reclassification of some exposures to different portfolios. The Group has followed and implemented all pertinent recommendations arising from this process. An internal assessment of CaixaBank using the same methodology threw up a CET1 ratio of 10.3% in an adverse scenario for 2016.

The Issuer cannot provide assurance that it will not become subject to recommendations similar to the above in the future.

Liquidity Ratio requirements

In addition to the EBA recommendations, the Basel Committee also published its global quantitative liquidity framework, comprising the Liquidity Coverage Ratio (the **LCR**) and Net Stable Funding Ratio (the **NSFR**) metrics, with objectives to (i) promote the short-term resilience of banks' liquidity risk profiles by ensuring they have sufficient high-quality liquid assets to survive a significant stress scenario; and (ii) promote resilience over a longer time horizon by creating incentives for banks to fund their activities with more stable sources of funding on an ongoing basis. The Basel III liquidity standards are being implemented within the EU through the CRD IV Directive legislative package. The LCR has been subsequently revised by the Basel Committee in January 2013 and in January 2014 the Basel Committee published amendments to the LCR and technical revisions to the NSFR ratio, confirming that it remains the intention that the latter ratio, including any future revisions, will become a minimum standard by 1 January 2018. Also, in January 2014, the Basel Committee proposed uniform disclosure standards related to the LCR and issued a new modification to the ratio, which should had been adopted by banks from 1 January 2015.

Impact of financial transaction taxes

On 14 February 2013 the European Commission published its proposal for a Council Directive implementing enhanced cooperation in the area of a financial transaction tax (the **FTT**), which was intended to take effect on 1 January 2014 but negotiations are still ongoing. The proposed Directive aims to ensure that the financial sector makes a fair and substantial contribution to covering the costs of the recent crisis and creating a level playing field with other sectors from a taxation point of view. A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. In Spain, new legislation was passed in March 2013 imposing extraordinary levies on deposits and the final version of this tax is expected to be included in the Spanish tax reforms expected for 2016.

There can be no assurance that additional national or transnational bank levies or financial transaction taxes will not be adopted by the authorities of the jurisdictions where the Issuer operates. Any such additional levies and taxes could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Steps taken towards achieving an EU fiscal and banking union

In June 2012, a number of agreements were reached to reinforce the monetary union, including the definition of a broad roadmap towards a single banking and fiscal union. While support for a banking union in Europe is strong and significant progress has been made in terms of the development of a single-rule book through CRD IV Directive, there is ongoing debate on the extent and pace of integration. On 15 October 2013, the Council Regulation (EU) 1024/2013 conferred specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions which resulted in the creation of the Single Supervisory Mechanism (**SSM**), so that 128 of the largest EU banks (including the Issuer) came under the ECB direct oversight from November 2014.

In preparation for the creation of the SSM, between November 2013 and October 2014 the ECB conducted, together with national supervisors, a comprehensive assessment of 130 banks, which together hold more than 80% of Eurozone banking assets. The exercise consisted of three elements: (i) a supervisory risk assessment, which assessed the main balance sheet risks including liquidity, funding and leverage; (ii) an asset quality review, which focused on credit and market risks; and (iii) a stress test to examine the need to strengthen capital or take other corrective measures. On 26 October 2014, the ECB announced the results of the comprehensive assessment.

The SSM represents a significant change in the approach to bank supervision at a European and global level, even if it is not expected to result in any radical change in bank supervisory practices in the short term. The SSM has resulted in the direct supervision of 128 financial institutions, including the Issuer, and indirect supervision of around 3,500 financial institutions. The new supervisor is one of the largest in the world in terms of assets under supervision. In the coming years, the SSM is expected to work to establish a new supervisory culture importing best practices from the 19 supervisory authorities that is part of the SSM. Several steps have already been taken in this regard such as the recent publication of the Supervisory Guidelines and the creation of the SSM Framework Regulation. In addition, this new body represent an extra cost for the financial institutions that will fund it through payment of supervisory fees.

Other issues are still open, such as the representation and voting power of non-Eurozone countries, the accountability of the ECB to European institutions as part of the single supervision mechanism, the final status of the EBA, the development of a new bank resolution regime and the creation of a common deposit-guarantee scheme. In particular, the RDD and the Deposit Guarantee Schemes Directive (the **DGSD**) were submitted to the European Parliament in June 2013. They have been approved by the European Parliament on 15 April 2014 and by the European Council on 6 May 2014 and were published in the Official Journal of the EU on 12 June 2014. The RRD was required to be implemented by 1 January 2015, and the bail-in tool must be operational from no later than 1 January 2016. The final regulation on direct recapitalisation by the European Stability Mechanism (**ESM**) is still pending. European leaders have also supported the reinforcement of the fiscal union but continue negotiating on how to achieve it.

The process for the implementation of the RRD in Spain started on 1 December 2014, with the publication of the draft law (*proyecto de ley de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*) on recovery and resolution of credit institutions and investment firms (the **RRD Draft Implementation Law**) for public consultation by the Spanish Ministry of Economy and Competitiveness. The RRD Draft Implementation Law is under discussion in Parliament as at the date of this Base Prospectus. In addition, the draft developing regulation of the RRD Draft Implementation Law (*Proyecto de Real Decreto por el que se desarrolla la Ley de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*) was published on 21 May 2015.

Furthermore, Regulation (EU) No. 806/2014 of the European Parliament and the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms, in the framework of a SRM and a Single Resolution Fund (the **SRM Regulation**), entered into force on 19 August 2014. This Regulation compliments the SSM which established a centralised power of resolution entrusted to the Single Resolution Board (the **SRB**) and to the national resolution authorities as an integral part of the process of harmonisation of the resolution regime provided for by the RRD. The SRB began operation on 1 January 2015, but it will not fully assume its resolution powers until 1 January 2016. From that date onwards a single resolution fund (the **Single Resolution Fund**) will also be in place, funded by contributions from European banks. The Single Resolution Fund is intended to reach a total amount of €55 billion by 2024 and to be used as a separate backstop only after an 8% Bail-in has already been applied to cover capital shortfalls (in line with RRD).

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

In addition, on 29 January 2014, the European Commission released its proposal on the structural reforms of the European banking sector that will impose new constraints on the structure of European banks. The proposal aims at ensuring the harmonisation between the divergent national initiatives in Europe, and includes a prohibition of proprietary trading, also known as the Volcker Rule, and a mechanism to require the separation of trading activities including market making. Regulations adopted on structural measures to improve the resilience of EU credit institutions may have a material impact on the Issuer's business, financial condition and results of operations. These regulations, if adopted, may also cause the Group to invest significant management attention and resources to make any necessary changes.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features including factors which may occur in relation to any Notes:

Risks applicable to all Notes

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

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

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. The Issuer may also be expected to redeem Subordinated Notes as the regulatory and capital adequacy benefits of having these Subordinated Notes outstanding diminish for the Issuer over the latest five years before maturity. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

The interest rate on Fixed Reset Notes will reset on each Reset Date, which can be expected to affect interest payments on an investment in Fixed Reset Notes and could affect the market value of Fixed Reset Notes

Fixed Reset Notes will initially bear interest at the Initial Interest Rate until (but excluding) the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the Reset Margin as determined by the Principal Paying Agent on the relevant Reset Determination Date (each such interest rate, a **Subsequent Reset Rate**). The Subsequent Reset Rate for any Reset Period could be less than the Initial Interest Rate or the Subsequent Reset Rate for prior Reset Periods and could affect the market value of an investment in the Fixed Reset Notes

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their original nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The RRD and SRM Regulation are intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under the RRD and SRM Regulation could materially affect the value of any Notes

The RRD and the SRM Regulation provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms. The regime provided for by the RRD is, among other things, stated to be needed to provide national resolution authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions while minimising the impact of an institution's failure on the economy and the financial system. Under the SRM Regulation, a centralised power of resolution is established and entrusted to the SRB and to the national resolution authorities.

In accordance with the provisions of the SRM Regulation, when applicable, the SRB, the Council of the European Union (where relevant), and the Commission should replace the national resolution authorities designated under RRD in respect to all aspects relating to the decision-making process and the national resolution authorities designated under RRD should continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the bank's resolution plans have applied since 1 January 2015 and the SRM should be fully operational from 1 January 2016.

The stated aim of the RRD is to provide competent authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' contributions to bank bail-outs and/or exposure to losses. In particular, competent authorities are intended to be provided with the power to write-down and convert capital instruments (the **capital instruments write-down and conversion power**) and a **bail-in tool**.

On the basis of the RRD, Member States were required to implement the capital instruments write-down and conversion power on or before 1 January 2015 but implement the general bail-in tool not later than 1 January 2016. Spain has already implemented, by virtue of Law 9/2012, of 14 November, on credit institution restructuring and resolution (*Ley 9/2012, de 14 de noviembre, de reestructuración y resolución de entidades de crédito*) (**Law 9/2012**), a regime on the restructuring and resolution of credit institutions and a statutory loss absorbency regime on the restructuring and resolution of credit institutions applicable within the framework of the restructuring and resolution process, which was based on the June 2012 draft of the RRD. The Spanish government, therefore, already has certain powers and authorities which are in line with those provided for in the RRD. In addition, the process of the implementation of the RRD in Spain has started, and there is a draft law on recovery and resolution of credit institutions and investment firms (the **RRD Draft Implementation Law**) and a draft developing regulation, which implements the RRD in Spain. The RRD Implementation Law is expected to supersede Law 9/2012.

Under RRD and the current RRD Draft Implementation Law, the capital instrument write-down and conversion power may be exercised independently of, or in combination with, the exercise of other resolution tools and it allows resolution authorities to cancel all, or a portion of, the outstanding nominal amount of capital instruments and/or convert such capital instruments into Common Equity Tier 1 instruments when an institution is no longer viable or is likely to cease being viable The point of non-viability for such purposes is, under the current version of the RRD Draft Implementation Law, the point at which the resolution authority, prior consultation with the relevant regulator, determines that the institution meets the conditions for resolution or that will no longer be viable unless the relevant capital instruments are written down or extraordinary public support is provided and without such support the resolution authority determines that the institution would no longer be viable. The resolution authority will exercise the capital instrument write-down and conversion power in accordance with the priority of claims under normal insolvency proceedings such that Common Equity Tier 1 instruments will be written down before Additional Tier 1 and Tier 2 instruments, successively, are written down or converted into Common Equity Tier 1 instruments.

Similarly, where the conditions for resolution exist, under RRD and the current version of the RRD Draft Implementation Law, the resolution authority may use the bail-in tool (in combination with other resolution tools) to cancel all or a portion of the outstanding nominal amount of, or interest on, certain unsecured liabilities of a failing financial institution and/or convert certain debt claims into another security, including ordinary shares of the surviving entity. The resolution authority shall apply the bail-in tool in accordance with a specified preference order; in particular, the current version of the RRD Draft Implementation Law requires the resolution authority to write-down or convert debts in the following order: (i) Common Equity Tier 1 instruments; (ii) Additional Tier 1 instruments; (iii) Tier 2 instruments; (iv) other subordinated claims that do not qualify as Additional Tier 1 instruments or Tier 2 instruments; and (v) eligible senior claims. In addition, the resolution authority may, among other things, replace or substitute the issuer as obligor respect of debt instruments, modify the terms of debt instruments (including altering the maturity, if any) and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinue the listing and admission to trading of financial instruments.

As a result, upon implementation in Spain of the RRD, the Notes will be subject to the bail-in tool and, therefore, may be subject to a partial or full write-down or conversion into Common Equity Tier 1 instruments. Moreover, the Subordinated Notes will also be subject to the capital instrument write-down and conversion power upon implementation in Spain of the RRD (besides being currently subject to the provisions of Law 9/2012 which are described in "*The Subordinated Notes may be subject to the capital*

instrument write-down and conversion power and to certain specific loss absorption measures in Spain provided by Law 9/2012".

Risks applicable to Subordinated Notes

An investor in Subordinated Notes assumes an enhanced risk of loss in the event of the Issuer's insolvency

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to all unsubordinated obligations of the Issuer. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is an enhanced risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

After payment in full of unsubordinated claims, but before distributions to shareholders, under article 158 of the Insolvency Law, the Issuer will meet subordinated claims in the following order (as established by article 92 of the Insolvency Law) and pro-rata within each class:

(i) late or incorrect claims. The following claims shall not be subordinated for this cause and shall be classified according to their respective nature: (a) those credits arising from article 86.3 of the Insolvency Law, (b) those credits whose existence arises from the documentation of the Issuer, (c) those arising from an executive title, (d) those guaranteed by an in rem guarantee registered with a public registry, (e) those that are in any way recorded in the insolvency proceedings or in any other judicial proceedings, or (f) those that require inspection action by the Public Administrations to be determined;

(ii) contractually subordinated debts (including the Subordinated Notes);

(iii) interest (including accrued and unpaid interest due on the Notes);

(iv) fines;

(v) claims of creditors which are specially related to the Issuer as provided for under the Spanish Insolvency Law. Creditors that have converted into equity directly or indirectly all or part of their credits pursuant to a refinancing agreement adopted in accordance with article 71 bis or the fourth additional disposition of the Insolvency Law, will not be regarded as persons especially related (*personas especialmente relacionadas*) to the Issuer, for the purpose of qualifying the credits held against the debtor as a result of the refinancing granted by virtue of such agreement;

(vi) detrimental claims against the Issuer where a Spanish Court has determined that the relevant creditor has acted in bad faith (*rescisión concursal*); and

(vii) claims arising from contracts with reciprocal obligations as referred to in articles 61, 62, 68 and 69 of the Insolvency Law, wherever the court rules, prior to the administrators' report of insolvency (*administración concursal*) that the creditor repeatedly impedes the fulfilment of the contract against the interest of the insolvency.

Under the Insolvency Law, accrual of interest on the Notes shall be suspended from the date of the declaration of insolvency of the Issuer.

In addition, the holders of the Subordinated Notes by subscribing the Subordinated Notes are accepting to be subordinated to any subordinated obligations of the Issuer which by law or their terms, and to the extent permitted by Spanish law, rank senior to the Subordinated Notes and/or to any other subordinated obligations of the Issuer ranking *pari passu* with the Subordinated Notes.

A change in the ranking of claims under Article 92 of the Insolvency Law is currently under discussions in the context of the approval of the RRD Draft Implementation Law. According to the RRD Draft Implementation Law Subordinated Notes qualifying as Tier 2 instruments will rank (i) *pari passu* among themselves and other Subordinated Notes and any other contractually subordinated obligations of the Issuer qualifying as Tier 2 instruments, (ii) senior to any contractually subordinated obligations of the Issuer qualifying as Additional Tier 1 instruments and (iii) junior to any contractually subordinated obligations not qualifying as Additional Tier 1 instruments or Tier 2 instruments.

The Subordinated Notes may be subject to the capital instrument write-down and conversion power and to certain specific loss absorption measures in Spain provided by Law 9/2012

As described in "*The RRD and SRM Regulation are intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under the RRD and SRM Regulation could materially affect the value of any Notes*" above, the Spanish government anticipated the rules to be implemented pursuant to the RRD by Law 9/2012, which has already introduced certain specific loss absorption measures in Spain that may be applied by the Issuer or the Resolution Authority.

The application of such loss absorption measures may be requested by the Issuer or imposed by the Resolution Authority if the Issuer or its group of consolidated credit entities is in breach of (or there are sufficient objective elements pursuant to which it is reasonable to foresee that they may breach) applicable regulatory requirements relating to solvency, liquidity, internal structure or internal controls. In any such case, the Issuer may be subject to a procedure of "early intervention" (*actuación temprana*), "restructuring" (*reestructuración*) or "resolution" (*resolución*) (as each such term is defined in Law 9/2012). The restructuring and resolution procedures may involve the application of loss absorption measures which may include, among others: (i) the deferment, suspension, elimination or amendment of certain rights, obligations, terms and conditions of any Subordinated Notes, (ii) the repurchase of any Subordinated Notes at a price set by the Bank of Spain or the Resolution Authority, (iii) the exchange of any Subordinated Notes for capital instruments of the Issuer, (iv) the write down of interest and/or the outstanding nominal amount of the Subordinated Notes, and (v) the redemption of any Subordinated Notes. Law 9/2012 does not include any grandfathering provisions and applies equally to those capital instruments (such as the Subordinated Notes) that are already in issue as well as any future issues of such instruments.

As described under "*The RRD and SRM Regulation are intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under the RRD and SRM Regulation could materially affect the value of any Notes*", the RRD Draft Implementation Law is expected to supersede Law 9/2012. Until implementation of RRD in Spain, the obligations of the Issuer under the Subordinated Notes may be subject to any bail-in or the loss absorption measures under Law 9/2012 and, after that moment, the Subordinated Notes may be subject to the capital instruments write-down and conversion power and to the bail-in tool. In both scenarios, this may result in holders of the Subordinated Notes losing some or all of their investment. The exercise of any such power or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of the Subordinated Notes and/or the ability of the Issuer to satisfy its obligations under the Subordinated Notes.

Subordinated Notes may not be redeemed prior to maturity at the option of Noteholders, including in the event of non-payment of principal or interest

The CRR provides (i) that where the instrument includes one or more call options or early repayment options, as applicable, the options are exercisable at the sole discretion of the issuer; and (ii) that the provisions governing Subordinated Notes should not give the Noteholders the right to accelerate the future scheduled payment of interest or principal, other than in the insolvency or liquidation of the Issuer. As a result, the terms and conditions of the Subordinated Notes do not include provisions allowing for early redemption of Subordinated Notes at the option of Noteholders.

Furthermore, holders of Subordinated Notes will not have any rights under the terms and conditions of the Subordinated Notes to request the early redemption of such Subordinated Notes in the event of any failure by the Issuer to pay principal or interest in respect of such Subordinated Notes or in the case of default by the Issuer or any company within its group under any other indebtedness.

The obligations of the Issuer with respect to Subordinated Notes will be subordinated and unsecured and will rank junior to all unsubordinated obligations of the Issuer, to any Senior Subordinated Obligations (as defined in the Terms and Conditions of the Notes) and to any claim of the Issuer, which results subordinated as a consequence of article 92.1º of the Insolvency Law. After payment in full of the above referred claims, the Issuer will pay subordinated claims in the order and as further described in Condition 2.2 (*Status of the Subordinated Notes*) of the Terms and Conditions of the Notes.

Risks Relating to the Insolvency Law

The Insolvency Law, which came into force on 1 September 2004 supersedes all pre-existing Spanish provisions which regulated the bankruptcy, insolvency (including suspension of payments) and any process affecting creditors' rights generally, including the ranking of its credits.

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

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

Noteholders will not be able to exercise their rights on an event of default in the event of the adoption of any resolution measure under Law 9/2012

As discussed above (see "*The Subordinated Notes may be subject to the capital instrument write-down and conversion power and to certain specific loss absorption measures in Spain provided by Law 9/2012*"), the Issuer may be subject to a procedure of early intervention, restructuring or resolution under Law 9/2012 if the Issuer or its group of consolidated credit entities is in breach of (or there are sufficient objective elements pursuant to which it is reasonable to foresee that they may breach) applicable regulatory requirements relating to solvency, liquidity, internal structure or internal controls.

Pursuant to Law 9/2012 the adoption of any early intervention, restructuring or resolution procedure shall not itself constitute an event of default or entitle any counterparty of the Issuer to exercise any rights it may otherwise have in respect thereof. Any provision providing for such rights shall further be deemed not to apply, although this does not limit the ability of a counterparty to declare any event of default and exercise its rights accordingly where an event of default arises either before or after the exercise of any such procedure and does not necessarily relate to the exercise of any relevant measure or power which has been applied pursuant to Law 9/2012.

Accordingly, while the Notes are governed by English law and the Issuer submits to the exclusive jurisdiction of the English courts, the above provisions of Law 9/2012 may limit the enforcement by a holder of any rights it may otherwise have on the occurrence of any Event of Default (as defined in Condition 9 (*Events of Default*)). In addition, pursuant to Directive 2001/24/EC on the reorganisation and winding up of

credit institutions in EU Member States, Law 9/2012 and The Credit Institutions (Reorganisation and Winding up) Regulations 2004 of the United Kingdom, any resolution procedure (and the loss absorption measures in a restructuring scenario) is specified under Law 9/2012 to be a "reorganisation measure" for the purposes of Directive 2001/24/EC and, as such, will be effective in the United Kingdom in relation to any Notes as if it were part of the general law of insolvency of the United Kingdom. Given the absence of any grandfathering provisions under Law 9/2012, this is the case both for those Notes already in issue as well as any Notes issued in the future.

Any enforcement by a Noteholder of its rights under the Notes upon the occurrence of an Event of Default following the adoption of any resolution procedure will, therefore, be subject to the relevant provisions of Law 9/2012 in relation to the exercise of the relevant measures and powers pursuant to such procedure, which may include, among others, the sale of the Issuer's business, the transfer of assets or liabilities of the Issuer to a bridge bank and/or the transfer of assets or liabilities of the Issuer to an asset management company. Any claims on the occurrence of an Event of Default will consequently be limited by the application of any measures pursuant to the provisions of Law 9/2012. There can be no assurance that the taking of any such action would not adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes and the enforcement by a holder of any rights it may otherwise have on the occurrence of any Event of Default may be limited in these circumstances.

Risks relating to the Spanish withholding tax regime

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

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

(i) identification of the securities;

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

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

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

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

In accordance with Article 44 of Royal Decree 1065/2007, the relevant Issuing and Principal Paying Agent should provide the Issuer with the statement on the business day immediately prior to each interest payment date. The statement must reflect the situation at the close of business of that same day. In the event that on such date, the entity(ies) obliged to provide the declaration fail to do so, the Issuer or the Issuing and Principal Paying Agent on its behalf will make a withholding at the general rate (currently 21%) on the total amount of the return on the relevant Notes otherwise payable to such entity.

The Issuer considers that, according to Royal Decree 1065/2007, any payments under the Notes will be made by the Issuer free of Spanish withholding tax, provided that the Simplified Information Procedures described above (which do not require identification of the Noteholders) are complied with by the Issuer and the Issuing and Principal Paying Agent. However, the interpretation of Royal Decree 1065/2007 and in particular the absence of a withholding tax obligation for the Issuer in respect of Spanish resident individuals, and to disclose certain tax information to the Spanish Tax Authorities about those Noteholders who are Spanish Individual Income Tax or Corporate Income Tax taxpayers, or non-Spanish residents operating in Spain through a permanent establishment is currently subject to debate. The Spanish Tax Authorities may eventually issue a tax ruling to clarify the interpretation of the currently applicable procedures and it cannot be completely discarded that such ruling determines that the Issuer should apply a withholding on payments to individuals with tax residence in Spain and to obtain and disclose certain information to the tax authorities. If this is the case, identification of Noteholders may be required and the procedures, if any, for the collection of relevant information will be applied by the Issuer (to the extent required) so that it can comply with its obligations under the applicable legislation as clarified by the Spanish Tax Authorities.

If, following clarification by the Spanish Tax Authorities, procedures for the collection of the Noteholders information are to apply, the Noteholders will be informed of such new procedures and their implications.

Similarly if following clarification by the Spanish Tax Authorities, Noteholders who are Spanish Individual Income Tax Payers become subject to withholding tax, the Issuer will apply the relevant withholding on payments to individuals with tax residence in Spain. The Issuer will not pay any additional amounts in respect of any such withholding tax.

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

Risks relating to Floating Rate Notes

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate. Should the reference rate be at any time negative, it could, notwithstanding the existence of the relevant margin, result in the actual floating rate be lower than the relevant margin.

General

The procedure described in this Base Prospectus for the provision of information required by Spanish laws and regulations is a summary only and neither of the Issuer or the Dealers, assumes any responsibility therefore. In the event that the currently applicable procedures are modified, amended or supplemented by, among other things, any Spanish law, regulation, interpretation or ruling of the Spanish tax authorities, the Issuer will notify the holders of such information procedures and their implications, as the Issuer may be required to apply withholding tax on distributions in respect of the relevant securities if the holders do not comply with such information procedures.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

Withholding under the EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments.

On 24 March 2014, the Council of the European Union adopted a Council Directive (the **Amending Directive**) amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017 and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

U.S. Foreign Account Tax Compliance Withholding

Whilst the Notes are in global form and held within Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme (together the **ICSDs**), in all but the most remote circumstances it is not expected that the new reporting regime and potential withholding tax imposed by Sections 1471 through 1474 of the U.S.

Internal Revenue Code of 1986 (**FATCA**) will affect the amount of any payment received by the ICSDs (see "*Taxation – Foreign Account Tax Compliance Act*"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depositary or common safekeeper for the ICSDs (as bearer of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an **IGA**) are generally not expected to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Reliance on Euroclear and Clearstream, Luxembourg procedures

The Notes will be represented on issue by Global Notes that will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Notes, investors will not be entitled to receive Notes in definitive form. Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

While the Notes are represented by the Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

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

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

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

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive

evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CBI shall be incorporated in, and form part of, this Base Prospectus:

(a) the audited consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (**IFRS-EU**) (including the auditors´ report thereon) for the financial year ended 31 December 2013 of the Issuer (available at https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/Informacion_Economica_Financiera/MEM_GRUPCAIXABANK_201312_INGLES_WEB.pdf);

(b) the audited consolidated financial statements prepared in accordance with IFRS-EU (including the auditor´s report thereon) for the financial year ended 31 December 2014 of the Issuer (available at http://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/MEM_GRUPCAIXABANK_201412_WEB_INGLES.pdf);

(c) the unaudited management accounts for the three months ended 31 March 2015 of the Issuer (available at http://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/Informacion_Economica_Financiera/IPP1T15_EN.pdf); and

(d) the terms and conditions of the Notes contained in the previous Base Prospectus dated 15 October 2013 at pages 48-82 (inclusive) prepared by the Issuer in connection with the Programme (available at http://www.ise.ie/debt_documents/Base%20Prospectus_c4de75df-1e9c-433c-bb5e-7248964f991d.PDF?v=2492014.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CBI in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Issuing and Principal Paying Agent for the time being in Luxembourg.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will:

(i) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**); and

(ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described

therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9 (*Events of Default*)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available, or (iii) the Notes are required to be removed from both Euroclear and Clearstream, Luxembourg and no alternative clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes (other than the Temporary Global Notes) and on all interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Except in relation to Notes issued in NGN form, any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms. A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 9 June 2015 and executed by the Issuer.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, a supplement to the Base Prospectus or a new Base Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

Initial Issue of Notes

If the Global Notes are stated in the applicable Final Terms to be issued in NGN form, on or prior to the original issue date of the Tranche the Global Notes or Global Certificates will be delivered to a Common Safekeeper and Euroclear and Clearstream, Luxembourg will be informed whether or not the Notes are intended to be held as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem (**Eurosystem eligible collateral**).

Depositing the Global Notes intended to be held as Eurosystem eligible collateral with a Common Safekeeper does not necessarily mean that the Notes will be recognised as Eurosystem eligible collateral either upon issue, or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met. In the case of Notes issued in NGN form which are not intended to be held as Eurosystem eligible collateral as of their issue date, should the Eurosystem eligibility criteria be amended in the future so that such Notes are capable of meeting the eligibility criteria, such Notes may then be deposited with Euroclear or Clearstream, Luxembourg as Common Safekeeper.

FORM OF FINAL TERMS

NOTES WITH A DENOMINATION OF €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY) OR MORE

[Date]

CaixaBank, S.A.

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
under the EUR 10,000,000,000]
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 9 June 2015 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive and any relevant implementing measure in a relevant Member State of the European Economic Area (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the Central Bank of Ireland's website at *http://www.centralbank.ie* and on the website of the Irish Stock Exchange at *www.ise.ie*. In addition, if the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange, copies of the Final Terms will be published on the website of the Irish Stock Exchange at *www.ise.ie.*

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [original date] [and the supplement to it dated [date]] which are incorporated by reference in the Base Prospectus dated 9 June 2015. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 9 June 2015 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive and any relevant implementing measure in a relevant Member State of the European Economic Area (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus[1]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus has been published on the Central Bank of Ireland's website at http://www.centralbank.ie and on the website of the Irish Stock Exchange at *www.ise.ie*.

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.*]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.]

[1] *When preparing Final Terms prepared in relation to an issuance of Notes to be listed on a non-regulated market, Prospectus Directive references are to be removed.*

1.	Issuer:		CaixaBank, S.A.
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 26 below, which is expected to occur on or about [*date*]][Not Applicable]
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)
6.	(a)	Specified Denominations:	[ ] *(N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent))*
	(b)	Calculation Amount:	[ ]
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. An Interest Commencement Date will not be relevant for certain Notes for example, Zero Coupon Notes*) (*N.B. For Zero Coupon Notes, Maturity Date cannot fall more than 12 months after the Issue Date (or, in the case of subsequent Tranches, the Issue Date of the first Tranche*)).
8.	Maturity Date:		[*Specify date/or for Floating rate notes* - Interest Payment Date falling in or nearest to [*specify month and year*]]
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [Fixed Reset Notes] [[[ ] month [LIBOR/EURIBOR]] +/- [ ] per cent. Floating Rate] [Zero Coupon] (see paragraph 14/17/18 below)
10.	Redemption Basis:		Subject to any purchase and cancellation or early

			redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their nominal amount
11.	Change of Interest Basis:		[*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 18 below and identify there*][Not Applicable]
12.	Put/Call Options:		[Investor Put] [Issuer Call] [Not Applicable] [(see paragraph 22/23 below)]
13.	(a)	Status of the Notes:	[Senior/Subordinated]
	(b)	Date [Board] approval for issuance of Notes obtained:	[ ] [and [ ], respectively]] [Not Applicable] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
	(c)	Fixed Coupon Amount(s):	[ ] per Calculation Amount
	(d)	(Applicable to Notes in definitive form.)	
	(e)	Broken Amount(s):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(f)	(Applicable to Notes in definitive form.)	(*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount*)
15.	Day Count Fraction:		[30/360 or 30/360 (ISDA)] [Actual/Actual (ICMA)][Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Not Applicable]
16.	[Determination Date(s):		[[ ] in each year][Not Applicable] (*Only relevant where Day Count Fraction is*

			Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
17.	Fixed Reset Provisions:		[Applicable/Not Applicable]
	(a)	Initial Interest Rate:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date]
	(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date]
	(c)	Fixed Coupon Amount to (but excluding) the First Reset Date:	[[ ] per Calculation Amount/Not Applicable]
	(d)	Broken Amount(s):	[[ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(e)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA)]
	(f)	Determination Date(s):	[[ ] in each year][Not Applicable]
	(g)	First Reset Date:	[ ]
	(h)	Second Reset Date:	[ ]/[Not Applicable]
	(i)	Subsequent Reset Date(s):	[ ] [and [ ]]
	(j)	Mid Swap Rate:	[ ]
	(k)	Reset Margin:	[+/-][ ] per cent. per annum
	(l)	Relevant Screen Page:	[ ]
	(m)	Floating Leg Reference Rate:	[ ]
	(n)	Floating Leg Screen Page:	[ ]
	(o)	Initial Mid-Swap Rate:	[ ] per cent. per annum (quoted on a[n annual/semi-annual basis])
18.	Floating Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below /, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day

			Convention/ Preceding Business Day Convention][Not Applicable]
(c)	Additional Business Centre(s):		[ ]
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:		[Screen Rate Determination/ISDA Determination]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):		[ ]
(f)	Screen Rate Determination:		
	(i)	Reference Rate:	[ ] month [[*currency*] LIBOR/EURIBOR]
	(ii)	Interest Determination Date(s):	[ ] *(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
	(iii)	Relevant Screen Page:	[ ] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
(g)	ISDA Determination:		
	(i)	Floating Rate Option:	[ ]
	(ii)	Designated Maturity:	[ ]
	(iii)	Reset Date:	[ ] (*In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period*)
(h)	Linear Interpolation:		[Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(i)	Margin(s):		[+/-] [ ] per cent. per annum
(j)	Minimum Rate of Interest:		[ ] per cent. per annum
(k)	Maximum Rate of Interest:		[ ] per cent. per annum
(l)	Day Count Fraction:		[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)]

			[Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
19.	Zero Coupon Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

20.	Notice periods for Condition 6.3 [*Redemption for tax reasons*]:		Minimum period: [ ] days Maximum period: [ ] days
21.	Issuer Call:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[ ] per Calculation Amount
	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]
		(ii) Maximum Redemption Amount:	[ ]
	(d)	Notice periods:	Minimum period: [ ] days Maximum period: [ ] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 5 clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*)
22.	Investor Put:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[ ] per Calculation Amount (*NB: The Optional Redemption Amount cannot be other than a specified amount per Calculation Amount*)
	(c)	Notice periods:	Minimum period: [ ] days Maximum period: [ ] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*)
23.	Final Redemption Amount:		[ ] per Calculation Amount
24.	Early Redemption Amount payable on redemption for taxation reasons, on an event of default or upon the occurrence of a Capital Event:		[ ] per Calculation Amount (*N.B. If the Final Redemption Amount is 100 per cent. of the original nominal amount (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the original nominal amount, consideration should be given as to what the Early Redemption Amount should be.*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:		
	(a)	Form:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event [including/excluding] the exchange event described in paragraph (iii) of the definition in the Permanent Global Note]]
	(b)		[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
	(c)		[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event [including/excluding] the exchange event described in paragraph (iii) of the definition in the Permanent Global Note]]
	(d)	New Global Note:	[Yes][No]
26.	Additional Financial Centre(s):		[Not Applicable/*give details*]

		(*Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which sub-paragraph 17(c) relates*)
27.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of CaixaBank, S.A.:

By: .....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(a)	Listing and Admission to trading	[Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the [Official List of the Irish Stock Exchange] and admitted to trading on the [Regulated Market of the Irish Stock Exchange] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated or unregulated market (for example the Bourse de Luxembourg, the London Stock Exchange's regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)*] with effect from [ ].] [Not Applicable]
(b)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

	Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]: [*insert details*]] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. [[*Insert the legal name of the relevant CRA entity*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). [As such [*insert the legal name of the relevant CRA entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]] [[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended)[. [*Insert the legal name of the relevant non-EU CRA entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its

website in accordance with such Regulation].]

[[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). The ratings have been endorsed by [insert the legal name of the relevant EU-registered CRA entity] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU CRA entity*] is established in the European Union and registered under the CRA Regulation]. As such [*insert the legal name of the relevant EU CRA entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].] The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant EU CRA entity that applied for registration*] may be used in the EU by the relevant market participants.]

[[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**), but it [is]/[has applied to be] certified in accordance with the CRA Regulation[[[EITHER:] and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] [[OR:] although notification of the corresponding certification decision has not yet been provided by the European Securities and Markets Authority and [*insert the legal name of the relevant non-EU CRA entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

[[*Insert the legal name of the relevant CRA entity*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority [and [*insert the legal name of the relevant CRA entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation].]

[[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has

not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU CRA entity that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU CRA entity*][, although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority and [*insert the legal name of the relevant EU CRA entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].] The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant EU CRA entity that applied for registration*] may be used in the EU by the relevant market participants.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

(*N.B. When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.*)

4. YIELD (Fixed Rate Notes only)

Indication of yield: [ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR/*replicate other as specified in the Conditions*] rates can be obtained from [Reuters].

6. OPERATIONAL INFORMATION

(a)	ISIN:	[ ]
(b)	Common Code:	[ ]
(c)	Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(d)	Delivery:	Delivery [against/free of] payment
(e)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(f)	[Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

(a)	Method of distribution:	[Syndicated/Non-syndicated]
(b)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(c)	Date of [Subscription] Agreement:	[ ]
(d)	Stabilising Manager(s) (if any):	[Not Applicable/*give name*]

(e)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(f)	U.S. Selling Restrictions:	Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by CaixaBank, S.A. (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note; and

(c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 9 June 2015 and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/71/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 9 June 2015 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange the applicable Final Terms will be published on the website of the Irish Stock Exchange (*www.ise.ie*). The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Fixed Reset Note a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may also be a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms.

Definitive Notes are issued with Coupons attached unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes and shall not be required to obtain any proof thereof or as to the identity of such bearer but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount

of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. STATUS OF THE SENIOR NOTES AND SUBORDINATED NOTES

The applicable Final Terms will indicate whether the Notes are Senior Notes or Subordinated Notes and, in the case of Subordinated Notes, the applicable subordination provisions.

*Law 22/2003 of 9th July, 2003 on insolvency (the **Insolvency Law**) came into force in Spain on 1st September, 2004. Certain provisions in the Insolvency Law could affect the ranking of certain Notes on an insolvency of the Issuer.*

2.1 Status of the Senior Notes

The Senior Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (Negative Pledge)) unsecured obligations of the Issuer. Upon the insolvency of the Issuer, the Senior Notes will rank *pari passu* among themselves and equally with all other unsecured and unsubordinated obligations of the Issuer (unless they qualify as subordinated claims pursuant to article 92 of the Insolvency Law or equivalent legal provisions which replace it in the future, and subject to any applicable legal and statutory exceptions).

In the event of insolvency (concurso) of the Issuer, under the Insolvency Law (as defined above), claims relating to Senior Notes (which are not subordinated pursuant to article 92 of the Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Insolvency Law. Ordinary credits rank below credits against the insolvency state (créditos contra la masa) and credits with a privilege (créditos privilegiados). Ordinary credits rank above subordinated credits and the rights of shareholders.

Pursuant to article 59 of the Insolvency Law, interest shall cease to accrue from the date of declaration of the insolvency of any Issuer. Interest on the Notes accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the provisions of article 92 of the Insolvency Law.

2.2 Status of the Subordinated Notes

The payment obligations of the Issuer under the Subordinated Notes and any relative Coupons whether on account of principal, interest or otherwise, constitute direct, unconditional and subordinated obligations of the Issuer. Upon the insolvency of the Issuer, the Subordinated Notes will (unless they qualify as subordinated claims pursuant to Articles 92.3 to 92.7 of the Insolvency Law or equivalent legal provisions which replace them in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* without preference or priority among themselves and:

(a) *pari passu* with all other contractually subordinated obligations of the Issuer (other than (1) those subordinated obligations which qualify as subordinated claims pursuant to Articles 92.3 to 92.7 of the Insolvency Law or equivalent legal provisions which replace them in the future, (2) other subordinated obligations which by law or their terms rank junior

to the Subordinated Notes and (3) any Senior Subordinated Obligations (as defined below)); and

(b) junior to any non-subordinated obligations of the Issuer, any Senior Subordinated Obligations (as defined below) and any claim of the Issuer, which becomes subordinated as a consequence of article 92.1º of the Insolvency Law.

The Subordinated Notes are also subject to any Statutory Loss Absorption Regime applicable to Subordinated capital instruments of the Issuer.

In these Conditions:

RRD means any relevant laws and regulations applicable to the Issuer at the relevant time pursuant to, or which implement, or are enacted within the context of, a directive or regulation of the European Parliament and/or of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (a first draft of which was published on 6th June, 2012) or such other resolution or recovery rules which may from time to time be applicable to the Issuer.

Senior Subordinated Obligations means any subordinated obligations of the Issuer which by law or their terms, and to the extent permitted by Spanish law, rank senior to the Subordinated Notes and/or to any other subordinated obligations of the Issuer ranking *pari passu* with the Subordinated Notes.

Statutory Loss Absorption Regime means any statutory regime implemented or directly effective in Spain which provides any administrative agency or governmental authority (including, without limitation, *Fondo de Reestructuración Ordenada Bancaria* (**FROB**), or any successor authority with the powers to implement any loss absorption measures in respect of capital instruments (such as the Subordinated Notes), including, but not limited to, Law 9/2012, of 14 November, on restructuring and resolution of credit entities (**Law 9/2012**) and any such regime which is implemented pursuant to the RRD or which otherwise contains provisions analogous to those regarding the implementation of loss absorption measures in respect of capital instruments contained in Chapter IV of the draft text of the RRD published on 6 June 2012.

Pursuant to article 158 of the Insolvency Law after payment in full of unsubordinated claims but before distributions to shareholders, the Issuer of the Subordinated Notes will meet subordinated payment claims in the order established by article 92 of the Insolvency Law detailed below and pro rata within each class:

(a) *claims that, having been lodged late, are included in the list of creditors by the insolvency administrators or that, not having been duly lodged or which have been lodged late are included on that list by subsequent communications or by the Court on resolving on an appeal on the list of creditors. The following claims shall not be subordinated for this cause and shall be classified according to their respective nature: (i) those credits arising from article 86.3 of the Insolvency Law, (ii) those credits whose existence arises from the documentation of the Issuer, (iii) those arising from an executive title, (iv) those guaranteed by an in rem guarantee registered with a public registry, (v) those that are in any way recorded in the insolvency proceedings or in any other judicial proceedings, or (vi) those that require inspection action by the Public Administrations to be determined;*

(b) *claims that, under a contractual arrangement, are subordinated in nature with regard to all the other claims against the Issuer;*

(c) *interest and overcharge claims of any kind, including those for late payment, except for those claims with a security in rem, up to the sum of the respective guarantee;*

(d) *claims for fines and other monetary penalties;*

(e) *claims held by any of the persons especially related to the Issuer that are referred to in article 93 of the Insolvency Law, except for those arising from non-financing agreements entered into by the Issuer and those of its shareholders referred to under articles 93.2.1º and 93.2.3º of the Insolvency Law and which have the percentage of holding established therein;*

(f) *claims in favour of whom the ruling has declared a party in bad faith in the act contested as a consequence of the insolvency revocation; and*

(g) *claims arising from the contracts with reciprocal obligations referred to in articles 61, 62, 68 and 69 of the Insolvency Law, when the Court finds, following the report by the insolvency administrators, that the creditor has repeatedly hindered fulfilment of the contract to the detriment of the insolvency interests.*

As indicated above, interest on the Notes accrued but unpaid as of the commencement of any insolvency procedure of an Issuer shall constitute subordinated claims of the Issuer ranking in accordance with the provisions or article 92 of the Insolvency Law. Under Spanish Law, interest on the Notes shall cease to accrue from the date of the declaration of insolvency of any Issuer.

3. NEGATIVE PLEDGE

3.1 Negative Pledge for the Senior Notes

This Condition 3.1 applies to the Senior Notes only. So long as any Senior Note remains outstanding (as defined in the Agency Agreement), the Issuer will:

(a) not grant any preference or priority or create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertakings, assets, property or revenues (including uncalled capital), present or future, to secure (i) payment of any Relevant Indebtedness or (ii) payment under any Guarantee granted by the Issuer in respect of any Relevant Indebtedness;

(b) procure that no Relevant Subsidiary of the Issuer will grant any preference or priority or create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertakings, assets, property or revenues (including uncalled capital), present or future, to secure (i) payment of any Relevant Indebtedness or (ii) payment under any Guarantee granted by the Relevant Subsidiary in respect of any Relevant Indebtedness;

(c) not give any Guarantee (except a Permitted Guarantee) of Relevant Indebtedness of any Person (other than a Relevant Subsidiary of the Issuer); and

(d) not permit any Person to give any Guarantee (except a Permitted Guarantee) of Relevant Indebtedness of the Issuer or any of its Relevant Subsidiaries,

without (in the case of paragraphs 3.1(a) and (b)) at the same time or prior thereto securing such Notes equally and rateably therewith or providing such other security for such Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) at a meeting of Noteholders of the relevant Series of Notes.

3.2 Definitions

In these Conditions:

Banking Business means, in relation to any entity:

(a) banking business as ordinarily carried on or permitted to be carried on at the relevant time by banking institutions in the country in which such entity is incorporated or carries on business; or

(b) the seeking or obtaining from members of the public of moneys by way of deposit; or

(c) any other part of the business of such entity which an expert (which expression shall for this purpose include any officer of the Issuer) nominated in good faith for such purpose by the Issuer or such entity shall certify to the Agent to be part of, or permitted to be part of, such entity's banking business;

Group means the Issuer and its Subsidiaries;

Guarantee means any obligation of any Person to pay any Relevant Indebtedness of another Person including (without limitation):

(a) any obligation to purchase such Relevant Indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Relevant Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Relevant Indebtedness; and

(d) any other agreement to be responsible for such Relevant Indebtedness;

Permitted Guarantee means any guarantee arising by operation of law or in the ordinary course of Banking Business;

Permitted Security Interest means:

(a) a Security Interest arising by operation of law or in the ordinary course of Banking Business; or

(b) a Security Interest created or arising in respect of the Issuer's obligations to *Banco de España*, any other Central Bank of a member state of the European Union, the European Central Bank or any successor to such entities for the time being carrying on the function of a central bank in Spain or within the European Union;

For the avoidance of doubt, any issue of *cédulas hipotecarias, bonos hipotecarios, participaciones hipotecarias, certificados de transmisión de hipoteca, cédulas territoriales, cédulas de internacionalización* or *bonos de internacionalización* and any other asset backed financial instrument shall be deemed issued in the ordinary course of Banking Business.

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

Relevant Indebtedness means any obligation (whether present or future, actual or contingent) in the form of or represented by any bonds, notes, debentures, loan stock, or other securities which are or are capable of being admitted to listing by any listing authority, quoted, listed or ordinarily dealt in

or on any stock exchange, over the counter market or other securities market (for which purpose any such bonds, notes, debentures, loan stock or other securities shall be deemed not to be capable of being so admitted, quoted, listed or ordinarily dealt in if the terms of the issue thereof expressly so provide);

Relevant Subsidiary means, at any particular time, any Subsidiary of the Issuer:

(a) whose net assets represent not less than 10 per cent. of the net consolidated assets of the Group as calculated by reference to the then latest audited accounts (or consolidated accounts as the case may be) of such Subsidiary and the most recently published audited consolidated accounts of the Issuer; or

(b) whose gross revenues represent not less than 10 per cent. of the gross consolidated revenues of the Group, all as calculated by reference to the then latest audited accounts (or consolidated accounts as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer.

For the purposes of this definition:

(i) if there shall not at any time be any relevant audited consolidated accounts of the Issuer, references thereto herein shall be deemed to be references to a consolidation (which need not be audited) by the Issuer of the relevant audited accounts of the Issuer and its Subsidiaries;

(ii) if, in the case of a Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, its consolidated net assets and consolidated gross revenues shall be determined on the basis of pro forma consolidated accounts (which need not be audited) of the relevant Subsidiary and its Subsidiaries prepared for this purpose by the Issuer;

(iii) if (A) any Subsidiary shall not in respect of any relevant financial period for whatever reason produce audited accounts or (B) any Subsidiary shall not have produced at the relevant time for the calculations required pursuant to this definition audited accounts for the same period as the period to which the latest audited consolidated accounts of the Issuer relate, then there shall be substituted for the purposes of this definition the management accounts of such Subsidiary for such period;

(iv) where any Subsidiary is not wholly owned by the Issuer there shall be excluded from all calculations all amounts attributable to minority interests;

(v) in calculating any amount all amounts owing by or to the Issuer and any Subsidiary to or by the Issuer and any Subsidiary shall be excluded; and

(vi) in the event that accounts of any companies being compared are prepared on the basis of different generally accepted accounting principles, there shall be made such adjustments to any relevant financial items as are necessary to achieve a true and fair comparison of such financial items;

Security Interest means any mortgage, charge, pledge, lien or other form of encumbrance or security interest arising; and

Subsidiary means, in relation to an entity, any entity controlled by that first person entity where control is determined in accordance with section 3 of the Third Regulation of Circular 4/2004 of the Bank of Spain as amended by Circular 5/2013 of 30 October of the Bank of Spain (*Norma Tercera*

apartado tercero de la Circular 4/2004 de Banco de España), whether any such entity is a financial institution or not.

For the purposes of these Conditions, any reference to an obligation being guaranteed shall include a reference to an indemnity being given in respect of the obligation.

4. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Fixed Reset Notes, Floating Rate Notes or Zero Coupon Notes.

4.1 Interest on Fixed Rate Notes

This Condition 4.1 applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(b) if "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the actual number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date divided by 365 (or, if any portion of that period falls in a leap year, the sum of (A) the actual number of days in that portion of the period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the period falling in a non-leap year divided by 365);

(c) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

(d) if "30/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the interest period is the 31st day of a month but the first day of the interest period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day a month, or (b) the last day of the interest period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(e) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on Fixed Reset Notes

(a) Rates of Interest and Interest Payment Dates

Each Fixed Reset Note bears interest:

(i) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date at the rate per annum equal to the Initial Interest Rate;

(ii) from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if none, the Maturity Date (the **First Reset Period**) at the rate per annum equal to the First Reset Rate; and

(iii) if applicable, from (and including) the Second Reset Date to (but excluding) the first Subsequent Reset Date (if any), and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) (each a **Subsequent Reset Period**) at the rate per annum equal to the relevant Subsequent Reset Rate,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) (each a **Rate of Interest**) payable, in each case, in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

The provisions of this Condition 4.2 shall apply, as applicable, in respect of any determination by the Principal Paying Agent of the Rate of Interest for a Reset Period in accordance with this Condition 4.2 as if the Fixed Reset Notes were Floating Rate Notes. The Rate of Interest for each Reset Period shall otherwise be determined by the Principal Paying Agent on the relevant Reset Determination Date in accordance with the provisions of this Condition 4.2. Once the Rate of Interest is determined for a Reset Period, the provisions of Condition 4.1 (*Interest – Interest on Fixed Rate Notes*) shall apply to Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

In these Conditions:

First Reset Rate means the sum of the Reset Margin and the Mid-Swap Rate for the First Reset Period;

Mid-Swap Rate means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the rate for the Reset Date of, in the case of semi-annual or annual Interest Payment Dates, the semi-annual or annual swap rate, respectively (with such semi-annual swap rate to be converted to a quarterly rate in accordance with market convention, in the case of quarterly Interest Payment Dates) for swap transactions in the Specified Currency maturing on the last day of such Reset Period, expressed as a percentage, which appears on the Relevant Screen Page as of approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date. If such rate does not appear on the Relevant Screen Page, the Mid-Swap Rate for the Reset Date will be the Reset Reference Bank Rate for the Reset Period;

Reference Banks means five leading swap dealers in the interbank market for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period as selected by the Bank;

Relevant Screen Page means the display page on the relevant service as specified in the applicable Final Terms or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Principal Paying Agent, for the purpose of displaying the relevant swap rates for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period;

Representative Amount means an amount that is representative for a single transaction in the relevant market at the relevant time;

Reset Date means the First Reset Date, the Second Reset Date and each Subsequent Reset Date, as applicable;

Reset Determination Date means the second Business Day immediately preceding the relevant Reset Date;

Reset Period means the First Reset Period or any Subsequent Reset Period, as the case may be;

Reset Period Mid-Swap Rate Quotations means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on the day count basis customary for fixed rate payments in the Specified Currency), of a fixed-for-floating interest rate swap transaction in the Specified Currency with a term equal to the Reset Period commencing on the Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg (in each case calculated on the day count basis customary for floating rate payments in the Specified Currency), is equivalent to the Rate of Interest that would apply in respect of the Notes if (a) Screen Rate Determination was specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (b) the Reference Rate was the Floating Leg Reference Rate and (c) the Relevant Screen Page was the Floating Leg Screen Page; and

Reset Reference Bank Rate means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the percentage determined on the basis of the Reset Period Mid-Swap Rate quotations provided by the Reference Banks at approximately 11.00 in the principal financial centre of the Specified Currency on the Reset Determination Date. The Principal Paying Agent will request the principal office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for the Reset Date will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, it will be the arithmetic mean of the quotations provided. If only one quotation is provided, it will be the quotation provided. If no quotations are provided, the Mid-Swap Rate will be the Mid-Swap Rate for the immediately preceding Reset Period or, if none, the Initial Mid-Swap Rate.

(b) Notification of First Reset Rate of Interest, Subsequent Reset Rate of Interest and Interest Amount

The Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date falling in such Reset Period to be notified to the Issuer, the other Paying Agents and any stock exchange or other relevant authority on which the relevant Reset Notes are for the time being listed or by which they have been admitted to listing and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day (where a **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London) thereafter.

(c) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 by the Agent shall (in the absence of negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Interest on Floating Rate Notes

(a) Interest Payment Dates

This Condition 4.3 applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4.3 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 4.3(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the

immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such other replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.3:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*).

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.3 by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.4 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*).

5.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 (*Payments – Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below) and save as provided in Condition 5.4 (*Payments – General provisions applicable to payments*)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose original nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the original nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

5.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

5.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8 (*Prescription*)) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(i) in the case of Notes in definitive form only, the relevant place of presentation;

(ii) each Additional Financial Centre specified in the applicable Final Terms; and

(b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

5.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.7 (*Redemption and Purchase – Early Redemption Amounts*)); and

(f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*).

6. REDEMPTION AND PURCHASE

6.1 Definitions

In these Conditions:

a **Capital Event** means the determination by the Issuer after consultation with the Regulator that all or part of the outstanding nominal amount of the Subordinated Notes is not eligible for inclusion in the tier 2 capital of the Issuer and/or Group (but, in the case of partial ineligibility, only if early redemption of the Subordinated Notes in such circumstances is permitted under then applicable Spanish capital adequacy requirements or regulations) pursuant to then applicable Spanish capital adequacy requirements or regulations (other than as a result of any applicable limitation on the amount of such capital as applicable to the Issuer);

CRD IV means any or any combination of the CRD IV Directive, the CRR, and any CRD IV Implementing Measures;

CRD IV Directive means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC or such other directive as may come into effect in place thereof;

CRD IV Implementing Measures means any regulatory capital rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Regulator, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a stand alone basis) or the Group (on a consolidated basis) and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a stand alone or consolidated basis);

CRR means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on the prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 or such other regulation as may come into effect in place thereof; and

References in the Conditions to **applicable Spanish capital adequacy requirements or regulations** and any related or similar such references shall be construed as including any laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in Spain including, without limitation to the generality of the foregoing, those regulations, requirements, guidelines and policies relating to capital adequacy then in effect of the Regulator (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group). The **Regulator** means the *European Central Bank* or such other or successor authority exercising primary bank supervisory authority, or any other entity or institution carrying out such duties on its/their behalf (including the Bank of Spain), in each case with respect to prudential matters in relation to the Issuer and/or the Group.

Subordinated Notes redeemed pursuant to Condition 6.5 will be redeemed at their Early Redemption Amount referred to in Condition 6.6 (*Redemption and Purchase – Redemption at the option of the Noteholders (Investor Put)*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.2 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

Zero Coupon Notes will not have a maturity of more than 12 months.

Subordinated Notes will have a maturity of not less than five years from their date of effective disbursement or such other minimum or maximum maturity as may be permitted or required from time to time by applicable Spanish capital adequacy requirements or regulations or any other laws or regulations applicable to the Issuer, requirements of the Regulator or requirements of any other applicable regulatory authority.

6.3 Redemption for tax reasons

Subject to Condition 6.7 (*Redemption and Purchase – Early Redemption Amounts*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, subject in the case of Subordinated Notes which shall only be redeemed at any time if so permitted by the applicable Spanish capital adequacy requirements or regulations then in force, and subject to the previous consent of the Regulator, if required, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable), if:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) in each case as a result of any change in, or amendment to, the laws or regulations of Spain (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

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

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall (i) deliver to the Agent to make available at its specified office to the Noteholders a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) use its best efforts to deliver to the Agent to make available at its specified office to the Noteholders an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and, in the case of Subordinated Notes, a copy of the Regulator's consent to redemption, if required.

Notes redeemed pursuant to this Condition 6.3 will be redeemed at their Early Redemption Amount referred to in Condition 6.7 (*Redemption and Purchase – Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.4 Redemption at the option of the Issuer (Issuer Call)

This Condition 6.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an **Issuer Call**. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6.4 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, subject in the case of Subordinated Notes which shall not be redeemed unless in compliance with the applicable Spanish capital adequacy requirements or regulations then in force and subject to the prior consent of the Regulator, if required, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption.

6.5 Redemption at the option of the Issuer (Capital Event)

If a Capital Event occurs as a result of a change in Spanish law, applicable Spanish capital adequacy requirements or regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date (including as a result of the implementation or applicability in Spain on or after the Issue Date of CRD IV), the Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, subject to such redemption being permitted by the applicable Spanish capital adequacy regulations then in force, and subject to the prior consent of the Regulator if required pursuant to such regulations, at any time, on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption).

6.6 Redemption at the option of the Noteholders (Investor Put)

This Condition 6.6 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an **Investor Put**. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 6.6 for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. No such redemption option will be applicable to any Subordinated Notes, unless as permitted under applicable Spanish capital adequacy regulations.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling

within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.6 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.6 and instead to declare such Note forthwith due and payable pursuant to Condition 9 (*Events of Default*).

6.7 Early Redemption Amounts

For the purpose of Conditions 6.3 (*Redemption and Purchase – Redemption for tax reasons*) and 6.5 (*Redemption and Purchase – Redemption at the option of the Issuer (Capital Event)*) above and Condition 9 (*Events of Default*):

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Note will be redeemed at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^{y}$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

6.8 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Senior Notes or Subordinated Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Senior or Subordinated Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

Any purchases under this Condition 6.8 will be made in compliance with the applicable Spanish capital adequacy regulations in force at the time of such a purchase and subject to the prior consent of the Regulator, if required.

6.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.8 (*Redemption and Purchase – Purchases*) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

6.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.2 (*Redemption and Purchase – Redemption at maturity*), 6.3 (*Redemption and Purchase – Redemption for tax reasons*), 6.4 (*Redemption and Purchase – Redemption at the option of the Issuer (Issuer Call)*) or 6.5 (*Redemption and Purchase – Redemption at the option of the Issuer (Capital Event)*) above or upon its becoming due and repayable as provided in Condition 9 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.7(b) (*Redemption and Purchase – Early Redemption Amounts*) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

7. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

(a) presented for payment in Spain; or

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

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.5 (*Payments – Payment Day*)); or

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

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

(f) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;

(g) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or

(h) where such withholding or deduction is imposed pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a **FATCA Withholding**). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

As used herein:

(i) **Tax Jurisdiction** means Spain or any political subdivision or any authority thereof or therein having power to tax; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 (*Notices*).

See "*Taxation – Spain – Simplified information procedures" for a fuller description of certain tax considerations relating to the Notes, the formalities which must be followed in order to claim*

exemption from withholding tax and for a description of certain disclosure requirements imposed on the Issuer.

8. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 (*Payments – Presentation of definitive Notes and Coupons*) or any Talon which would be void pursuant to Condition 5.2.

9. EVENTS OF DEFAULT

9.1 Events of Default relating to Senior Notes

This Condition 9.1 only applies to Senior Notes. If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

(a) ***Non-payment***: the Issuer fails to pay any amount of principal in respect of the Notes within 14 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 21 days of the due date for payment thereof; or

(b) ***Breach of other obligations***: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or, as the case may be, the Agency Agreement, as the case may be, the Deed of Covenant and such default remains unremedied for 30 days or after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer; or

(c) ***Cross-default of Issuer or Relevant Subsidiary***:

(i) any Indebtedness for Borrowed Money of the Issuer or any of its Relevant Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; or

(ii) any such Indebtedness for Borrowed Money becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the Relevant Subsidiaries or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness for Borrowed Money,

provided that the amount of Indebtedness for Borrowed Money referred to in sub-paragraph (i) and/or sub-paragraph (ii) above individually or in the aggregate exceeds EUR 50,000,000 (or its equivalent in any other currency or currencies);

(d) ***Unsatisfied judgment***: one or more final judgment(s) or order(s) for the payment of any amount which individually or in the aggregate exceeds EUR 50,000,000) or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Relevant Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) ***Security enforced***: any Security Interest created or assumed by the Issuer or any of its Relevant Subsidiaries becomes enforceable and any steps are taken to enforce it (including

the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person) provided that the Indebtedness for Borrowed Money to which such Security Interest relates either individually or in aggregate exceeds EUR 50,000,000 (or its equivalent in any other currency or currencies); or

(f) ***Winding up***: any order is made by any competent court or any resolution passed for the winding up or dissolution of the Issuer (or any of its Relevant Subsidiaries) (except in any such case for the purpose of a Permitted Reorganisation); or

(g) ***Cessation of business***: the Issuer (or any of its Relevant Subsidiaries) ceases or threatens to cease to carry on the whole or a substantial part of its business (except in any such case for the purpose of a Permitted Reorganisation) or the Issuer (or any of its Relevant Subsidiaries) stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class thereof) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(h) ***Insolvency proceedings***: (i)(A) in respect of the Issuer, an order is made by any competent court commencing insolvency proceedings (*procedimientos concursales*) against it or an order is made or a resolution is passed for the dissolution or winding up of the Issuer, and in respect of any of the Issuer's Relevant Subsidiaries, proceedings are initiated against any such Relevant Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (except in any such case for the purpose of a Permitted Reorganisation); or (B) an application made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer (or any of its Relevant Subsidiaries) or in relation to the whole or any substantial part of the undertaking or assets of any of them; or (C) an encumbrance takes possession of the whole or any substantial part of the undertaking or assets of the Issuer (or any of its Relevant Subsidiaries); or (D) a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any substantial part of the undertaking or assets of the Issuer (or any of its Relevant Subsidiaries); and (ii) in any case is or are not discharged within 30 days; or

(i) ***Arrangements with creditors***: the Issuer (or any of its Relevant Subsidiaries) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors); or

(j) ***Failure to take action etc.***: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes and the Deed of Covenant, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of Spain or England is not taken, fulfilled or done; or

(k) ***Unlawfulness***: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Deed of Covenant,

then any Noteholder of the relevant Series in respect of such Notes may, by written notice to the Issuer, declare that such Notes or Note (as the case may be) and all interest then accrued but unpaid on such Notes or Note (as the case may be) shall be forthwith due and payable, whereupon the relevant Notes shall, when permitted by applicable Spanish law, become immediately due and payable at their outstanding nominal amount, together with all accrued interest thereon without

presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary.

For the purpose of this Condition 9:

Indebtedness for Borrowed Money means any money borrowed, liabilities in respect of any acceptance credit, note or bill discounting facility, liabilities under any bonds, notes, debentures, loan stocks, securities or other indebtedness by way of loan capital.

Permitted Reorganisation means:

(a) with respect to the Issuer, a reconstruction, merger or amalgamation (i) which has been approved by an Extraordinary Resolution at a meeting of Noteholders; or (ii) where the entity resulting from any such reconstruction, merger or amalgamation is (A) a financial institution (*entidad de crédito*) under article 1 of Real Decreto Legislativo 1298/1986 dated 28 June, as amended and restated and (B) has a rating for long-term senior debt assigned by Standard & Poor's Rating Services, Moody's Investor Services or Fitch Ratings Ltd equivalent to or higher than the rating for long-term senior debt of the Issuer immediately prior to such reconstruction, merger or amalgamation); and

(b) with respect to a Relevant Subsidiary, a reconstruction, merger or amalgamation (i) which has been approved by an Extraordinary Resolution at a meeting of Noteholders; or (ii) is on a solvent basis.

When related to a Relevant Subsidiary, an Event of Default shall only be considered as such when the creditworthiness of the Issuer is materially weaker immediately after the occurrence of such event, where: **materially weaker** shall mean that two of the four Rating Agencies modify at least by three lower notches the rating previously applied to the Issuer; and **Rating Agencies** shall mean Standard & Poor's Rating Services, Moody's Investor Services, Fitch Ratings Ltd and DBRS Ratings Ltd.

9.2 Events of Default relating to Subordinated Notes

This Condition 9.2 only applies to Subordinated Notes and references to "Notes" shall be construed accordingly.

If any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer (except in any such case for the purpose of a Permitted Reorganisation (as defined in Condition 9.1 (*Events of Default – Events of Default relating to Senior Notes*) above)) (an **Event of Default**) then any Noteholder of the relevant Series in respect of such Notes may, by written notice to the Issuer, declare that such Notes or Note (as the case may be) and all interest then accrued but unpaid on such Notes or Note (as the case may be) shall be forthwith due and payable, whereupon the relevant Notes shall, when permitted by applicable Spanish law, become immediately due and payable at their outstanding nominal amount, together with all accrued interest thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary.

10. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(a) there will at all times be an Agent;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and

(d) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4 (*Payments – General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13. NOTICES

Notice to Noteholders:

All notices regarding the Notes will be deemed to be validly given if published (a) if the rules of the exchange on which the Notes are listed so require, in a leading English language daily newspaper of general circulation in London (which is expected to be the *Financial Times*), or (b) if and for so long as the Notes are admitted to trading on, and listed on the Official List of the Irish Stock Exchange, on the Irish Stock Exchange's website, www.ise.ie. The Issuer shall also ensure that notices are duly

published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. MEETINGS OF NOTEHOLDERS AND MODIFICATION

14.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the nominal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes any matter defined in the Agency Agreement as a Basic Terms Modification, including the modification of certain of these Conditions (including the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the nominal amount or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

14.2 Modification

The Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

(a) any modification of, the Notes, the Coupons or any of the provisions of the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law, or

(b) any modification (except a Basic Terms Modification (being a matter in respect of which an increased quorum is required as mentioned above)) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders.

Any modification shall be binding on the Noteholders and the Couponholders and, unless the Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13 (*Notices*).

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. SUBSTITUTION OF THE ISSUER

(a) The Issuer (or any previous substitute under this Condition) may, with respect to any Series of Notes issued by it (the **Relevant Notes**), without the further consent of the Noteholders but, in the case of Subordinated Notes, subject to the prior consent of the Regulator, if required, be replaced and substituted by any of its wholly owned Subsidiaries as the principal debtor in respect of the Notes, Coupons, Talons and the Deed of Covenant (the **Substituted Debtor**), provided that*:*

(i) the Issuer is not in default in respect of any amount payable under any of the Relevant Notes;

(ii) the Issuer (or any previous substitute under this Condition) and the Substituted Debtor have entered into a deed poll and such other documents (the **Documents**) as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Noteholder of the Relevant Notes to be bound by these Conditions and the provisions of the Agency Agreement and the Deed of Covenant as the debtor in respect of such Notes in place of the Issuer (or of any previous substitute under this Condition 16) and pursuant to which the Issuer shall unconditionally and irrevocably guarantee (the **New Guarantee**) in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as such principal debtor with the Issuer's obligations under the New Guarantee ranking *pari passu* with the Issuer's obligations under the Notes prior to the substitution becoming effective;

(iii) if the Substituted Debtor is resident for tax purposes in a territory (the **New Residence**) other than that in which the Issuer prior to such substitution was resident for tax purposes (the **Former Residence**) the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Noteholder of the Relevant Notes has the benefit of an undertaking in terms corresponding to the provisions of Condition 7 (*Taxation*), with, where applicable, the substitution of references to the Former Residence with references to the New Residence. The Documents also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder against all taxes or duties which arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred or levied against such holder as a result of any substitution pursuant to this

Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, any and all taxes or duties which are imposed on any such Noteholder by any political sub-division or taxing authority of any country in which such Noteholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);

(iv) the Documents contain a warranty and representation by the Substituted Debtor and the Issuer that the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the giving by the Issuer of the New Guarantee in respect of the obligations of the Substituted Debtor and for the performance by each of the Substituted Debtor and the Issuer of their respective obligations under the Documents and that all such approvals and consents are in full force and effect;

(v) each stock exchange on which the Relevant Notes are listed has confirmed that, following the proposed substitution of the Substituted Debtor, the Relevant Notes will continue to be listed on such stock exchange (of the Issuer or the Substituted Debtor is otherwise satisfied of the same);

(vi) legal opinions shall have been delivered to the Agent (from whom copies will be available) from lawyers of recognised standing in the country of incorporation of the Substituted Debtor and the country which laws governs this Programme, confirming, as appropriate, that upon the substitution taking place the Notes, Coupons and Talons are legal, valid and binding obligations of the Substituted Debtor enforceable in accordance with their terms;

(vii) legal opinion shall have been delivered to the Agent (from whom copies will be available) from lawyers of recognised standing in the country of jurisdiction of the Documents that upon the substitution taking place the Documents (including the New Guarantee given by the Issuer in respect of the Substituted Debtor) constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms;

(viii) legal opinion shall have been delivered to the Agent (from whom copies will be available) from lawyers of recognised standing in England that upon the substitution taking place the Documents (including the New Guarantee given by the Issuer in respect of the Substituted Debtor) constitute legal, valid and binding obligations of the parties thereto under English law;

(ix) any rating agency which has issued a rating in connection with the Relevant Notes shall have confirmed that following the proposed substitution of the Substituted Debtor, the credit rating of the Relevant Notes will remain the same or be improved;

(x) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Relevant Notes and any Coupons and the Documents; and

(xi) the substitution complies with all applicable requirements established under the applicable laws.

(b) Upon the execution of the Documents and the delivery of the legal opinions, the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer (or any previous substitute under this Condition) under the Relevant Notes and any related Coupons or Talons and the Agency Agreement and the Deed of Covenant with the same effect as if the Substituted Debtor had been named as the principal debtor in place of the Issuer herein, and the Issuer or any previous substitute under these provisions shall, upon the execution of the Documents

be released from its obligations under the Relevant Notes and any related Coupons or Talons and under the Agency Agreement and the Deed of Covenant.

(c) After a substitution pursuant to Condition 16(a), the Substituted Debtor may, without the further consent of any Noteholder, effect a further substitution. All the provisions specified in Condition 16(a) and 16(b) shall apply, *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.

(d) After a substitution pursuant to Condition 16(a) or 16(c) any Substituted Debtor may, without the further consent of any Noteholder, reverse the substitution, *mutatis mutandis*.

(e) The Documents shall be delivered to, and kept by, the Agent for so long as any Note remains outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder in relations to the Notes or the Documents shall not have been finally adjudicated or settled or discharged. Copies of the Documents will be available free of charge at the specified office of each of the Agents.

(f) Not later than 15 Business Days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 13 (*Notices*).

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

The status of the Notes, the capacity of the Issuer and the relevant corporate resolutions will be governed by Spanish law. The Agency Agreement, the Deed of Covenant, the Notes (save as provided above), the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law. The Notes are issued in accordance with the formalities prescribed by Spanish company law.

Pursuant to Directive 2001/24/EC on the reorganisation and winding up of credit institutions in EU Member States, Spanish Law 9/2012 and The Credit Institutions (Reorganisation and Winding up) Regulations 2004 of the United Kingdom, any resolution procedure under Law 9/2012 is specified to be a "reorganisation measure" for the purposes of Directive 2001/24/EC and, accordingly, will be effective in the United Kingdom as if it were part of the general law of insolvency of the United Kingdom.

18.2 Submission to jurisdiction

(a) Subject to Condition 18.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 18.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

18.3 Appointment of Process Agent

The Issuer appoints CaixaBank London at 8th floor, 63 St Mary Axe, EC3A 8AA, London as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of CaixaBank London being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for the general financing requirements of the CaixaBank Group of which it forms a part. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF THE ISSUER

History and development of the Issuer

CaixaBank, S.A. (**CaixaBank** or the **Issuer**) and its subsidiaries compose the CaixaBank Group (the **CaixaBank Group** or the **Group**). The Issuer has its registered office in the city of Barcelona, at Avenida Diagonal, 621, 08028 Barcelona (contact telephone number 0034 902 223 223 or 0034 93 404 6000), registration number 2100 in the register of the Bank of Spain (*Banco de España*). It is a Spanish company with legal status as a public limited company (*sociedad anónima*) and is governed by the Restated Spanish Companies Act (*Texto Refundido de la Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010, of 2nd July (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*). The Issuer is subject to special legislation applicable to lending institutions in general; the supervision, control and regulation of the ECB; and, as a listed company, the regulatory oversight of the Spanish Securities Market Commission (the **CNMV**).

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

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

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

Reorganisation of "la Caixa" Group in 2011

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

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

Pursuant to the framework agreement, dated 27 June 2011, "la Caixa" assigned the assets and liabilities comprising its financial business to MicroBank and, by means of a swap, "la Caixa" transferred all post-segregation shares in MicroBank to Criteria. Further to the swap, Criteria became owner of 100% of the outstanding share capital of MicroBank. On 30 June 2011, Criteria and MicroBank merged, MicroBank ceased to exist, and the Issuer adopted its current corporate name, CaixaBank, S.A. Also on this date, the

Issuer was entered on the Bank of Spain's Registry of Banks and Bankers (*Registro Especial de Bancos y Banqueros*) and, on 1 July 2011, it was listed on the Spanish stock exchanges as a bank.

Reorganisation of "la Caixa" Group in 2014

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

The transformation of "la Caixa" into a banking foundation carried with it a dual-step reorganisation of the "la Caixa" group: firstly, the dissolution and liquidation of Fundación Caixa d'Estalvis i Pensions de Barcelona (**"la Caixa" Foundation**) by means of the transfer of 100% of the "la Caixa" Foundation's assets and liabilities to "la Caixa" Banking Foundation, completed on 16 October 2014; and secondly, the segregation and transfer to Criteria CaixaHolding of any debt instruments issued by "la Caixa" and the shares held by "la Caixa" Banking Foundation in CaixaBank (58.91% of the total share capital of CaixaBank as at 14 October 2014, 56% fully diluted in 2017), completed on 14 October 2014 with the registration of a public deed of spin-off (*segregación*) with the Commercial Registry of Barcelona.

As a result of this process of reorganisation, "la Caixa" Banking Foundation holds its ownership interest in CaixaBank through Criteria CaixaHolding and "la Caixa" Banking Foundation is no longer classified as a credit institution (or savings bank). However, under the Savings Banks and Banking Foundations Act, "la Caixa" Banking Foundation remains subject to supervision by the Bank of Spain as a banking foundation due to its ownership interest in CaixaBank.

Merger with Banca Cívica

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

At that date, Banca Cívica was the central company (*sociedad central*) of the Institutional Protection Scheme (*Sistema Institucional de Protección*, or "SIP") comprising the Cajas, and the entity through which the Cajas carried on their financial activity indirectly under Royal Decree-Law 11/2010. Prior to the integration of Banca Cívica into CaixaBank, the Cajas owned 55.316% of the share capital and voting rights of Banca Cívica.

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

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

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

Acquisition of Banco de Valencia

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

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

The acquisition is subject to a series of financial support measures structured through an asset protection scheme (*esquema de protección de activos*). Pursuant to this scheme, during a 10-year period the FROB will assume 72.5% of losses incurred in Banco de Valencia's small and medium sized entities (**SMEs**), self-employed professionals, and contingent risk portfolios (guarantees), following the application of any existing provisions recognised for these assets.

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

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

Disvestment in GF Inbursa

During 2013, CaixaBank divested a portion of its shareholding in GF Inbursa, reducing its holding from 20% to 9.01% which generated a net gain of €63 million in the financial year ended 31 December 2013. Following this divestment, CaixaBank reiterated its commitment to the relationship with GF Inbursa and signed a new shareholders' agreement with GF Inbursa.

Acquisition of Servihabitat Gestión Inmobiliaria and sale of the real estate management business to a new company owned by the Texas Pacific Group (TPG) Fund (51%) and CaixaBank (49%)

In view of the growing interest of foreign investors to invest in real estate management services platforms so-called "servicers" in the Spanish real estate market, the ”la Caixa” group decided to reorganize its real estate business and concentrate the management of acquisitions, development, asset management and sale in Servihabitat Gestión Inmobiliaria, S.L.U. (**SGI**). To do so, Criteria CaixaHolding (formerly Servihabitat XXI, S.A.U.) carried out a spin-off of the real estate servicing business and contributed it to SGI. Before selling the servicing business to an industrial investor, CaixaBank's Board of Directors approved the purchase of 100% of the shares of SGI from Criteria CaixaHolding for €98 million. To ensure the transaction price was fair from a financial standpoint, two independent experts were engaged to issue fairness opinions.

Although SGI had agreements for the exclusive management during a period of 10 years of the real estate portfolios owned by Criteria CaixaHolding (formerly ServiHabitat XXI, S.A.U., which held the foreclosed assets of "la Caixa" until February 2011) and CaixaBank through Building Center, S.A.U. and other Group subsidiaries, its objective was to provide real estate services for third parties. In this context, CaixaBank sold the business to its industrial partner, TPG. The transaction entailed the sale of SGI's servicing business to a newly created company, Servihabitat Servicios Inmobiliarios, S.L. (**SSI**), which is 49% owned by CaixaBank and 51% by the TPG investment fund and controlled by TPG.

The initial price of the sale was €310 million, of which approximately €150 million was financed. CaixaBank contributed a significant amount of the financing under market terms. The agreement included a variable price that could increase or decrease by up to €60 million depending on the volume of assets managed by SSI between 2014 and 2017.

The sale resulted in the loss of control of CaixaBank over the servicing business due to the composition of the company's governing bodies, agreements between partners, and the possibility and power of TPG to govern the strategic operating policies and appoint key personnel of the company. SSI was classified as an associate and consolidated using the equity method.

The transactions were carried out in the fourth quarter of 2013 after the regulatory authorisations were secured. Given the nature of the transaction, which implied loss of control over the servicing business, it generated a gross consolidated gain of €255 million, recognised under gains/losses on disposal of assets not classified as non-current assets available for sale in the accompanying income statement, of which €122 million relate to the gain attributable to the ownership interest retained in SGI.

Sale of shareholding in Bolsas y Mercados Españoles

On 16 January 2014, CaixaBank completed an accelerated book building process and private placement in connection with its divestment of 4,189,139 shares of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. (**BME**), which at the time represented 5.01% of the outstanding issued share capital of BME and the entirety of CaixaBank's shareholding therein.

The private placement was made exclusively to qualified investors and other institutional investors. The aggregate sale price of the BME shares was €124 million and the transaction generated a consolidated pre-tax gain of €47 million to CaixaBank in the 2014 financial year.

Acquisition of Barclays Bank, S.A.U.

On 31 August 2014, CaixaBank announced the signing of an agreement with Barclays Bank PLC whereby CaixaBank was to acquire Barclays Bank, SAU.

On 2 January 2015, CaixaBank acquired 100% of the share capital of Barclays Bank, SAU, having already obtained full go-ahead from the authorities.

The deal extends to the entire retail banking, wealth management and corporate banking arms of Barclays Bank in Spain, excluding the investment banking and card businesses.

CaixaBank furnished Barclays Bank PLC the sum of €820 million towards the estimated price of Barclays Bank, SAU.

Approval of the merger by absorption

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).

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

*Takeover bid for Banco BPI, S.A. (**Banco BPI**)*

On 17 February 2015, CaixaBank submitted a notice to the Portuguese stock market regulator, the *Comissão do Mercado de Valores Mobiliários* (CMVM), announcing its intention to launch a takeover bid to acquire the common stock of the Portuguese bank, Banco BPI.

It is intended as a non-hostile bid and is subject to a cash bid price of €1.329 per share. The price offered to shareholders is the weighted average of the previous six months' prices and considered to be an equitable price in accordance with Portuguese regulations. The takeover is aimed at all Banco BPI share capital not already owned by CaixaBank, and is conditional on: (i) obtaining acceptance accounting for more than 5.9% of the shares issued, such that CaixaBank is able to exceed 50% of share capital following the bid when combined with its existing 44.1% stake; and (ii) the general shareholders meeting of Banco BPI disapplying the 20% cap on the voting rights that any one given shareholder can cast, as prescribed by article 12.4 of Banco BPI's articles of association. In order for this limit to be removed, at least 75% of capital present or represented by proxy must vote in favour at the corresponding general meeting of Banco BPI, without voting exceeding 20% of the total voting rights.

Business overview

The Group's business is divided between the core banking and insurance business, and the investments in the international banking stakes and the industrial portfolio, each as described below.

Banking and insurance business

This is the Group's core business and includes the entire banking business (retail banking, corporate banking, cash and markets) and insurance business, primarily carried out in Spain through the branch network and other complementary channels.

This business division encompasses the activity and the profits generated from the Group's customers (as at 31 March 2015 the Group had approximately 14.0 million customers, including individuals, companies and institutions).

Following the absorption of Barclays Bank, SAU the gross balance of customer loans amounted to €212,077 million and total customer funds amounted to €293,025 million as at 31 March 2015, as compared to €197,185 million and €271,758 million, respectively, as at 31 December 2014.

The Issuer's principal activity is the provision of retail financial services (including the deposit of customer funds and extension of credit and the provision of, amongst other banking services, payment mechanisms, securities transactions, currency exchange) managed to adapt to the needs of the customers.

The Issuer's business has grown on the foundation of a broad customer base which adds lending stability and facilitates business volume growth.

The banking business has a different value proposal based on the type of customers:

Individual Banking

Individual banking is directed towards individuals with less than €100,000 in net worth and businesses (retailers, self-employed persons, professionals and micro-enterprises) with turnover of less than €2 million annually. This is the CaixaBank Group's most traditional business, and provides the basis for its other, more specialised, lines of business.

As at 31 December, 2014, the individual banking segment had approximately 12 million customers, with services offered through a network of more than 5,400 commercial offices.

Affluent Banking

This division is directed towards individual customers with a net worth of between €100,000 and €500,000, with services offered by 1,280 specialised managers focused on tailored solutions for customer needs.

As at 31 March 2015, this segment had more than 715,000 clients with more than 6,130 portfolios under management.

During 2013 and 2014, CaixaBank continued the implementation of its multichannel relationship model, aimed at strengthening the relationship between the customer and the manager. As a result, the affluent banking segment has obtained a certification in financial advice with respect to individual wealth management from AENOR (*Asociación Española de Normalización y Certificación*).

Private Banking

The private banking division is aimed at customers with assets under management in excess of €500,000, with services offered by 380 professionals through 35 exclusive Private Banking Centres. As at 31 March 2015 this segment had more than 44,000 clients with an average net worth of €1.1 million.

For customers with a net worth of more than €10 million, there is a specialised group, the "Altium" team, which works together with private banking managers to offer sophisticated services. The private banking segment assists customers in structuring their investment portfolio in accordance with their positioning in terms of risk.

In February 2014, ”la Caixa” Private Banking was named by the British publication Euromoney as the institution with the best customer relations management at the Private Banking Survey 2014 awards.

SME and Business Banking

SME and Business banking services are offered under the brand “CaixaEmpresa”. This division provides services to business customers with annual turnover of between €2 million and €200 million.

CaixaBank manages this line of business through a network of 85 specialised offices and specialist managers present at more than 2,400 commercial offices

Corporate Banking

The corporate banking division provides banking services to business groups with annual turnover in excess of €200 million through specialised centres in Barcelona and Madrid.

The corporate banking division provides tailored services to approximately 600 business groups, comprising almost 6,000 clients.

Institutional Banking

The institutional banking division provides services to public authorities through a team of 93 professionals in 20 specialised offices, and manages the banking needs of approximately 6,500 customers.

Insurance business

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

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

- VidaCaixa, S.A. de Seguros y Reaseguros (**VidaCaixa**), which provides life insurance products and services;

- SegurCaixa Adeslas, S.A. de Seguros Generales y Reaseguros (**SegurCaixa Adeslas**), which provides insurance products and services other than life insurance; and

VidaCaixa is 100% owned by CaixaBank and SegurCaixa Adeslas is a joint venture 49.92% owned by VidaCaixa and 50% owned by Mutua Madrileña Automovilista Sociedad de Seguros a Prima Fija.

As at 31 December 2014, assets under management by VidaCaixa totalled €54,856 million, representing an increase of 9.6% as compared to 31 December 2013. Out of this amount, €19,910 million corresponded to pension plans, representing an increase of 19.4% as compared to 31 December 2013. The remainder of this amount, or €34,946 million, corresponded to life insurance policies, representing an increase of 4.8% as compared to 31 December 2013.

Net profit for the insurance business in the financial year ended 31 December 2014 amounted to €872 million as compared to €420 million in the financial year ended 31 December 2013. As at 31 December 2014, VidaCaixa had on-balance sheet assets of €59,438 million, mathematical provisions of €34,946 million and annual premiums of €5,545 million, as compared to €45,178 million, €33,351 million and €5,287 million, respectively, as at 31 December 2013.

In 2014, SegurCaixa Adeslas was the market leader in health insurance in Spain, with a market share of 27.9% (source: ICEA, December 2014) and the number two market position in the Spanish non-life insurance market. In 2014, the aggregate of premiums paid by customers to SegurCaixa Adeslas amounted to €2,820 million.

Business support

CaixaBank's subsidiaries and investments provide business support to its banking operations. The tables below set out the principal subsidiaries providing such support and their respective areas of activity, as at 31 March 2015:

Specialised Financial Services

Subsidiary	Ownership	Activity
Finconsum	100%	Consumer financing, mainly through distributors of goods and services and automobile dealers
InverCaixa Gestión	100%	Manages the CaixaBank Group's collective investment schemes
MicroBank	100%	Microcredits
CaixaCard	100%	Manages credit cards business
CaixaRenting	100%	Arranges equipment lease financing through CaixaBank branch network
Comercia Global Payments	49%	Partnered with Gobal Payments to manage retail-focussed electronic payment services
Gesticaixa	100%	Manages asset securitisation

Real Estate and Other Services

Subsidiary	Ownership	Activity
BuildingCenter	100%	Holds real estate assets held in connection with CaixaBank credit activities
Servihabitat Servicios Inmobiliarios	49%	Administration, management and sale of real estate assets
Silk Aplicaciones	100%	Management of the CaixaBank Group's technological infrastructure**.** Provides IT services to the Group
e-la Caixa	100%	Development and management of multichannel relationship model
GDS-Cusa	100%	Management of non-performing loan assets
Promocaixa	100%	Management of promotional and customer loyalty programmes, and other marketing activities
Sumasa	100%	Construction and maintenance services for buildings and premises of CaixaBank and ”la Caixa” group companies

Investees

(a) International banking investees

CaixaBank provides international banking services to its clients through operating branches, representative offices, correspondent banks and strategic alliances, as described below.

- Operating branches: CaixaBank has branches in Poland (Warsaw) and Morocco (Casablanca and Tangier), which provide financial services and financing to Spanish companies with interests and business activities in these countries as well as to local companies that have commercial relationships with Spain.

- Representative offices: Within the EU, CaixaBank maintains representative offices located in Italy (Milan), the United Kingdom (London), France (Paris) and Germany (Frankfurt) which offer advisory services to large Spanish companies, multinational European companies with affiliates in Spain and local small and medium sized entities which have a significant business interest in Spain.

- Outside of the EU, CaixaBank maintains representatives offices in China (Beijing and Shanghai), Turkey (Istanbul), Singapore, the United Arab Emirates (Dubai), India (Delhi), Egypt (Cairo), Chile (Santiago de Chile), Colombia (Bogotá) and the United States (New York). During 2015, CaixaBank also expects to open an office in Brazil (São Paulo).

- CaixaBank's representative offices advise Spanish companies with respect to projects in the relevant foreign jurisdiction, and provide information regarding tender processes and actions required in connection therewith. In addition, they act as liaisons with local financial institutions, guide

customers in their activities in the relevant country and are a point of reference for activities by the CaixaBank branch network on behalf of customers doing business in the relevant jurisdiction.

- Correspondent banks: CaixaBank has agreements with correspondent banks in a number of countries in which the Group does not maintain a presence. Relationships have been established with more than 2,900 foreign banks in these countries, in order to provide support to CaixaBank's customers in their foreign business activities.

- Strategic alliances: CaixaBank holds shares in five banking groups located in Portugal, Mexico, Central and Eastern Europe and China, in order to access to new business opportunities in higher-growth regions and achieve a more balanced risk profile in the Group's business. These banking groups, whose assets in the aggregate total more than €350,000 million as at December 2014, also allow help to facilitate the development of the commercial activities of CaixaBank's clients in foreign markets.

Banco BPI

Banco BPI is the third largest private financial group in Portugal by turnover, with total assets amounting to approximately €42,600 million as at 31 December 2014 and a commercial network comprising 650 offices in Portugal and 186 offices in Angola. Banco BPI provides banking services to businesses, institutions and private individuals. Through its ownership interest in Banco Fomento Angola, Banco BPI also occupies a leading market position in Angola (source: annual financial statements of Banco BPI).

As at 31 December 2014, the CaixaBank Group held 44.1% of the issued outstanding share capital of Banco BPI.

*Grupo Financiero Inbursa, S.A.B. de C.V. (**GF Inbursa**)*

GF Inbursa is the leading financial group in Mexico measured by assets under administration and management and the sixth largest financial group measured by total assets, with total assets of €21,000 million as at 31 December 2014 and a network of approximately 354 branches. In addition, GF Inbursa is one of the largest financial groups in Latin America measured by stock market capitalisation (source: annual financial statements of GF Inbursa).

As at 31 December 2014, the CaixaBank Group held 9.01% of the issued outstanding share capital of GF Inbursa.

*Erste Group Bank AG (**Erste Group Bank**)*

Erste Group Bank is the second largest banking group in Austria and one of the leading banking groups in Central and Eastern Europe in terms of total assets (source: Erste Investor Relations, June 2014). Erste Group Bank is present in Austria, the Czech Republic, Romania, Slovakia, Hungary, Croatia and Serbia, serving approximately 16.4 million customers via a network of 2,800 branches. As at 31 December 2014, Erste Group Bank had total assets of almost €196,000 million (source: annual financial statements of Erste Group Bank).

CaixaBank announced renewal of the strategic agreement with the Erste Foundation, the Erste Group Bank's main shareholder, on 15 December 2014, joining a group of Austrian savings banks and a number of their foundations which, together with CaixaBank, hold a 30% stake in Erste Group Bank. As at 31 December 2014, the CaixaBank Group held 9.92% of the issued outstanding share capital of Erste Group Bank, following the acquisition of 3.5 million shares in Erste Group Bank.

*The Bank of East Asia, LTD. (**Bank of East Asia**)*

Bank of East Asia is the leading independent private bank in Hong Kong, with total assets of €84,500 million as at 31 December 2014 and network of 234 branches. In addition, it is one of the best-positioned foreign banks in mainland China in terms of geographic reach and assets, with an expanding network. Bank of East Asia provides commercial and personal banking, as well as corporate and investment banking services, to customers in Hong Kong and mainland China. It also serves the Chinese community abroad through operations in Southeast Asia, North America and the United Kingdom (source: annual accounts of Bank of East Asia).

As at 31 December 2014, the CaixaBank Group held 18.7% of the issued outstanding share capital of Bank of East Asia.

Boursorama

Boursorama, whose business is focussed on online banking in Europe, is a French finance group company belonging to the Société Générale group, which remains its principal shareholder with an 80% holding. As at 31 December 2014, Boursorama had total assets of €6,013 million (source: annual financial statements of Boursorama). It has a presence in France, Germany and Spain.

As at 31 December 2014, the CaixaBank Group held 20.5% of the issued outstanding share capital of Boursorama. In addition, through a joint venture with Boursorama, the CaixaBank Group holds a 49% ownership interest in the Spanish online bank Self Bank.

(b) Industrial Portfolio

CaixaBank holds stakes in Repsol, S.A. (**Repsol**) and Telefónica, S.A. (**Telefónica**), two of Spain's leading corporations in terms of market capitalisation and profits. Both companies maintain strong market positions in their respective sectors, with extensive international operations and growth and value-generation capacity, as well as attractive shareholder redistribution policies. CaixaBank's stakes in Repsol and Telefónica help to diversify sources of revenue. As at 31 December 2014, CaixaBank held 11.89% of the issued outstanding share capital of Repsol and 5.25% of the issued outstanding share capital of Telefónica.

Business segments

For segment reporting purposes, CaixaBank's results are classified into two main businesses:

(a) The banking and insurance business, which includes all banking revenues (retail banking, corporate banking, cash management and market transactions) and all insurance-related revenues, as well as liquidity management and the Assets and Liabilities Committee (**ALCO**), and income from financing the equity investment business. This business is assigned all Group equity except the capital required by the equity investment business.

As at 31 March 2015, attributable profit from the banking and insurance business amounted to €256 million.

(b) The equity investment business, which includes international banking investments (Erste Group Bank, Banco BPI, Bank of East Asia, GF Inbursa and Boursorama) and the investments in Repsol and Telefónica. It also encompasses other significant stakes in the sphere of the company's sector diversification, included through the Group's latest acquisitions.

The business includes dividend income and/or the share of profits from its different investees, net of financing costs.

As at 31 March 2015, attributable profit from equity investments, net of financing costs, amounted to €119 million.

In 2015, capital was assigned to this business in accordance with the Group's new corporate capital target of maintaining BIS III fully loaded Common Equity Tier 1 (CET1) regulatory capital of over 11%. This means taking into account both capital requirements due to risk weighted assets measured at 11% (10% in 2014), and the own funds deductions applicable to this business.

Consolidated income statement of the Group by business segment:

	Banking and insurance		Investments		**TOTAL CAIXABANK GROUP**	
Unaudited	31st March 2015	31st March 2014	31st March 2015	31st March 2014	31st March 2015	31st March 2014
	(Million of euro)					
Net interest income	1,184	1,069	(46)	(76)	**1,138**	**993**
Dividends income and equity method	28	19	152	131	180	150
Net fees	513	454	-	-	513	454
Gains on financial assets and other operating income and expenses	122	176	-	52	122	228
Gross income	**1,847**	**1,718**	**106**	**107**	**1,953**	**1,825**
Recurring expenses	(1,034)	(944)	(1)	(1)	(1,035)	(945)
Extraordinary expenses	(239)	-	-	-	(239)	-
Pre-impairment income	**574**	**774**	**105**	**106**	**679**	**880**
Recurring pre-impairment income	**813**	**774**	**105**	**106**	**918**	**880**
Impairment losses on financial assets and others	(748)	(650)	-	-	(748)	(650)
Gains/losses on disposal of assets and others	280	(53)			280	(53)
Pre-tax income	**106**	**71**	**105**	**106**	**211**	**177**
Income tax	150	4	14	7	164	11
Profit for the period	**256**	**75**	**119**	**113**	**375**	**188**
Minority interest	-	-	-	-	-	-
Profit attributable to the Group	**256**	**75**	**119**	**113**	**375**	**188**

The following table shows amounts invested as at 31 December 2014 and 31 December 2013. The investments are accounted for using the equity method on the basis of the best available estimate of underlying carrying amount at the date of preparation of the consolidated financial statements. For listed companies, the latest public figures are shown:

	31st December 2014	**31st December 2013**
	(Thousand of euro)	
Quoted banking investments	5,241,573	4,869,193
Underlying carrying amount	*3,914,695*	*3,588,297*
Goodwill	*1,326,878*	*1,280,896*
Other quoted companies	3,231,764	3,210,384
Underlying carrying amount	*3,231,764*	*3,210,384*
Goodwill	—	—
Unquoted	1,467,501	1,338,853
Underlying carrying amount	*1,093,865*	*1,019,701*
Goodwill	*373,636*	*319,152*
Subtotal	**9,940,838**	**9,418,430**
Less		
Impairment allowance	(674,441)	(644,760)
Total	**9,266,397**	**8,773,670**

The following table presents the main listed companies classified as associates or available-for-sale financial assets as at 31 December 2014 and 31 December 2013, detailing the percentage of ownership held by CaixaBank:

		31st December 2014	31st December 2013
Company		**% holding**	**% holding**
Telefónica, S.A.	(AFS)	5.25%	5.37%
Grupo Financiero Inbursa	(ASSOC)	9.01%	9.01%
Repsol, S.A.	(ASSOC)	11.89%	12.02%
The Bank of East Asia, LTD	(ASSOC)	18.7%	16.51%
Erste Group Bank AG	(ASSOC)	9.92%	9.12%
Banco BPI, SA	(ASSOC)	44.1%	46.22%
Bolsas y Mercados Españoles HMSF, S.A.[(1)]	(AFS)	-	5.01%

[(1)] Sale of shareholding in 2014 (see "*Description of the Issuer – Sale of shareholding in Bolsas y Mercados Españoles*")
(ASSOC) = Associates; (AFS) = Available-for-sale

Geographical distribution

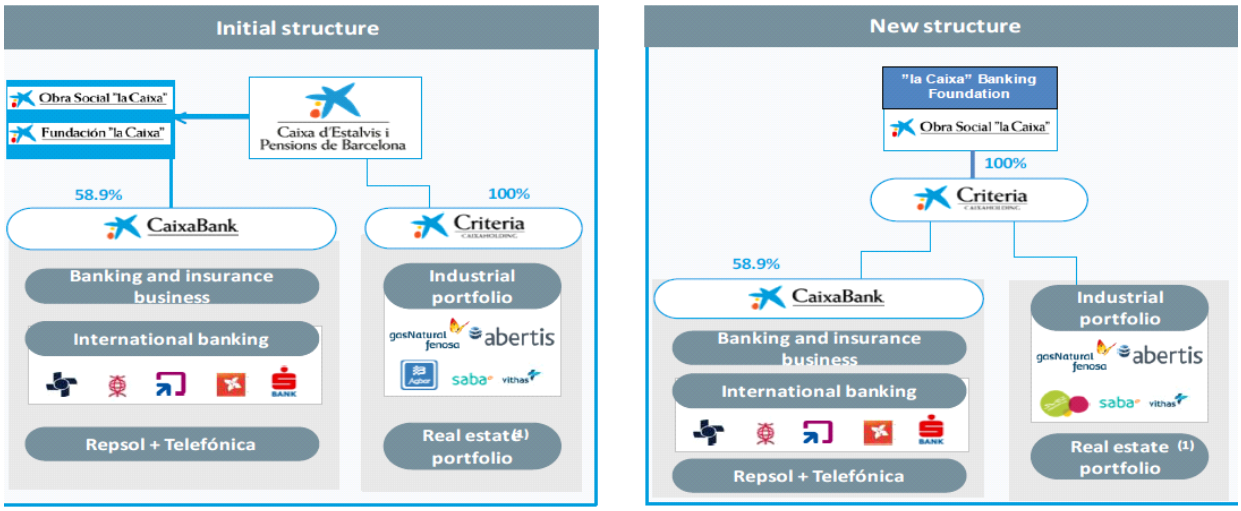
The income of the Group for the years ended 31 December 2014 and 31st December 2013, respectively, broken down by geographical area is as follows:

	Distribution of ordinary income	
	31st December 2014	**31st December 2013**
	(Millions of euro)	
Banking and insurance	12,526	12,944
Spain	12,511	12,929
Other countries	15	15
Investments	361	362
Spain	376	88
Other countries	(15)	274
Total	**12,887**	**13,306**

Organisational Structure

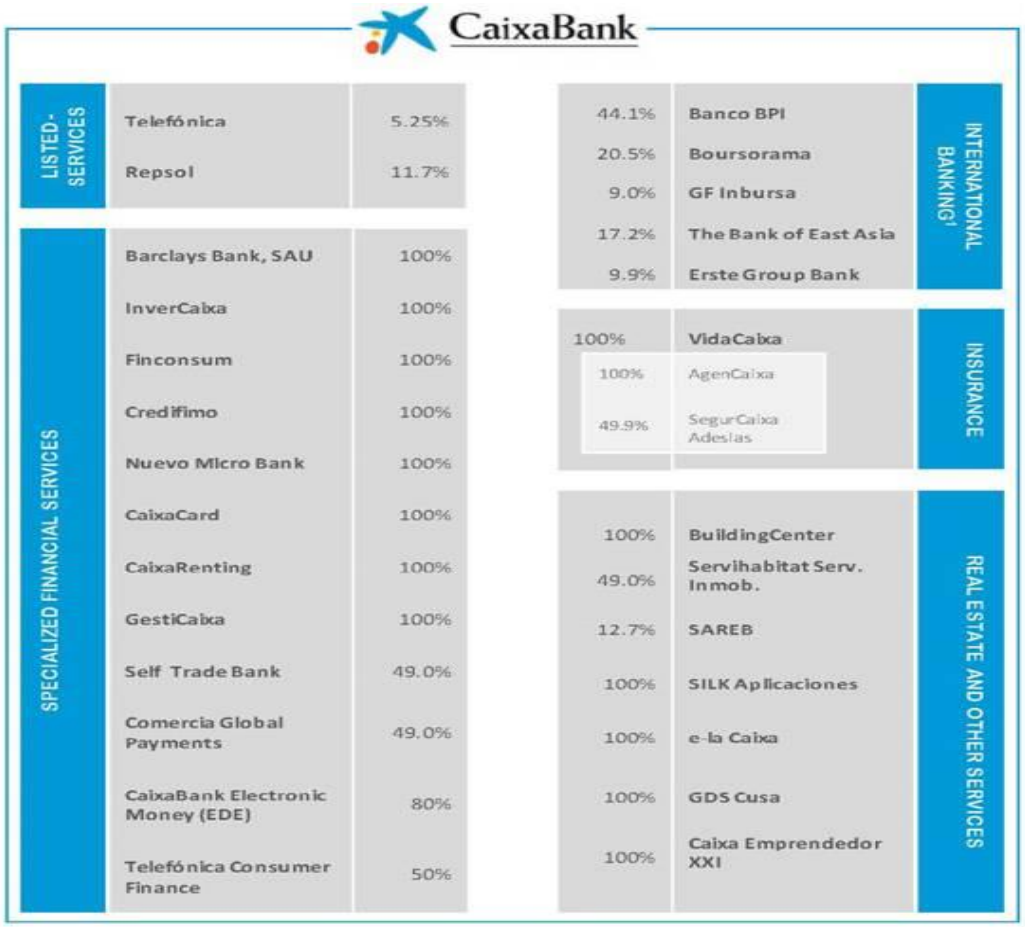
As at 31 March 2015, the CaixaBank Group comprised 86 fully consolidated subsidiaries (entities with which CaixaBank constitutes a decision-making unit, due to direct or indirect ownership of more than 50% of the relevant entity's voting rights or, if the percentage of ownership is lower than 50%, because CaixaBank is a party to agreements with other shareholders of the relevant entity that give CaixaBank the majority of voting power); 13 joint ventures; and 100 associates (entities over which CaixaBank exercises significant influence but which are neither subsidiaries nor jointly controlled entities).

The following chart sets out the initial structure and the new structure of the "la Caixa" group before and after completing the reorganisation on 16 October 2014:



(1) Real estate assets from the portfolio existing at the time of the Group restructuring in 2011.

The following chart sets out the main subsidiaries of CaixaBank as at 31 March 2015. The companies which form part of the Group are principally domiciled in Spain.



Capital structure

As at the date of this Base Prospectus, CaixaBank's share capital is €5,768,287,514.00 divided into 5,768,287,514 fully subscribed and paid ordinary shares with a par value of €1 each. All shares are of the same class with the same rights attached.

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

Major Shareholders

As at 31 December 2014, 58.96% of CaixaBank's share capital was held by la Caixa Banking Foundation through Criteria CaixaHolding.

Regarding the direct or indirect holder of the significant ownership interest of CaixaBank, the General Assembly of "la Caixa", held on 22 May 2014 approved its transformation into a banking foundation, stating its commitment to enter into an agreement whereby "la Caixa" Banking Foundation transfers to Criteria CaixaHolding, S.A.U. all the debt issues made by "la Caixa" and its stake in CaixaBank, previously held directly by the Banking Foundation. The deed of the transfer to Criteria CaixaHolding of the debt issued and other assets and liabilities and its stake in CaixaBank was registered on 14 October 2014. Thereafter the "la Caixa" Banking Foundation's stake in CaixaBank is held through Criteria CaixaHolding.

Following this process, and at 31 December 2014 "la Caixa" Banking Foundation directly held 6,119 shares and, indirectly through Criteria CaixaHolding, S.A.U. (wholly-owned by the Banking Foundation) held 3,369,260,593 shares in CaixaBank.

In accordance with Additional Provision 8a of the 2013 Law on Savings Banks and Banking Foundations, banking foundations that subscribe capital increases at an investee credit institution may not exercise the voting rights corresponding to that part of the capital acquired which would allow them to maintain a position of 50% or higher or a controlling position. Therefore, of the 3,369,266,712 shares it held in CaixaBank at 31 December 2014, the "la Caixa" Banking Foundation may only exercise the voting rights corresponding to 3,271,238,148 shares.

As at 31 March 2015 CaixaBank held 2,360,263 treasury shares representing 0.043% of its share capital.

Aside from the holding of "la Caixa", the Issuer is not aware of any other shareholder holding significant interests as at the date of this Base Prospectus.

"la Caixa" Banking Foundation is the controlling shareholder of CaixaBank, under the terms of article 4 of the Securities Market Act, as its stake in CaixaBank is held through Criteria CaixaHolding, S.A.U., a wholly owned investee of "la Caixa".

In order to strengthen transparency and governance at CaixaBank, and in line with recommendation 2 of the Unified Code of Good Governance, CaixaBank and the "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 most recent was on 16 June 2014 to adapt it to the new situation whereby "la Caixa" no longer indirectly carries out its financial activity through CaixaBank and the former's transformation into the "la Caixa" Banking Foundation.

The initial Protocol was signed when the Issuer, previously known as Criteria CaixaCorp, was listed on the stock market and was replaced by a new Protocol when a number of reorganisation transactions were carried out at the "la Caixa" Group, as a result of which CaixaBank became the bank through which "la Caixa" indirectly carried on its financial activity. Thereafter, following the merger and absorption of Banca Cívica by CaixaBank and as a result of the transfer of Monte de Piedad's activity to CaixaBank, the Protocol was amended by means of a novation agreement to remove reference to the exceptionality of Monte de Piedad's indirect activity.

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

In accordance with the Protocol governing the financial interest held by the ”la Caixa” Banking Foundation in CaixaBank, the Board of Trustees of ”la Caixa” Banking Foundation proposes the appointment of board members by virtue of its right of proportional representation. The appointments are therefore based on its existing interest in CaixaBank (proprietary directors). The directors proposed by the Board of Trustees must meet applicable legal requirements regarding standing, experience and track record in good governance. The Board also relies on the recommendations and good corporate governance proposals issued by Spanish and European authorities and experts concerning the composition of governing bodies (in relation to diversity, among other considerations) and director profile (in respect of training, knowledge and experience, among other factors).

The CaixaBank Board also comprises other categories of members, such as executive directors, "other external" directors and independent directors, all of whom are present due to the existence of minority shareholders in order to protect and guarantee CaixaBank's interests. Furthermore, in order to strengthen transparency and good governance at CaixaBank, and in line with recommendation 2 of the Unified Code of Good Governance, the Protocol lays down the procedures to be followed by CaixaBank and the “la Caixa” Banking Foundation, among other matters, with regard to:

- The basic strategic lines governing the ”la Caixa” 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 the ”la Caixa” Foundation and CaixaBank, and the mechanisms to be introduced to prevent potential conflicts of interest; and
- The mechanisms to avoid the emergence of conflicts of interest.

As a result of the entry into force of Law 26/2013 of 27 December on Savings Banks and Banking Foundations, inasmuch as ”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 ”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 exercise of ”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.

Law 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 banking 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 the CaixaBank on 24 July 2014. The CNMV was notified on 9 December 2014 following Bank of Spain approval. Therefore, under this new management framework a new Internal Relations Protocol between the "la Caixa" Banking Foundation and CaixaBank may be signed at any time.

Management of the Issuer

Board of Directors

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

Name	**Title**	**Nature**	**First appointed**
Isidro Fainé Casas	Chairman	Proprietary*	7th July 2000[(1)(2)(4)]
Antonio Massanell Lavilla	Deputy Chairman	Executive	30th June 2014[(11)(13)]
Gonzalo Gortázar Rotaeche	CEO	Executive	30th June 2014[(11)(14)]
Eva Aurín Pardo	Director	Proprietary*	26th June 2012
Maria Teresa Bassons Boncompte	Director	Proprietary*	26th June 2012
Fundación Caja Navarra, represented by Juan Franco Pueyo	Director	Proprietary**	20th September 2012[(7)]
Fundación Monte San Fernando, represented by Guillermo Sierra Molina	Director	Proprietary**	20th September 2012[(7)]
Salvador Gabarró Serra	Director	Proprietary*	6th June 2003[(3) (12)]
Javier Ibarz Alegría	Director	Proprietary*	26th June 2012
Arthur K.C. Li	Director	Other External	20th November 2014 [(11)]
María Dolors Llobet María	Director	Proprietary*	7th May 2009[(4)]
Juan José López Burniol	Director	Proprietary*	12th May 2011
Alain Minc	Director	Independent	6th September 2007[(8)]
María Amparo Moraleda Martínez	Director	Independent	24th April 2014
Antonio Sáinz de Vicuña y Borroso	Director	Independent	1st March 2014[(8)]
John S. Reed	Director	Independent	3rd November 2011[(6)]
Leopoldo Rodés Castañé	Director	Proprietary*	30th July 2009[(4)]
Juan Rosell Lastortras	Director	Independent	6th September 2007[(8) (10)]
Francesc Xavier Vives Torrents	Director	Independent	5th June 2008[(12)]
Alejandro García-Bragado Dalmau	Non-director	Secretary	26th May 2009[(5)]
Oscar Calderón de la Oya	Non-director	General Secretary and First Deputy Secretary	27th June 2011[(9)]
Adolfo Feijóo Rey	Non-director	Second Deputy Secretary	27th June 2011

* Shareholder represented: "la Caixa" Banking Foundation
** Shareholder represented: Fundación Caja Navarra, Fundación Monte San Fernando, Fundación Fundación Caja Canarias and Fundación Caja de Burgos

(1) Appointed Deputy Chairman in 2008 and appointed Chairman in 2009
(2) Re-elected in 2005
(3) Re-elected on 5 June 2008
(4) Re-elected on 19 May 2010
(5) General Secretary since 27 June 2011 until 29 May 2014
(6) Re-elected on 19 April 2012
(7) Re-elected on 25 April 2013
(8) Re-elected on 24 April 2014
(9) Appointed General Secretary on 29 May 2014
(10) Qualified as Independent Director on 17 July 2014
(11) Ratified and appointed Director on 23 April 2015
(12) Re-elected Director on 23 April 2015
(13) Re-elected Deputy Chairman on 23 April 2015
(14) Re-elected C.E.O. on 23 April 2015

The table below sets out the names of the members of the Board of Directors of CaixaBank and their principal activities outside the Issuer and the Group as at the date of this Base Prospectus:

Name	**Company**	**Position**
Isidro Fainé Casas	Telefónica, S.A.	Vice Chairman
	Repsol, S.A.	First Vice Chairman
	Banco BPI, S.A.	Board Member
	The Bank of East Asia	Board Member
	Suez Environnement Company	Board Member
	Gas Natural Fenosa	Board Member
	European Savings Banks Group (ESBG)	First Vice Chairman
	Confederación Española de Cajas de Ahorro	Chairman
Antonio Massanell Lavilla	Cecabank, S.A	Non-executive Chairman Board Member
	Erste Bank (Erste Group Bank, AG)	Member of the Surveillance Committee
	Telefónica, S.A.	
	Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (SAREB)	Board Member
	Boursorama, S.A.	Board Member Representative
	Mediterránea Beach & Golf Community, S.A.	Vice Chairman
	Banco BPI, S.A.	Board Member (Pending registration in the Register of Senior Officers prior to taking up his position)
Gonzalo Gortázar Rotaeche	Grupo Financiero Inbursa	Board Member
	Repsol, S.A.	Board Member
	Erste Bank (Erste Group Bank, AG)	Member of the Surveillance Committee
Eva Aurín	INSA-IBM	Head of the IT service for Catalonia's leading hospitals
Maria Teresa Bassons Boncompte	Pharmacy	License Holder
	Bassline, S.L.	Board Member

Name	Company	Position
	Terbass XXI, S.L.	Director
Juan F. Franco Representative Fundación Caja Navarra	Public University of Navarre Navarre government Corporación Pública Empresarial de Navarra Caja Navarra's Management Committee	Tenured professor of the Business Management Organization Department Director-General for Budget Board member Chairman
Salvador Gabarró Serra	Gas Natural Fenosa	Chairman
Arthur K.C. Li	The Bank of East Asia Limited Digital Broadcasting Corporation Hong Kong Limited Shangri-La Asia Limited Nature Home Holding Co. Ltd Executive Council of the Hong Kong Special Administrative Region National Committee of the Chinese People´s Political Consultative Conference	Deputy Chairman Non-Executive Chairman Independent Non-Executive Director Independent Non-Executive Director Member Member
Javier Ibarz Alegría	EIGMA, S.L. Teatro Fortuny de Reus Consortium Ajuntament de Reus	General Manager Head of Building Security and the Emergency Plan Sports Adviser
María Dolors Llobet María	Executive Committee, Secretary of Communications and Social Networks - Catalonian CCOO trade union Saba Infraestructuras, S.A.	Member and union representative at "la Caixa" since 1986 Board Member
Juan-José López Burniol	Icaria, Iniciatives Socials, S.A.L. Notariat	Board Member Notary in Barcelona
Alain Minc	AM Conseil Promotora de Informaciones, S.A. – PRISA SANEF	Chairman and CEO Board Member Chairman
María Amparo Moraleda	Meliá Hotels Internacional, S.A.	Independent Director

Name	Company	Position
Martínez		
	Faurecia, S.A.	Independent Director
	Alstom, S.A.	Independent Director
	Solvay, S.A.	Independent Director
	Supervisory Board of the Spanish High Council for Scientific Research	Member Member
	Advisory Boards of KPMG España and SAP Ibérica	Member
John S. Reed	MDRC	Trustee
	Isabella Stewart Gardner Museum	Trustee
	Boston Athenaeum	Trustee
	NBER	Trustee
	Overseer of the Boston Symphony Orchestra	Trustee
	American Academy of Arts and Sciences and of the American Philosophical Society	Fellow
	Social Science Research Council	Director
Leopoldo Rodés Castañé	Grupo Financiero Inbursa, S.A.B.C.V	Board Member
	Havas Management España, S.L.	Director
	Abertis Infraestructuras	Chairman of the International Advisory
	Christie´s International Europe	Board Member
Guillermo Sierra Representative Fundación Monte San Fernando	School of Economics of Seville, Different companies	Dean Economic and financial advisor and Board member
Juan Rosell Lastortras	Gas Natural Fenosa.	Board Member
	CEOE	Chairman
	Confederation of Employers´ Organizations	Chairman
	Mont Pelerin Society	Member
	Business Europe	Deputy Chairman
Xavier Vives Torrents	IESE Business School	Professor of Economics and Finance
	Aula Escuela Europea	Director

As at the date of this Base Prospectus there were no conflicts of interest, or potential conflicts of interest, between any duties with respect to CaixaBank of any of the members of its Board of Directors, in light of their respective private interests and/or any other duties to which they are subject.

Article 26 of the Regulations of the Board of Directors regulates the duty not to compete of CaixaBank's directors. Article 27 of these Regulations regulates situations of conflict of interest applicable to all Directors, stating that Directors must report all conflicts of interest and abstain from attending and intervening in deliberations and voting which affect matters in which they are personally interested. Also, Article 28 states that Directors may not use CaixaBank's to obtain an economic advantage unless they have paid an adequate consideration. Section VI of the Regulation establishes the Policy on Conflicts of Interest of CaixaBank, and Article 36 lists the duties regarding personal or family-related conflicts of interest of Concerned Persons (which include members of the Board of Directors, and senior executives and members of the Company's Management Committee). These include acting with loyalty to CaixaBank, abstaining from participating in or influencing the decisions that may affect the persons or entities with whom such conflict exists and informing the Monitoring Committee of the same.

The business address of each member of the Board of Directors is Av. Diagonal, 621, 08028 Barcelona, Spain.

Executive Committee

The Executive Committee is governed by applicable legislation, the by-laws of CaixaBank and the regulations of the Board of Directors of CaixaBank. The Executive Committee has been delegated all of the responsibilities and powers available to it both legally and under CaixaBank's by-laws.

As at the date of this Base Prospectus, the Executive Committee of CaixaBank was composed of the following members:

Name	**Position**	**First Appointed**
Isidro Fainé Casas	Chairman	7th May 2009[(1)]
Antonio Massanell Lavilla	Member	17th July 2014[(3)]
Gonzalo Gortázar Rotaeche	Member	30th June 2014[(3)]
Javier Ibarz Alegría	Member	26th June 2012
Juan José López Burniol	Member	12th May 2011
María Dolors Llobet Maria	Member	26th May 2009[(1)]
María Amparo Moraleda Martínez	Member	24th April 2014
Antonio Sáinz de Vicuña y Barroso	Member	1st March 2014[(2)]
Alejandro García-Bragado Dalmau	Non-director Secretary	26th May 2009
Óscar Calderón de Oya	First Deputy Secretary (non-director)	27th June 2011
Adolfo Feijóo Rey	Second Deputy Secretary (non-director)	27th June 2011

[(1)] Re-elected on 19 May 2010

[(2)] Re-elected on 24 April 2014

[(2)] Re-elected on 23 April 2015

Audit and Control Committee

The Audit and Control Committee typically meets on a quarterly basis, to review the regular financial information to be submitted to the stock market authorities as well as the information which the Board of Directors must approve and include within its annual public documentation. The committee is also responsible for evaluating the auditing system, the verification of the independence of the external auditor and the review of internal control systems.

Among others, the main functions of the Audit and Control Committee are:

(a) to report at the General Shareholders' Meeting on matters posed by shareholders in the area of its competence;

(b) to propose to the Board of Directors, for submission to the General Shareholders' Meeting, the appointment of the external auditors, as well as the contracting conditions thereof, the scope of their professional mandate and, as the case may be, the revocation or non-renewal thereof;

(c) to serve as a channel of communication between the Board of Directors and the auditors, to evaluate the results of each audit and the responses of the management team to its recommendations and to mediate in cases of discrepancies between the former and the latter in relation to the principles and criteria applicable to the preparation of the financial statements, as well as to examine the circumstances which, as the case may be, motivated the resignation of the auditor;

(d) to supervise the compliance with regulations with respect to Related Party Transactions; to supervise the compliance with the Internal Rules of Conduct on Matters Related to the Securities Market and, in general, of the rules of corporate governance;

(e) to report to the Board of Directors on the creation or acquisition of stakes in special purpose entities domiciled in countries or territories considered to be tax havens, as well as any other transactions or operations of an analogous nature which, due to their complexity, may deteriorate the transparency of CaixaBank or of the group to which it belongs; to consider the suggestions submitted to it by the Chairman of the Board of Directors, Board members, executives and shareholders of CaixaBank, and to establish and supervise a mechanism which allows the employees of CaixaBank or of the group to which it belongs confidentially and, if deemed appropriate, anonymously, to report irregularities of potential significance, especially financial and accounting ones, which they observe within CaixaBank;

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

(g) to supervise compliance with the internal protocol governing the relationship between the majority shareholder and CaixaBank and the companies of their respective groups, as well as the carrying out of any other actions established in the protocol itself for the best compliance with the aforementioned supervisory duty and any others attributed thereto by Law and other regulations applicable to CaixaBank.

As at the date of this Base Prospectus, the Audit and Control Committee was composed of the following members:

Name	**Position**	**First Appointed**
Alain Minc	Chairman	21 May 2015
Salvador Gabarró Serra	Member	12th May 2011[(2)]
Francesc Xavier Vives Torrents	Member	12th May 2011
Alejandro García-Bragado Dalmau	Non-director Secretary	27th June 2011
Óscar Calderón de Oya	First Deputy Secretary (non-director)	27th June 2011
Adolfo Feijóo Rey	Second Deputy Secretary (non-director)	27th June 2011

[(1)] Re-elected on 24 April 2014

[(2)] Re-elected on 23 April 2015

Appointments Committee

The Appointments Committee will meet whenever convened by its Chairman, and must do so whenever the Board of Directors or its Chairman requires reports to be issued or resolutions to be adopted and always when deemed appropriate or necessary in order to carry out its functions correctly.

The main functions of the Appointments Committee are:

(a) to bring before, report and propose to the Board of Directors the evaluation of skills, knowledge and experience necessary for the members of the Board of Directors and for the key personnel of the Issuer;

(b) to propose to the Board of Directors 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 such Directors by the General Meeting;

(c) to report on the proposed appointment of the remaining Directors to be appointed by co-option or for submission to the decision of the General Meeting, as well as the proposals for their reappointment or removal by the General Shareholders Meeting;

(d) to report 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, the Appointments Committee considers it necessary to take action and to propose, if deemed appropriate, basic conditions in senior executives' contracts, other than in relation to remuneration, and subsequently reporting on them when they have been established;

(e) to report to the Board of Directors in relation to gender diversity issues and establish a representation target for the minority gender on the Board of Directors, as well as preparing guidelines for how this should be achieved, to evaluate periodically, and at least once a year, the structure, size, composition and actions of the Board of Directors and its Committees, its Chairperson, CEO and Secretary, making recommendations regarding possible changes to these and to evaluate the composition of the steering committee as well as its replacement tables for adequate provision for transitions; and

(f) to supervise the activities of the organisation in relation to corporate social responsibility issues and to submit to any proposals in relation to this which it considers necessary to the Board of Directors.

As at the date of this Base Prospectus, the Appointments Committee is composed of the following members:

Name	**Position**	**First Appointed**
Antonio Sáinz de Vicuña	Chairman	1st March 2014[(1)]
María Teresa Bassons	Member	12th December 2013
María Amparo Moraleda	Member	24th April 2014
Alejandro García-Bragado	Non-director Secretary	30th July 2009
Óscar Calderón	First Deputy Secretary (non-director)	27th June 2011
Adolfo Feijóo	Second Deputy Secretary (non-director)	27th June 2011

(1) Re-elected on 24 April 2014

Remuneration Committee

The Remuneration Committee will meet whenever convened by its Chairman, and must do so whenever the Board of Directors or its Chairman requires reports to be issued or resolutions to be adopted and always when deemed appropriate or necessary in order to carry out its functions correctly.

The main functions of the Remuneration Committee are:

(a) to propose to the Board of Directors the remuneration policy for the Directors and Senior Management, the system and amount of annual remuneration for Directors and Senior Managers, the individual remuneration of the executive Directors, general managers and those performing senior management duties, as well as 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;

(b) to ensure compliance with the remuneration policy for Directors and senior managers as well as compliance with the conditions established in their contracts;

(c) to report on the general remuneration policy of the Issuer and in particular the policies relating to the categories of staff whose professional activities have a significant impact on the risk profile of CaixaBank, and those policies that are intended to prevent or manage conflicts of interest with the Issuer's customers; to analyse, formulate and periodically review the remuneration programmes, evaluating their adequacy and performance and ensuring compliance;

(d) to propose to the Board of Directors the approval of the remuneration reports or policies that it has to submit to the General Shareholders Meeting as well as informing the Board of Directors in relation to the proposals relating to remuneration that, where applicable, it will propose to the General Shareholders Meeting; and

(e) to propose to the Board of Directors the approval of the remuneration reports or policies that it has to submit to the General Shareholders Meeting as well as informing the Board of Directors concerning the proposals relating to remuneration that, where applicable, it will propose to the General Shareholders Meeting; and to consider the suggestions posed to it by the Chairman, members of the Board of Directors, officers or shareholders of CaixaBank.

As at the date of this Base Prospectus, the Remuneration Committee is composed of the following members:

Name	**Position**	**First Appointed**
María Amparo Moraleda	Chairwoman	25th September 2014
Salvador Gabarró	Member	25th September 2014[(1)]
Alain Minc	Member	18 th December 2014
Leopoldo Rodés	Member	25th September 2014
Alejandro García-Bragado	Non-director Secretary	25th September 2014
Óscar Calderón	First Deputy Secretary (non-director)	25th September 2014
Adolfo Feijóo	Second Deputy Secretary (non-director)	25th September 2014

[(1)] Re-elected on 23 April 2015

Risks Committee

This Committee holds ordinary sessions as often as necessary to fulfil its duties and shall be convened by the Chairman, upon his own initiative or at the request of the Chairman of the Board of Directors or at least two members of the Risks Committee itself. The Risks Committee will prepare an annual report on its running,

highlighting any significant incidents that may have occurred in relation to its own functions and including, if the Committee considers it appropriate, suggestions for improvement.

The main functions of the Risks Committee are:

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

(b) to propose to the Board of Directors the risk policy for the Group;

(c) to propose to the Board of Directors the nature, quantity, format and frequency of the information concerning risks that the Board of Directors should receive and establish what the Committee should receive; to regularly review exposures with the Group's main customers, economic business sectors, geographic areas and types of risk;

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

(e) to evaluate the regulatory compliance risk in its scope of action and determination, understood as the risk management of legal or regulatory sanctions, financial loss, material or reputational that the Issuer could suffer as a result of non-compliance with laws, rules, regulation standards and codes of conduct, detecting any risk of non-compliance, and carrying out monitoring and examining possible deficiencies in the principles of professional conduct and to report on new products and services or significant changes to existing ones.

As at the date of this Base Prospectus, the Risks Committee is composed of the following members:

Name	**Position**	**First Appointed**
Antonio Sáinz de Vicuña	Chairman	25th September 2014
Javier Ibarz	Member	25th September 2014
Juan-José López	Member	25th September 2014
María Amparo Moraleda	Non-director Secretary	25th September 2014
Juan Rosell	Member	25th September 2014
Alejandro García-Bragado	Non-director Secretary	25th September 2014
Óscar Calderón	First Deputy Secretary (non-director)	25th September 2014
Adolfo Feijóo	Second Deputy Secretary (non-director)	25th September 2014

Litigation

At year-end 2014, certain lawsuits and proceedings were ongoing involving the CaixaBank Group arising from the ordinary course of its operations. The CaixaBank Group’s legal advisers and directors consider that the outcome of such lawsuits and proceedings will not have a material effect on equity in the years in which they are settled.

Provisions covering the obligations that may arise from such ongoing legal proceedings, along with provisions to cover tax liabilities, have been made totalling €396,589 thousand as at 31 December 2014.

Credit ratings

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

	Long term	Short term	Outlook	Evaluation Date
Moody's	Baa3	P-3	Review for upgrade	17/03/2015
Standard & Poor's	BBB	A-2	Credit watch negative	20/02/2015
Fitch	BBB	F2	Positive	25/02/2015
DBRS	A (low)	R-1 (low)	Stable	10/02/2015

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

TAXATION

Spain

The following summary refers solely to certain Spanish tax consequences of the acquisition, ownership and disposition of the Notes. It does not purport to be a complete analysis of all tax consequences relating to the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which might be subject to special rules. Prospective investors should consult their own tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and disposing of Notes and receiving any payments under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. References in this section to Noteholders include the beneficial owners of the Notes.

Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this document:

(a) of general application, Additional Provision One of Law 10/2014, of 26 June on the organisation, supervision and solvency of credit institutions (**Law 10/2014**), as well as Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011, of 29 July (**Royal Decree 1065/2007**);

(b) for individuals resident for tax purposes in Spain which are subject to the Individual Income Tax (**IIT**), Law 35/2006 of 28 November, on the IIT, as amended, and Royal Decree 439/2007 of 30 March promulgating the IIT Regulations, as amended, along with Law 19/1991, of 6 June on Wealth Tax, as amended, and Law 29/1987, of 18 December on the Inheritance and Gift Tax, as amended;

(c) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax (**CIT**), Law 27/2014, of 27 November, on the CIT Regulations, as amended; and

(d) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax (**NRIT**), Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the NRIT Law, as amended, and Royal Decree 1776/2004 of 30 July promulgating the NRIT Regulations, as amended, along with Law 19/1991, of 6 June on Wealth Tax as amended and Law 29/1987, of 18 December on the Inheritance and Gift Tax as amended.

Whatever the nature and residence of the Noteholder, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, i.e., exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December as amended regulating such tax.

Individuals with Tax Residency in Spain

Individual Income Tax (Impuesto sobre la Renta de las Personas Físicas)

Both interest payments periodically received and income derived from the transfer, redemption or repayments of the Notes constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25 of the IIT Law, and therefore must be included in the investor's IIT savings taxable base pursuant to the provisions of the aforementioned law.

The IIT savings taxable base is taxed at the following rates: (i) for taxable income up to EUR 6,000: 20% as from 1 January 2015 and 19% as from 1 January 2016; (ii) for taxable income from EUR 6,001 to EUR 50,000: 22% as from 1 January 2015 and 21% as from 1 January 2016; and (iii) for any amount in excess of EUR 50,000: 24% as from 1 January 2015 and 23% as from 1 January 2016.

Article 44 of the Royal Decree 1065/2007 has established new information procedures for debt instruments issued under the Law 10/2014 (which do not require identification of the Noteholders) and has provided that the interest will be paid by the Issuer to the Issuing and Principal Paying Agent for the gross amount, provided that such information procedures are complied with, so that any payment under the Notes will not be subject to withholding tax to the extent that the new simplified information procedures (which do not require identification of the Noteholders) are complied with by the Issuing and Principal Paying Agent as it is described in section "*Simplified information procedures*".

However, in the case of Notes held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes may be subject to withholding tax at the general rate of 20% (to be reduced to 19% as from 1 January 2016 onwards) which will be made by the depositary or custodian.

Amounts withheld may be credited against the final IIT liability.

Regarding the interpretation of the "*Simplified information procedures*" please refer to "*Risk Factors – Risks relating to the Spanish withholding tax regime*".

Net Wealth Tax (Impuesto sobre el Patrimonio)

Individuals with tax residency in Spain are subject to Wealth Tax during the tax year 2014 to the extent that their net worth exceeds EUR 700,000. Therefore, they should take into account the value of the Notes which they hold as at 31 December 2014, the applicable rates ranging between 0.2% and 2.5%. The Autonomous Communities may have different provisions in this respect.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals resident in Spain for tax purposes who acquire ownership or other rights over the Notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The applicable tax rates currently range between 7.65% and 81.6% depending on relevant factors.

Legal Entities with Tax Residency in Spain

Corporate Income Tax (Impuesto sobre Sociedades)

Both interest received periodically and income derived from the transfer, redemption or repayment of the Notes are subject to CIT (at the current general tax rate of 28% which will be reduced to 25% from year 2016 onwards) in accordance with the rules for this tax.

In accordance with Section 44.5 of Royal Decree 1065/2007 and in the opinion of the Issuer, there is no obligation to withhold on income payable to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds). Consequently, the Issuer will not withhold tax on interest payments to Spanish CIT taxpayers to the extent that the new simplified information procedures (which do not require identification of the Noteholders) are complied with by the Issuing and Principal Paying Agent as it is described in section "*Simplified information procedures*".

However, in the case of Notes held by Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes may be subject to withholding tax at

the generally applicable rate of 20% (to be reduced to 19% as from 1 January 2016 onwards), if the Notes do not comply with exemption requirements specified in the Reply to the Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 in which case the required withholding will be made by the depositary or custodian.

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant investors against its final CIT liability.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Legal entities resident in Spain for tax purposes are not subject to Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax but must include the market value of the Notes in their taxable income for Spanish CIT purposes.

Individuals and Legal Entities with no Tax Residency in Spain

Non-resident Income Tax (Impuesto sobre la renta de No Residentes)

With permanent establishment in Spain

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those previously set out for Spanish CIT taxpayers. See "*Spain – Legal Entities with Tax Residency in Spain – Corporate Income Tax (Impuesto sobre Sociedades)*". Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

With no permanent establishment in Spain

Both interest payments received periodically and income derived from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Notes, through a permanent establishment in Spain, are exempt from NRIT.

In order for the exemption to apply, it is necessary to comply with certain information obligations relating to the Notes, in the manner described in section "*Simplified information procedures*" as laid down in section 44 of Royal Decree 1065/2007. If these information obligations are not complied within the manner indicated, the Issuer will withhold at the general rate applicable from time to time, and the Issuer will pay the relevant additional amounts as will result in receipt by the Noteholder of such amounts as would have been received by them had no such withholding or deduction been required.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed EUR700,000 would be subject to Wealth Tax in tax year 2015, the applicable rates ranging between 0.2% and 2.5%.

However, non-Spanish resident individuals will be exempt from Wealth Tax in respect of the Notes which income is exempt from NRIT as described above.

If the exemptions outlined do not apply, individuals who are not resident in Spain for tax purposes and who are residents in an EU or European Economic Member State may apply the rules approved by the Spanish region where the assets and rights with more value: (i) are located; (ii) can be exercised; or (iii) must be fulfilled.

Non-Spanish resident legal entities are not subject to Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over the Notes by inheritance, gift or legacy, will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and state rules (EU individuals not resident in Spain for tax purposes may apply the regional rules), unless they reside in a country for tax purposes with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax. In such case, the provisions of the relevant double tax treaty will apply.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax. Such acquisitions will be subject to NRIT (as described above), except as provided in any applicable double tax treaty entered into by Spain. In general, double tax treaties provide for the taxation of this type of income in the country of tax residence of the Holder.

Tax Rules for Notes not Listed on an Organised Market in an OECD Country

Withholding on Account of CIT and NRIT

If the Notes are not listed on an organised market in an OECD country on any Payment Date, payments to Noteholders will be subject to withholding tax at the general rate of 20% (to be reduced to 19% as from 1 January 2016), except in the case of Noteholders which are: (a) resident in a Member State of the European Union other than Spain and obtain the interest income either directly or through a permanent establishment located in another Member State of the European Union, provided that such Holders (i) do not obtain the interest income on the Notes through a permanent establishment in Spain and (ii) are not resident of, or are not located in, nor obtain income through, a tax haven (as defined by Royal Decree 1080/1991, of 5 July, as amended) or (b) resident for tax purposes of a country which has entered into a double tax treaty with Spain which provides for an exemption from Spanish tax or a reduced withholding tax rate with respect to interest payable to any Holder.

Net Wealth Tax (Impuesto sobre el Patrimonio)

See *"Spain – Individuals with Tax Residency in Spain – Net Wealth Tax (Impuesto sobre el Patrimonio))" and "Spain – Individuals and Legal Entities with no Tax Residency in Spain – Net Wealth Tax (Impuesto sobre el Patrimonio)*".

Simplified information procedures

According to Law 10/2014 the information to be reported by issuers to the Spanish Tax Authorities will be developed in relevant regulations. Royal Decree 1065/2007 sets out the procedures to be followed in order to make payments under the Notes without withholdings or deductions for or on account of Spanish taxes.

The procedures set out in the Agency Agreement provide that the Issuer will pay on each Interest Payment Date the full amount of the payment due and payable to the Issuing and Principal Paying Agent. The Issuing and Principal Paying Agent, on behalf of the Issuer, will deliver a statement in the required form to the Issuer the business day immediately before the relevant Interest Payment Date. The statement shall contain the following information:

(a) identification of the Notes;

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

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

(d) total amount payable under the Notes to each of the Clearing Systems.

If the procedures set out above are complied with, the Issuing and Principal Paying Agent, on behalf of the Issuer, will pay the relevant amount to (or for the account of) the clearing systems without withholdings or deductions for or on account of Spanish taxes. If the statement is not delivered to the Issuer as described above, the Issuer shall pay such additional amounts as required under terms of the Notes and pay an appropriate amount to the Spanish tax authorities to the extent required to comply with its obligations with respect thereto. The Issuing and Principal Paying Agent will pay the relevant amount to (or for the account of) the clearing systems.

If, following clarifications by the Spanish Tax Authorities, procedures in relation to Royal Decree 1065/2007 are subsequently amended, the Issuer and the Issuing and Principal Paying Agent will implement such procedures as may be required to enable the Issuer to comply with its obligations under applicable legislation as clarified by the Spanish Tax Authorities. The Issuer undertakes to ensure that the Noteholders are informed of such new procedures and their implications.

Regarding the interpretation of the amendments introduced by Royal Decree 1145/2011 and the new simplified information procedures please refer to "*Risk Factors – Risks relating to the Spanish withholding tax regime*".

The Proposed Financial Transactions Tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

The FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the **Directive**), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or to certain limited types of entities established in another Member State.

For a transitional period, Austria is required (unless during that period it elect otherwise) to operate a withholding system in relation to such payments.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above (the **Amending Directive**). Member States are required to apply these new requirements from 1 January 2017, and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

Foreign Account Tax Compliance Act

FATCA imposes a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a **foreign financial institution**, or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a **Recalcitrant Holder**). The Issuer is classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the **grandfathering date**, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued on or after that date, the

additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives provided such FFI complies with the requirements of the relevant IGA. Further, a Reporting FI in a an IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Spain have entered into an agreement (the **US-Spain IGA**) on the terms of an IGA based largely on the Model 1 IGA.

If the Issuer is treated as a Reporting FI pursuant to the US-Spain IGA it does not anticipate that it will be obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Notes are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common depositary, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 9 June 2015, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Spain

The Base Prospectus has not been and will not be registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not and will not direct or make any offer of the Notes to investors located in Spain. No publicity or marketing of any kind shall be made in Spain in relation to the Notes.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined in Article 100 of Legislative Decree No. 58 of 24th February, 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and

(ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of the securities in the Republic of Italy; and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

France

Each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme has been duly authorised by a resolution of the shareholders of the Issuer dated 25 April 2013, and a resolution of the Board of Directors of the Issuer dated 26 September 2013 and the update of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 21 May 2015.

Issues of Notes under the Programme are required to comply with certain formalities contained in the Spanish Corporations law (*Ley de Sociedades de Capital*), including as at the date of this Base Prospectus execution of a public deed of issue (*Escritura de Emisión*).

Listing of Notes

This Base Prospectus has been approved by the CBI as competent authority under the Prospectus Directive. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC, as amended and/or which are to be offered to the public in any member state of the European Economic Area.

Application has been made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to trading on the Main Securities Market and to be listed on the Official List. The Main Securities Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) as amended. It is expected that each Tranche of Notes to be listed on the Official List and admitted to trading on the Main Securities Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available in hard copies for inspection from the registered office of the Issuer and from the specified offices of the Paying Agent(s) for the time being in Luxembourg:

(a) the bylaws (with an accurately reproduced English translation thereof) of the Issuer;

(b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2013 and 31 December 2014 (with an accurately reproduced English translation thereof), in each case together with the audit reports prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;

(c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited consolidated condensed interim financial statements of the Issuer (in each case with an accurately reproduced English translation thereof), in each case together with any audit or limited review report prepared in connection therewith. The Issuer currently prepares unaudited consolidated condensed interim accounts on a half yearly basis;

(d) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;

(e) a copy of this Base Prospectus; and

(f) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2014.

There has been no significant change in the financial position of the Group since 31 March 2015 and there has been no significant change in the financial or trading position of the Issuer since 31 March 2015.

Litigation

Other than as described in the section entitled "Litigation" on page 113, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Auditors

The auditors of the Issuer are Deloitte, S.L. (registered as auditors on the *Registro Oficial de Auditores de cuentas*) who have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in Spain for each of the two financial years ended on 31 December 2013 and 31 December 2014.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealer or their affiliates that

have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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