

ANNEX I

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

ISSUER'S PARTICULARS

FINANCIAL YEAR-END

31/12/2014

Company Tax ID No. (C.I.F.)

A-08663619

CORPORATE NAME

CAIXABANK, S.A.

REGISTERED OFFICE

AV. DIAGONAL N.621, (BARCELONA)

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

A OWNERSHIP STRUCTURE

A. 1 Complete the following table on the company's share capital.

Date of last modification	Share capital (EUR)	Number of shares	Number of voting rights
16/12/2014	5,714,955,900.00	5,714,955,900	5,714,955,900

Indicate whether different types of shares exist with different associated rights.

Yes ☐

No ☒

A. 2 List the direct and indirect holders of significant ownership interests in your company at year-end, excluding Directors.

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
LA CAIXA BANKING FOUNDATION	6,119	3,369,260,593	58.96%
CRITERIA CAIXAHOLDING, S.A.U.	3,369,260,593	0	58.96%

Name or corporate name of indirect shareholder	Through: Name or corporate name of direct shareholder	Number of voting rights
LA CAIXA BANKING FOUNDATION	CRITERIA CAIXAHOLDING, S.A.U.	3,369,260,593

Indicate the most significant movements in the shareholder structure during the year.

Name or corporate name of shareholder	Date of the transaction	Description of the transaction
LA CAIXA BANKING FOUNDATION	08/04/2014	It holds less than 60% of the share capital
LA CAIXA BANKING FOUNDATION	14/04/2014	It holds over 60% of the share capital
LA CAIXA BANKING FOUNDATION	07/07/2014	It holds less than 60% of the share capital
LA CAIXA BANKING FOUNDATION	14/10/2014	It holds less than 60% of the share capital
CRITERIA CAIXAHOLDING, S.A.U.	14/10/2014	It holds over 50% of the share capital

A. 3 Complete the following tables on company Directors holding voting rights through company shares.

Name or corporate name of Director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
ALAIN MINC	12,303	0	0.00%
MARIA DOLORS LLOBET MARIA	850	0	0.00%
LEOPOLDO RODÉS CASTAÑÉ	11,932	0	0.00%

Name or corporate name of Director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
ISIDRO FAINÉ CASAS	714,710	0	0.01%
JUAN JOSÉ LÓPEZ BURNIOL	24,979	0	0.00%
SALVADOR GABARRO SERRA	8,613	0	0.00%
JUAN ROSELL LASTORTRAS	0	40,300	0.00%
FUNDACIÓN CAJA NAVARRA	53,600,000	0	0.94%
FUNDACIÓN MONTE SAN FERNANDO	51,174,466	0	0.90%
JOHN S. REED	11,953	0	0.00%
EVA AURÍN PARDO	1,450	0	0.00%
MARÍA TERESA BASSONS BONCOMPTE	18,427	0	0.00%
JAVIER IBARZ ALEGRÍA	1,404	0	0.00%
FRANCESC XAVIER VIVES TORRENTS	3,185	0	0.00%
ANTONIO MASSANELL LAVILLA	82,099	0	0.00%
GONZALO GORTÁZAR ROTAECHE	406,092	0	0.01%
ARTHUR K. C. LI	1,012	0	0.00%
MARÍA AMPARO MORALEDA MARTÍNEZ	0	0	0.00%
ANTONIO SÁINZ DE VICUÑA Y BARROSO	581	0	0.00%

Name or corporate name of indirect shareholder	Through: Name or corporate name of direct shareholder	Number of voting rights
JUAN ROSELL LASTORTRAS	CIVISLAR, S.A.	20,150
JUAN ROSELL LASTORTRAS	CONGOST, S.A.	20,150

% of total voting rights held by the Board of Directors	1.85%
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Complete the following tables on share options held by Directors.

- A. 4 Indicate, as applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as these are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities.
- A. 5 Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities.

Related-party name or corporate name
LA CAIXA BANKING FOUNDATION
CAIXABANK GROUP

Type of relationship: Corporate

Brief description

The "la Caixa" Banking Foundation is the result of changing Caja de de Ahorros y Pensiones de Barcelona "la Caixa" into a banking foundation. Its main activity is the development of welfare projects and the management of its stake in CaixaBank, following the transfer of same to Criteria CaixaHolding, S.A.U., which is controlled by the "la Caixa" Banking Foundation along with CaixaBank, with the latter being controlled indirectly. Therefore all of these comprise the "la Caixa" Group, hence the corporate relationship.

Related-party name or corporate name
LA CAIXA BANKING FOUNDATION
CAIXABANK GROUP

Type of relationship: Commercial

Brief description

There are commercial and contractual relationships which derive from ordinary trading or exchange activities, the regulating principles of which are contained in the Internal Relations Protocol between CaixaBank and the "la Caixa" Banking Foundation submitted to the CNMV on 1 July 2011 (available on www.CaixaBank.com). Following the transfer of Monte de Piedad's activity to CaixaBank, this was amended on 1 August 2012 and following the extinction of the indirect exercise by "la Caixa" of its activity as a credit institution through CaixaBank, this was novated on 16 June 2014 and reported to the CNMV the following day, to extend the validity of the Internal Relations Protocol, under all the terms and conditions that are not affected by the end of the indirect exercise by "la Caixa" of its financial activity up until a new Internal Relations Protocol is agreed.

Related-party name or corporate name
LA CAIXA BANKING FOUNDATION
CAIXABANK GROUP

Type of relationship: Contractual

Brief description

There are commercial and contractual relationships which derive from ordinary trading or exchange activities, the regulating principles of which are contained in the Internal Relations Protocol between CaixaBank and the "la Caixa" Banking Foundation submitted to the CNMV on 1 July 2011 (available on www.CaixaBank.com). Following the transfer of Monte de Piedad's activity to CaixaBank, this was amended on 1 August 2012 and following the extinction of the indirect exercise by "la Caixa" of its activity as a credit institution through CaixaBank, this was novated on 16 June 2014 and reported to the CNMV the following day, to extend the validity of the Internal Relations Protocol, under all the terms and conditions that are not affected by the end of the indirect exercise by "la Caixa" of its financial activity up until a new Internal Relations Protocol is agreed.

- A. 6 Indicate whether the company has been notified of any shareholders' agreements pursuant to articles 530 and 531 of the Corporate Enterprises Act ("LSC"). Provide a brief description and list the shareholders bound by the agreement, as applicable.

Yes ☒

No ☐

Shareholders bound by agreement
FUNDACIÓN CAJA DE BURGOS
FUNDACIÓN CAJA NAVARRA
FUNDACIÓN CAJA CANARIAS
LA CAIXA BANKING FOUNDATION
FUNDACIÓN MONTE SAN FERNANDO

% of share capital affected: 80.60%

Brief description of agreement

Following the merger by absorption of Banca Cívica by CaixaBank, on 1 August 2012, the shareholders: the "la Caixa" Banking Foundation, Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Monte San Fernando), Caja Canarias (currently Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja de Burgos), (hereinafter "the Foundations") entered into an agreement which regulates the relations of "the Foundations" and the "la Caixa" Banking Foundation as shareholders of CaixaBank, and their reciprocal relations of cooperation as well as with CaixaBank, with the aim of strengthening their respective actions in respect of the latter and supporting the "la Caixa" Banking Foundation with their control.

CONTINUES IN SECTION H.

Indicate whether the company is aware of the existence of any concerted actions among its shareholders. Give a brief description as applicable.

Yes ☐

No ☒

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year.

The Company is not aware of the existence of any concerted actions among its shareholders.

- A. 7 Indicate whether any individuals or bodies corporate currently exercise control or could exercise control over the company in accordance with article 4 of the Spanish Securities' Market Act: If so, identify.

Yes ☒

No ☐

Name or corporate name
LA CAIXA BANKING FOUNDATION

Remarks

The "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 good governance at the Company, 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 Caja de Ahorros y Pensiones de Barcelona "la Caixa" no longer indirectly carries out its financial activity through CaixaBank and the former's transformation into the "la Caixa" Banking Foundation.

- A. 8 Complete the following tables on the company's treasury stock.

At year end:

Number of shares held directly	Number of shares held indirectly (*)	% of total share capital
2,656,651	0	0.05%

(*) Through:

Give details of any significant changes during the year, pursuant to Royal Decree 1362/2007.

Date of notification	Total number of direct shares acquired	Total number of indirect shares acquired	% of total share capital
08/01/2014	9,498,353	0	0.19%

Date of notification	Total number of direct shares acquired	Total number of indirect shares acquired	% of total share capital
21/01/2014	50,729,403	0	1.01%
25/03/2014	41,453,897	0	0.82%
08/04/2014	3,547,663	0	0.07%
14/04/2014	57,068,557	0	1.06%
25/06/2014	7,978,705	0	0.15%
07/07/2014	405,215	0	0.01%
30/09/2014	7,460,711	0	0.13%
16/12/2014	2,528,254	0	0.04%

A. 9 Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting to issue, buy back and/or transfer treasury stock.

The mandate granted at the Annual General Meeting of 19 April 2012 remains in force. This annulled the unused portion of the authorisation for treasury stock acquisition granted on 12 May 2011, and agreed to grant the Company's Board of Directors powers for the derivative acquisition of treasury stock, directly or through group companies for the purpose of either disposals, redemption or for remuneration schemes specified in paragraph 30, section a) of article 146 of the Corporate Enterprises Act, within a period of five years from the adoption of the resolution agreed on 19 April 2012, under the following terms:

a) the acquisition may be in the form of a trade, swap or dation in payment, in one or more instalments, provided that the shares acquired do not amount to more than 10% of the share capital when added to those already owned by the Company;

(b) the price or equivalent value shall be the price of Company shares on the Continuous Market at the close of the day prior to the acquisition, +/-15%.

In addition, for the purposes of article 146.1, section a, paragraph 2 of the Corporate Enterprises Act, a resolution is made to expressly authorise the acquisition of shares in the Company by any of the subsidiaries, in the same terms as set out herein.

Additionally, the Board was empowered to delegate that authorisation to any person or persons it so deemed appropriate.

A. 10 Give details of any restriction on the transfer of securities or voting rights. Indicate, in particular, the existence of any restrictions on the takeover of the company by means of share purchases on the market.

Yes ☐

No ☒

A. 11 Indicate whether the General Shareholders' Meeting has agreed to take neutralisation measures to prevent a public takeover bid by virtue of the provisions of Act 6/2007.

Yes ☐

No ☒

If applicable, explain the measures adopted and the terms under which these restrictions may be lifted.

A. 12 Indicate whether the company has issued securities not traded in a regulated market of the European Union.

Yes ☐

No ☒

If so, identify the various classes of shares and, for each class of shares, the rights and obligations they confer.

B GENERAL SHAREHOLDERS' MEETING

- B. 1 Indicate the quorum required for constitution of the General Shareholders' Meeting established in the company's Bylaws. Describe how it differs from the system of minimum quorums established in the LSC.

Yes ☐

No ☒

- B. 2 Indicate and, as applicable, describe any differences between the company's system of adopting corporate resolutions and the framework set forth in the LSC.

Yes ☐

No ☒

Describe how they differ from the rules established under the LSC.

- B. 3 Indicate the rules governing amendments to the company's Bylaws. In particular, indicate the majorities required to amend the Bylaws and, if applicable, the rules for protecting shareholders' rights when changing the Bylaws.

Regarding amendments to CaixaBank's Bylaws, its regulations basically establish the same limits and conditions as those set forth in the Corporate Enterprises Act.

The provisions of the Corporate Enterprises Act shall be applied to protect shareholders' rights when changing the Bylaws.

In addition, as a credit institution, and in accordance with the terms of Article 10 of Royal Decree 84/2015, of 13 February, amendments to CaixaBank's Bylaws are governed by the authorisation and registration procedure set forth therein. Nevertheless, certain amendments (including the change of registered office within Spain, an increase in the share capital, the textual incorporation of mandatory or prohibitive legal or regulatory precepts, or those to comply with judicial or administrative resolutions) are not subject by the authorisation procedure although they still must be reported to the Bank of Spain

- B. 4 Indicate the attendance figures for the General Shareholders' Meetings held during the year.

	Attendance data				
Date of general meeting	% attending in person	% by proxy	% remote voting		Total
			Electronic means	Other	
24/04/2014	61.60%	13.35%	0.02%	0.14%	75.11%

- B. 5 Indicate whether the Bylaws impose any minimum requirement on the number of shares required to attend the General Shareholders' Meetings.

Yes ☒

No ☐

Number of shares required to attend the General Meetings	1,000
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- B. 6 Indicate whether decisions involving a fundamental corporate change ("subsidiarisation", acquisitions/disposals of key operating assets, operations that effectively entail the company's liquidation) must be submitted to the General Shareholders' Meeting for approval or ratification even when not expressly required under company law.

Yes ☐

No ☒

- B. 7 Indicate the address and mode of accessing corporate governance content on your company's website as well as other information on General Meetings which must be made available to shareholders on the website.

All CaixaBank's corporate governance content is available on the website (www.caixabank.com) under "Shareholders and Investors" "Corporate Governance": http://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo_en.html
http://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo_en.html
 Specific information on Annual General Meetings can be found in the "Annual General Meeting" subsection of the "Corporate Governance" section of the website:

http://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo/juntageneralaccionistas_en.html

Also, when a General Meeting is announced, a special temporary banner appears on the CaixaBank homepage with a direct link to all the pertinent information. We would also note that there is a section at the bottom of the CaixaBank homepage entitled "Direct Links" where users can access all the information on the General Meetings at all times.

C COMPANY MANAGEMENT STRUCTURE

C. 1 Board of Directors

- C. 1.1 List the maximum and minimum number of Directors included in the Bylaws.

Maximum number of Directors	22
Minimum number of Directors	12

- C. 1.2 Complete the following table with board members' details.

Name or corporate name of Director	Representative	Position on the board	Date of first appointment	Date of last appointment	Election procedure
ALAIN MINC		DIRECTOR	06/09/2007	24/04/2014	AGM RESOLUTION
MARIA DOLORS LLOBET MARIA		DIRECTOR	07/05/2009	19/05/2010	AGM RESOLUTION
LEOPOLDO RODÉS CASTAÑE		DIRECTOR	30/07/2009	19/05/2010	AGM RESOLUTION
ISIDRO FAINÉ CASAS		CHAIRMAN	07/07/2000	19/05/2010	AGM RESOLUTION
JUAN JOSÉ LÓPEZ BURNIOL		DIRECTOR	12/05/2011	12/05/2011	AGM RESOLUTION
SALVADOR GABARRO SERRA		DIRECTOR	06/06/2003	05/06/2008	AGM RESOLUTION
JUAN ROSELL LASTORTRAS		DIRECTOR	06/09/2007	24/04/2014	AGM RESOLUTION
FUNDACIÓN CAJA NAVARRA	JUAN FRANCO PUEYO	DIRECTOR	20/09/2012	25/04/2013	AGM RESOLUTION

Name or corporate name of Director	Representative	Position on the board	Date of first appointment	Date of last appointment	Election procedure
FUNDACIÓN MONTE SAN FERNANDO	GUILLERMO SIERRA MOLINA	DIRECTOR	20/09/2012	25/04/2013	AGM RESOLUTION
JOHN S. REED		DIRECTOR	03/11/2011	19/04/2012	AGM RESOLUTION
EVA AURÍN PARDO		DIRECTOR	26/06/2012	26/06/2012	AGM RESOLUTION
MARÍA TERESA BASSONS BONCOMPTE		DIRECTOR	26/06/2012	26/06/2012	AGM RESOLUTION
JAVIER IBARZ ALEGRÍA		DIRECTOR	26/06/2012	26/06/2012	AGM RESOLUTION
FRANCESC XAVIER VIVES TORRENTS		DIRECTOR	05/06/2008	05/06/2008	AGM RESOLUTION
ANTONIO SÁINZ DE VICUÑA Y BARROSO		DIRECTOR	01/03/2014	24/04/2014	AGM RESOLUTION
ANTONIO MASSANELL LAVILLA		DEPUTY CHAIRMAN	30/06/2014	30/06/2014	CO-OPTION
GONZALO GORTÁZAR ROTAECHE		CHIEF EXECUTIVE OFFICER	30/06/2014	30/06/2014	CO-OPTION
ARTHUR K. C. LI		DIRECTOR	20/11/2014	20/11/2014	CO-OPTION
MARÍA AMPARO MORALEDA MARTÍNEZ		DIRECTOR	24/04/2014	24/04/2014	AGM RESOLUTION

Total number of Directors	19
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Indicate any board members who left during this period.

Name or corporate name of Director	Status of the Director at the time	Leaving date
JUAN MARÍA NIN GÉNOVA	Executive Director	30/06/2014
JAVIER GODÓ MUNTAÑOLA	Proprietary Director	30/06/2014
SUSANA GALLARDO TORREDEDIA	Independent Director	24/04/2014
DAVID K. P. LI	Other external Director	23/10/2014

C. 1.3 Complete the following tables on board members and their respective categories.

EXECUTIVE DIRECTORS

Name or corporate name of Director	Committee proposing appointment	Position held in the company
ANTONIO MASSANELL LAVILLA	APPOINTMENTS AND REMUNERATION COMMITTEE	DEPUTY CHAIRMAN
GONZALO GORTÁZAR ROTAECHE	APPOINTMENTS AND REMUNERATION COMMITTEE	CHIEF EXECUTIVE OFFICER

Total number of executive Directors	2
% of the board	10.53%

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of Director	Committee proposing appointment	Name or corporate name of significant shareholder represented or proposing appointment
FUNDACIÓN CAJA NAVARRA	APPOINTMENTS AND REMUNERATION COMMITTEE	CAJA NAVARRA, CAJASOL, CAJA CANARIAS & CAJA DE BURGOS
FUNDACIÓN MONTE SAN FERNANDO	APPOINTMENTS AND REMUNERATION COMMITTEE	CAJA NAVARRA, CAJASOL, CAJA CANARIAS & CAJA DE BURGOS
ISIDRO FAINÉ CASAS	APPOINTMENTS AND REMUNERATION COMMITTEE	LA CAIXA BANKING FOUNDATION
MARIA DOLORS LLOBET MARIA	APPOINTMENTS AND REMUNERATION COMMITTEE	LA CAIXA BANKING FOUNDATION
LEOPOLDO RODÉS CASTAÑÉ	APPOINTMENTS AND REMUNERATION COMMITTEE	LA CAIXA BANKING FOUNDATION
JUAN JOSÉ LÓPEZ BURNIOL	APPOINTMENTS AND REMUNERATION COMMITTEE	LA CAIXA BANKING FOUNDATION
SALVADOR GABARRÓ SERRA	APPOINTMENTS AND REMUNERATION COMMITTEE	LA CAIXA BANKING FOUNDATION
EVA AURÍN PARDO	APPOINTMENTS AND REMUNERATION COMMITTEE	LA CAIXA BANKING FOUNDATION
MARÍA TERESA BASSONS BONCOMPTE	APPOINTMENTS AND REMUNERATION COMMITTEE	LA CAIXA BANKING FOUNDATION
JAVIER IBARZ ALEGRÍA	APPOINTMENTS AND REMUNERATION COMMITTEE	LA CAIXA BANKING FOUNDATION

Total number of proprietary Directors	10
% of the board	52.63%

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of Director

ALAIN MINC

Profile:

Born in Paris in 1949, Alain Minc has been a Member of the CaixaBank Board of Directors since 2007.

He is Chairman and CEO of his own consultancy firm, AM Conseil and is a graduate from the École des Mines de Paris and the École Nationale d'Administration (ENA) in Paris. In 1991, he founded his own consultancy firm, AM Conseil.

He has been Chairman of the Supervisory Board of French newspaper Le Monde, Deputy Chairman of Compagnie Industriale Riunite International and General Manager of Cerus (Compagnies Européennes Réunies).

He has also been a finance inspector and CFO at Saint-Gobain.

He is currently Chairman of Sanef and Director at Prisa.

He has been named Commandeur de la Légion d' Honneur, Commander of British Empire and received the Gran Cruz de la Orden del Mérito Civil.

He has written more than 30 books since 1978, many of them best-sellers, including: Rapport sur l'informatisation de la société; La Machine égalitaire; Les vengeances des Nations; Le Nouveau Moyen-âge; Rapport sur la France de l'an 2000; www.capitalisme.fr; Epître à nos nouveaux maîtres (2003); Les Prophètes du bonheur: histoire personnelle de la pensée économique (2004); Ce monde qui vient (2004); Le Crépuscule des petits dieux (2006); Une sorte de Diable, les vies de John M. Keynes (December 2006); Une histoire de France (2008); Dix jours qui ébranleront le monde (2009); Une histoire politique des intellectuels (2011); Un petit coin de paradis, L'Âme des Nations (2012); L' Homme aux deux visages (2013), Vive l'Allemagne (2013), and Le mal français n' est plus ce qu'il était (2014).

Name or corporate name of Director

JOHN S. REED

Profile:

Born in Chicago in 1939, John Reed has been a member of the Board of Directors of CaixaBank since 2011.

He was raised in Argentina and Brazil and completed his university studies in the United States. In 1961, he earned a degree in Philosophy and Letters and Science from Washington and Jefferson College and the Massachusetts Institute of Technology under a double degree programme. He was a lieutenant in the US Army Corps of Engineers from 1962 to 1964 and again enrolled in MIT to study a Master in Science. John Reed worked for Citibank/ Citicorp and Citigroup for over 35 years, holding the position of President for the last 16 before retiring in April 2000.

From September 2003 to April 2005, he went back to work as the Chairman of the New York Stock Exchange and is now the Chairman of the MIT Corporation (2010-2014).

Mr. Reed is a member of the Board of Directors of MDRC, the Isabella Stewart Gardner Museum, the Boston Athenaeum and the NBER as well as Supervisor of the Boston Symphony Orchestra. He is also a fellow of both the American Academy of Arts and Sciences and of the American Philosophical Society and Director of the Social Science Research Council.

Name or corporate name of Director

FRANCESC XAVIER VIVES TORRENTS

Profile:

Born in Barcelona in 1955, Xavier Vives Torrents has been a member of the CaixaBank Board of Directors since 2008.

He is a Professor of Economics and Finance at the IESE Business School. He also holds a PhD in Economics from the University of California, Berkeley.

He was also Professor of European Studies at the INSEAD Business School in 2001-2005; Director of the Institute of Economic Analysis at the Spanish High Council for Scientific Research in 1991-2001; and a visiting lecturer at the universities of California (Berkeley), Harvard, and New York (King Juan Carlos I Chair 1999-2000), as well as the Autonomous University of Barcelona and the Pompeu Fabra University.

He has also advised the World Bank, the Inter-American Development Bank, the European Commission and various international companies. Mr. Vives also served as Chairman of the Spanish Economic Association in 2008; and Deputy Chairman of the Spanish Energy Economics Association in 2006-2009.

He is currently a Director of the Aula Escola Europea, a member of the European Academy of Sciences and Arts; Research Fellow of the CESifo and the Center for Economic Policy Research; Fellow of the European Economic Association since 2004 and Fellow of the Econometric Society since 1992. He is also a member of the CAREC (Advisory Council for Economic Recovery and Growth) of the Government of Catalonia. In 2011, he was appointed Special Advisor to the Vice-President of the European Commission and Competition Commissioner, Joaquín Almunia.

He has published numerous articles in international journals and directed the publication of various books. Mr. Vives Torrents has also received several awards including the King Juan Carlos I Prize for Research into Social Sciences in 1988; the Catalan Society for Economics prize in 1996; the Narcís Monturiol Medal from the Catalan regional government in 2002; and the Catalonia Economics Prize in 2005, in addition to the IEF Award for academic excellence for his professional career in 2012. He is also the recipient of a European Research Council Advanced Grant in 2009-2013 and was awarded the King Jaime I Award for economics in 2013.

Name or corporate name of Director

MARÍA AMPARO MORALEDA MARTÍNEZ

Profile:

Born in Madrid in 1964, María Amparo Moraleda has been a member of the CaixaBank Board of Directors since 2014.

She graduated in Industrial Engineering from the ICAI and holds an MBA from the IESE Business School.

She is an Independent Director at several companies: Meliá Hotels Internacional, S.A. (since 2009), Faurecia, S.A. (since 2012), Alstom, S.A. (since 2013) and Solvay, S.A. (since 2013).

She is also a member of the Supervisory Board of the Spanish High Council for Scientific Research (since 2011) and a member of the Advisory Boards of KPMG España (since 2012) and SAP Ibérica (since 2013).

Between January 2009 and February 2012 she was Chief Operating Officer of Iberdrola SA's International Division with responsibility for the United Kingdom and the United States. She also headed Iberdrola Engineering and Construction from January 2009 to January 2011.

She was Executive Chairman of IBM Spain and Portugal between July 2001 and January 2009, responsible for Greece, Israel and Turkey from July 2005 to January 2009. Between June 2000 and 2001 she was assistant executive to the President of IBM Corporation. From 1998 to 2000 Ms Moraleda Martínez was General Manager of INSA (a subsidiary of IBM Global Services). From 1995 to 1997 she was HR Director for EMEA at IBM Global Services and from 1988 to 1995 held various professional and management positions at IBM España.

She is also a member of various boards and trusts of different institutions and bodies including the Academy of Social Sciences and the Environment of Andalusia, the Board of Trustees of the MD Anderson Cancer Center in Madrid and the International Advisory Board of the Instituto de Empresa.

In 2005 she was inducted into the Women in Technology International (WITI) organisation's Hall of Fame, established to recognise, honour, and promote the outstanding contributions women make to the scientific and technological communities that improve and evolve society, while her numerous accolades include: the Values Leadership Award (FIGEVA Foundation – 2008), the Javier Benjumea Prize (Engineering Association of the ICAI – 2003) and the Award for Excellence (Spanish Federation of Female Directors, Executives, Professionals and Entrepreneurs – Fedepe – 2002).

Name or corporate name of Director

ANTONIO SÁINZ DE VICUÑA Y BARROSO

Profile:

Born in Barcelona in 1948, Antonio Sainz de Vicuña y Barroso has been a member of the CaixaBank Board of Directors since 2014.

He is a graduate in Law and Economic and Commercial Science from Madrid's Complutense University (1971), and then studied a postgraduate course with a final dissertation on European and International Law. He also holds a Diploma in International Law from Pembroke College, Cambridge University. He was awarded a grant from the Juan March Foundation.

In 1974, he became a State Attorney acting as a legal advisor to the Ministries of Finance, Economy and Foreign Affairs between 1974 and 1989.

From September 1989 to November 1994 he was the Chief International Legal Counsel of Banco Español de Crédito in Madrid.

Between November 1994 and June 1998, he was General Counsel at the European Monetary Institute (EMI) in Frankfurt, the body entrusted with the preparatory work for the launch of the euro. In June 1998, he moved to the European Central Bank where he was General Counsel and Director of the Legal Services, before retiring at 65 in November 2013.

He is also a founder member of and sat on the first Board of Directors of Asociación para el Estudio del Derecho Europeo (1982-1986); a founder member of the Corte Civil y Mercantil de Arbitraje (1989-1994); founder member and member of Supervisory Board of the Institute for Law and Finance, Wolfgang Goethe Universität, Frankfurt (2000-2013); founder member and member of the Advisory Board of PRIME Finance (2011-2013); and a member the Advisory Board of the European Capital Markets Institute (2000-2013).

He has also published a monography on "State Contracts in International Law" (Ed. Ministry of Foreign Affairs, 1986) and some 30 legal articles in specialist publications. He has been awarded with the Commander Cross, Order of Elizabeth the Catholic (1987) and with the Commander Cross, Order of Civil Merit (2014).

Name or corporate name of Director

JUAN ROSELL LASTORTRAS

Profile:

Born in Barcelona in 1957, Juan Rosell Lastortras has been a member of the CaixaBank Board of Directors since 2007.

He holds a degree in Industrial Engineering from Barcelona Polytechnic University and studied Political Science at the Complutense University of Madrid. He is Chairman of Congost Plastic.

During his career he has served as Managing Director of Juguetes Congost and has been Chairman of Enher (1996-1999), Fecsa-Enher (1999-2002) and Corporación Unliand (2005-2006). He has also been a board member of Agbar, Endesa, Endesa Italia S.p.A., Siemens España, and Applus Servicios Tecnológicos.

He is currently a board member of Port Aventura Entertainment and Gas Natural Fenosa, and is Chairman of Miura Private Equity Investment Committee.

He is also Chairman of the Confederation of Employers' Organizations (CEOE), Chairman of the ANIMA Foundation, member of the Mont Pelerin Society, and Deputy Chairman of Business Europe.

Mr. Rosell has received numerous decorations including the Gold Medal of Merit of the International Trade Fair of Barcelona and the Silver Medal of the Barcelona Chamber of Commerce; was named a Commander of the Order Merit of the Italian Republic; and was given the Keys to the City of Barcelona.

Total number of independent Directors	6
% of the board	31.58%

List any independent Directors who receive from the company or group any amount or payment other than standard Director remuneration or who maintain or have maintained during the period in question a business relationship with the company or any group company, either in their own name or as a significant shareholder, Director or senior manager of an entity which maintains or has maintained the said relationship.

If applicable, include a statement from the board detailing the reasons why the said Director may carry on their duties as an independent Director.

OTHER EXTERNAL DIRECTORS

Name or corporate name of Director	Committee notifying or proposing appointment
ARTHUR K. C. LI	NOMINATION COMMITTEE

Total number of other external Directors	1
% of the board	5.26%

List the reasons why these cannot be considered proprietary or independent Directors and detail their relationships with the company, its executives or shareholders.

Name or corporate name of Director

ARTHUR K. C. LI

Company, executive or shareholder with whom the relationship is maintained

THE BANK OF EAST ASIA LIMITED

Reasons

Arthur K.C. is not - nor does he represent - a shareholder with the right to be represented on CaixaBank's Board of Directors, so he cannot be considered a proprietary Director. Also, as CaixaBank's stake in The Bank of East Asia exceeds 5%, and Mr. Li is Deputy Chairman of same, he cannot be considered an independent Director and therefore holds the post of other external Director.

List any changes in the category of each Director which have occurred during the year.

Name or corporate name of Director	Date of change	Previous category	Current category
JUAN ROSELL LASTORTRAS	17/07/2014	Other external Director	Independent Director

C. 1.4 Complete the following table on the number of female Directors over the past four years and their category.

	Number of female Directors				% of total Directors of each type			
	2014	2013	2012	2011	2014	2013	2012	2011
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	3	3	3	2	30.00%	27.27%	27.27%	22.22%
Independent Director	1	1	2	2	16.66%	25.00%	40.00%	33.33%
Other external	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total:	4	4	5	4	21.05%	22.22%	26.32%	23.53%

- C. 1.5 Explain the measures, if applicable, which have been adopted to ensure that there is a sufficient number of female Directors on the board to guarantee an even balance between men and women.

Explanation of measures

At 31 December 2014, the Board of Directors included 4 women out of 19 Directors.

Even though the percentage of female Directors at CaixaBank is not equal and can clearly be improved, it is in the upper range of the companies on the IBEX 35.

When analysing and proposing candidates' profiles for appointment to the Board of Directors, the Appointments Committee not only takes into account matters of gender diversity but also criteria of repute, knowledge and professional experience to be appointed a Director of a credit institution as stipulated in prevailing legislation. However, it has yet to set a quota for female Directors.

- C. 1.6 Explain the measures taken, if applicable, by the Nomination Committee to ensure that the selection processes are not subject to implicit bias that would make it difficult to select female Directors, and whether the company makes a conscious effort to search for female candidates who have the required profile.

Explanation of measures

Women candidates are not discriminated against in the selection process of Directors. Article 14 of the Regulations of the Board of Directors stipulates that one of the responsibilities of the Appointments Committee is to report to the Board on matters of gender diversity.

When, despite the measures taken, there are few or no female Directors, explain the reasons.

Explanation of the reasons

At December 31, 2013 women comprised 21.05 % of the Board of Directors. Women comprise 16.66% of the independent Directors and 30% of proprietary Directors while

25% of the members of the Executive Committee are women and one of the board committees is chaired by a female Director.

Therefore, even though the number of female Directors is not equal, it is deemed to be neither few nor non-existent.

- C. 1.7 Explain how shareholders with significant holdings are represented on the board.

As a significant shareholder of CaixaBank and in representation of this share holding, the "la Caixa" Banking Foundation proposed the appointment of nine (9) Directors, namely:

ISIDRO FAINÉ CASAS - CHAIRMAN - PROPRIETARY
 ANTONIO MASSANELL LAVILLA- DEPUTY CHAIRMAN - EXECUTIVE/PROPRIETARY
 EVA AURÍN PARDO - MEMBER - PROPRIETARY
 JAVIER IBARZ ALEGRÍA - MEMBER - PROPRIETARY
 JUAN JOSÉ LÓPEZ BURNIOL - MEMBER - PROPRIETARY
 LEOPOLDO RODÉS CASTAÑÉ - MEMBER - PROPRIETARY
 MARÍA DOLORS LLOBET - MEMBER - PROPRIETARY
 MARÍA TERESA BASSONS BONCOMPTE - MEMBER - PROPRIETARY
 SALVADOR GABARRÓ SERRA - MEMBER - PROPRIETARY

Likewise, within the merger and absorption framework of Banca Cívica by CaixaBank, on 1 August 2012 Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (currently the "la Caixa" Banking Foundation) and Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación de Carácter Especial Monte San Fernando), Caja Canarias and Caja de Burgos (hereinafter "the Foundations"), entered into a shareholders agreement which, inter alia, stated the pledge given by "la Caixa" to vote in favour of the appointment of two (2) Directors to the CaixaBank Board of Directors proposed by the Foundations, namely:

FUNDACIÓN CAJA NAVARRA (represented by Juan Franco Pueyo) - MEMBER - PROPRIETARY
 FUNDACIÓN MONTE SAN FERNANDO (represented by Guillermo Sierra Molina) - MEMBER - PROPRIETARY

- C. 1.8 Explain, when applicable, the reasons why proprietary Directors have been appointed upon the request of shareholders who hold less than 5% of the share capital.

Name or corporate name of shareholder

FUNDACIÓN CAJA NAVARRA

Justification:

Following the merger by absorption of Banca Cívica by CaixaBank, on 1 August 2012, the shareholders: Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (currently the "la Caixa" Banking Foundation) and Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Monte San Fernando), Caja Canarias (currently Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja de Burgos), (hereinafter "the Foundations") entered into an agreement which regulates their relations as shareholders of CaixaBank, and their reciprocal relations of cooperation as well as with CaixaBank, with the aim of strengthening their respective actions in respect of the latter and supporting their control of the "la Caixa" Banking Foundation. They also agreed to appoint two members of the Board of Directors of CaixaBank proposed by "the Foundations" and, in order to give stability to their shareholding in CaixaBank, the "Foundations" agreed a four-year lock up period, as well as a commitment to exercise their pre-emptive acquisition rights over two years in favour of the other Foundations in the first place and subsidiarily the "la Caixa" Banking Foundation, should any of the Savings Banks wish to transfer all or part of their stake, once the lock-up period has expired.

Name or corporate name of shareholder

FUNDACIÓN MONTE SAN FERNANDO

Justification:

Following the merger by absorption of Banca Cívica by CaixaBank, on 1 August 2012, the shareholders: Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (currently the "la Caixa" Banking Foundation) and Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Monte San Fernando), Caja Canarias (currently Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja de Burgos), (hereinafter "the Foundations") entered into an agreement which regulates their relations as shareholders of CaixaBank, and their reciprocal relations of cooperation as well as with CaixaBank, with the aim of strengthening their respective actions in respect of the latter and supporting their control of the "la Caixa" Banking Foundation. They also agreed to appoint two members of the Board of Directors of CaixaBank proposed by "the Foundations" and, in order to give stability to their shareholding in CaixaBank, the "Foundations" agreed a four-year lock up period, as well as a commitment to exercise their pre-emptive acquisition rights over two years in favour of the other Foundations in the first place and subsidiarily the "la Caixa" Banking Foundation, should any of the Savings Banks wish to transfer all or part of their stake, once the lock-up period has expired.

Name or corporate name of shareholder

FUNDACIÓN CAJA CANARIAS

Justification:

Following the merger by absorption of Banca Cívica by CaixaBank, on 1 August 2012, the shareholders: Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (currently the "la Caixa" Banking Foundation) and Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Monte San Fernando), Caja Canarias (currently Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja de Burgos), (hereinafter "the Foundations") entered into an agreement which regulates their relations as shareholders of CaixaBank, and their reciprocal relations of cooperation as well as with CaixaBank, with the aim of strengthening their respective actions in respect of the latter and supporting their control of the "la Caixa" Banking Foundation. They also agreed to appoint two members of the Board of Directors of CaixaBank proposed by "the Foundations" and, in order to give stability to their shareholding in CaixaBank, the "Foundations" agreed a four-year lock up period, as well as a commitment to exercise their pre-emptive acquisition rights over two years in favour of the other Foundations in the first place and subsidiarily the "la Caixa" Banking Foundation, should any of the Savings Banks wish to transfer all or part of their stake, once the lock-up period has expired.

Name or corporate name of shareholder

FUNDACIÓN CAJA DE BURGOS

Justification:

Following the merger by absorption of Banca Cívica by CaixaBank, on 1 August 2012, the shareholders: Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (currently the "la Caixa" Banking Foundation) and Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Monte San Fernando), Caja Canarias (currently Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja de Burgos), (hereinafter "the Foundations") entered into an agreement which regulates their relations as shareholders of CaixaBank, and their reciprocal relations of cooperation as well as with CaixaBank, with the aim of strengthening their respective actions in respect of the latter and supporting their control of the "la Caixa" Banking Foundation. They also agreed to appoint two members of the Board of Directors of CaixaBank proposed by "the Foundations" and, in order to give stability to their shareholding in CaixaBank, the "Foundations" agreed a four-year lock up period, as well as a commitment to exercise their pre-emptive acquisition rights over two years in favour of the other Foundations in the first place and subsidiarily the "la Caixa" Banking Foundation, should any of the Savings Banks wish to transfer all or part of their stake, once the lock-up period has expired.

Provide details of any rejections of formal requests for board representation from shareholders whose equity interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary Directors. If so, explain why these requests have not been entertained.

Yes ☐

No ☒

- C. 1.9 Indicate whether any Director has resigned from office before their term of office has expired, whether that Director has given the board their reasons and through which channel. If made in writing to the whole board, list below the reasons given by that Director.

Name of Director

DAVID K. P. LI

Reasons for resignation

Pursuant to prevailing legislation on the maximum number of directorships board members of credit institutions can hold, at the board meeting on 23 October 2014, Mr. David K. P. Li tendered his resignation.

Name of Director

JUAN MARÍA NIN GÉNOVA

Reasons for resignation

At the board meeting of 30 June 2014, the Board accepted Juan María Nin's resignation as Director and Deputy Chairman following his removal as Chief Executive Director by mutual agreement.

Name of Director

JAVIER GODÓ MUNTAÑOLA

Reasons for resignation

She was appointed Director of the Criteria Caixaholding, S.A.U..

- C. 1.10 Indicate what powers, if any, have been delegated to the Chief Executive Officer(s).

Name or corporate name of Director

GONZALO GORTÁZAR ROTAECHE

Brief description

All powers delegable under the law and the Bylaws are delegated, without prejudice to the limitations established in the Regulations of the Board of Directors for the delegation of powers that, in all events, apply for procedural purposes.

- C. 1.11 List the Directors, if any, who hold office as Directors or executives in other companies belonging to the listed company's group.

Name or corporate name of Director	Corporate name of the group entity	Position
GONZALO GORTÁZAR ROTAECHE	VidaCaixa, S.A., de Seguros y Reaseguros.	Chairman
EVA AURÍN PARDO	VidaCaixa, S.A., de Seguros y Reaseguros.	Director
MARIA DOLORS LLOBET MARIA	Nuevo Micro Bank, S.A.U.	Director
MARIA DOLORS LLOBET MARIA	VidaCaixa, S.A., de Seguros y Reaseguros.	Director
JAVIER IBARZ ALEGRÍA	VidaCaixa, S.A., de Seguros y Reaseguros	Director

- C. 1.12 List any company board members who likewise sit on the boards of directors of other non-group companies that are listed on official securities markets in Spain, insofar as these have been disclosed to the company.

Name or corporate name of Director	Corporate name of the group entity	Position
ALAIN MINC	DIRECT ENERGIE	DIRECTOR
ALAIN MINC	PROMOTORA DE INFORMACIONES S.A. (GRUPO PRISA)	DIRECTOR
SALVADOR GABARRÓ SERRA	GAS NATURAL FENOSA	CHAIRMAN
JUAN ROSELL LASTORTRAS	GAS NATURAL FENOSA	DIRECTOR
ARTHUR K. C. LI	THE BANK OF EAST ASIA, LIMITED	DEPUTY CHAIRMAN
ARTHUR K. C. LI	SHANGRI-LA ASIA LIMITED	DIRECTOR
LEOPOLDO RODÉS CASTAÑÉ	GRUPO FINANCIERO INBURSA	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	MELIÁ HOTELS INTERNACIONAL, S.A.	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	SOLVAY, S.A.	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	FAURECIA, S.A.	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	ALSTOM, S.A.	DIRECTOR
ISIDRO FAINÉ CASAS	BANCO BPI, S.A.	DIRECTOR
ISIDRO FAINÉ CASAS	THE BANK OF EAST ASIA, LIMITED	DIRECTOR
ISIDRO FAINÉ CASAS	ABERTIS INFRAESTRUCTURAS, S.A.	1ST DEPUTY CHAIRMAN
ISIDRO FAINÉ CASAS	TELEFÓNICA, S.A.	DEPUTY CHAIRMAN
ISIDRO FAINÉ CASAS	REPSOL, S.A.	1ST DEPUTY CHAIRMAN
ISIDRO FAINÉ CASAS	SUEZ ENVIRONNEMENT COMPANY	DIRECTOR
ANTONIO MASSANELL LAVILLA	TELEFÓNICA, S.A.	DIRECTOR
ANTONIO MASSANELL LAVILLA	BANCO BPI, S.A.	DIRECTOR
ANTONIO MASSANELL LAVILLA	BOURSORAMA, S.A.	DIRECTOR
GONZALO GORTÁZAR ROTAECHE	GRUPO FINANCIERO INBURSA	DIRECTOR

C. 1.13 Indicate and, where appropriate, explain whether the company has established rules about the number of boards on which its Directors may sit.

Yes ☒

No ☐

Explanation of rules

Article 32.4 of the Board of Directors' Regulations stipulates that CaixaBank Directors must observe the limitations on membership in Boards of Directors laid down in the prevailing law governing banking institutions.

C. 1.14 Indicate the company's general policies and strategies that are reserved for approval by the Board of Directors in plenary session.

	Yes	No
Investment and financing policy	X	
Design of the structure of the corporate group	X	
Corporate governance policy	X	
Corporate social responsibility policy	X	
Strategic or business plans management targets and annual budgets	X	
Remuneration and evaluation of senior officers	X	
Risk control and management, and the periodic monitoring of internal information and control systems	X	
Dividend policy, as well as the policies and limits applying to treasury stock	X	

C. 1.15 List the total remuneration paid to the Board of Directors in the year.

Board remuneration (thousands of euros)	21,238
Amount of total remuneration corresponding to accumulated pension rights (thousands of euros)	299
Total board remuneration (thousands of euros)	21,537

C. 1.16 List any members of senior management who are not executive Directors and indicate total remuneration paid to them during the year.

Name or corporate name	Position
IGNACIO ÁLVAREZ-RENDUELES VILLAR	DEPUTY GENERAL MANAGER INTERNATIONAL DIVISION
PABLO FORERO CALDERÓN	CHIEF RISKS OFFICER
JOAQUIN VILAR BARRABEIG	DEPUTY GENERAL MANAGER AUDIT AND INTERNAL CONTROL
JAVIER PANO RIERA	HEAD OF FINANCE
FRANCESC XAVIER COLL ESCURSELL	DEPUTY GENERAL MANAGER OF HUMAN RESOURCES
TOMÁS MUNIESA ARANTEGUI	CHIEF INSURANCE AND ASSET MANAGEMENT OFFICER
JUAN ANTONIO ALCARAZ GARCIA	CHIEF BUSINESS OFFICER
JORGE FONTANALS CURIEL	EXECUTIVE DIRECTOR OF RESOURCES
JORGE MONDEJAR LÓPEZ	EXECUTIVE DIRECTOR OF AUDIT, MANAGEMENT AND CAPITAL CONTROL
ÓSCAR CALDERÓN DE OYA	GENERAL SECRETARY

Total remuneration received by senior management (thousands of euros)	10,947
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C. 1.17 List, if applicable, the identity of those Directors who are likewise members of the boards of directors of companies that own significant holdings and/or group companies.

Name or corporate name of Director	Name or corporate name of significant shareholder	Position
MARIA DOLORS LLOBET MARIA	SABA INFRAESTRUCTURAS, S.A.	DIRECTOR
ISIDRO FAINÉ CASAS	CRITERIA CAIXAHOLDING, S.A.U.	CHAIRMAN
ISIDRO FAINÉ CASAS	LA CAIXA BANKING FOUNDATION	CHAIRMAN
JUAN JOSÉ LÓPEZ BURNIOL	CRITERIA CAIXAHOLDING, S.A.U.	DIRECTOR
JUAN JOSÉ LÓPEZ BURNIOL	LA CAIXA BANKING FOUNDATION	DIRECTOR
SALVADOR GABARRÓ SERRA	CRITERIA CAIXAHOLDING, S.A.U.	THIRD DEPUTY CHAIRMAN
MARÍA TERESA BASSONS BONCOMPTE	LA CAIXA BANKING FOUNDATION	DIRECTOR
ANTONIO MASSANELL LAVILLA	MEDITERRANEA BEACH & GOLF COMMUNITY, S.A.	DEPUTY CHAIRMAN

List, if appropriate, any relevant relationships, other than those included under the previous heading, that link members of the Board of Directors with significant shareholders and/or their group companies.

C. 1.18 Indicate whether any changes have been made to the board regulations during the year.

Yes ☒

No ☐

Description of amendments

In accordance with the provisions of Law 10/2014, of 26 July on the Organisation, Supervision and Solvency of Credit Institutions, on 25 September 2014 the Board resolved to amend the following articles of the Regulations of the Board of Directors: 4 ("General Duties of the Board of Directors"), 9.4 ("The Secretary of the Board of Directors"), 11 ("Delegated Bodies of the Board of Directors"), 13 ("The Audit and Control Committee and the Risks Committee"), 14 ("The Appointments Committee and the Remuneration Committee"), 17 ("Appointment of Directors"), 18 ("Appointment of Independent Directors"), 23.1 ("Remuneration of Directors") and 28.2 ("Use of Corporate Assets"). On 23 October 2014 it approved the amendments to article 14.1 ("The Appointments Committee and the Remuneration Committee").

These amendments, made to comply with the new legislation, are intended to create new committees, determine their duties, and, in general, make Directors assume more direct responsibility.

In accordance with the provisions of article 529 of the Corporate Enterprises Act, the amended text of both was reported to the Comisión Nacional del Mercado de Valores ("CNMV"), executed in a public document and filed in the Companies Registry. Once filed, the full texts were published by the CNMV and by CaixaBank, S.A. on its corporate website (www.CaixaBank.com).

C. 1.19 Indicate the procedures for appointing, re-electing, evaluating and removing Directors. List the competent bodies, procedures and criteria used for each of these procedures.

Pursuant to article 529 (16) of Royal Legislative Decree 1/2010 of 2 July, approving the revised text of the Corporate Enterprises Act, and articles 5 and 17-19 of the Regulations of the Board of Directors, proposed appointments of Directors submitted by the Board of Directors for the Annual General Meeting and resolutions regarding appointments which said body adopts by virtue of the powers of co-option legally attributed to it must be preceded by the pertinent proposal of the Appointments and Remuneration Committee, in the case of independent Directors, and by a report, in the case of the remaining Directors.

In addition, when exercising its powers to propose appointments to the Annual General Meeting and co-opt Directors to cover vacancies, the Board shall endeavour to ensure that external Directors or non-executive Directors represent a majority over executive Directors and that the latter should be the minimum.

The Board will also strive to ensure that the majority group of external Directors includes stable significant shareholders of the Company or their representatives (proprietary Directors) and persons of recognised experience who have no relationship with the executive team or significant shareholders (independent Directors). In order to classify the Entity's Directors, we have used the definitions included in prevailing legislation.

In particular, with regard to independent Directors, article 529 (16) of Royal Legislative Decree 1/2010 of 2 July and article 18 of the Regulations of the Board of Directors include the same restrictions as Order ECC/461/2013 of 20 March regarding appointing independent Directors.

The Board will also strive to ensure that its external Directors include stakeholder and independent Directors who reflect the existing proportion of the Company's share capital represented by stakeholder Directors and the rest of its capital. At least one third of the Company's Directors will be independent Directors.

Directors shall remain in their posts for the term of office stipulated in the Bylaws and may be re-elected one or more times for periods of equal length. Nevertheless, independent Directors will not stay on as such for a continuous period of more than 12 years.

Directors designated by co-option shall hold their post until the date of the next General Meeting or until the legal deadline for holding the General Meeting that is to decide whether to approve the accounts for the previous financial year has passed.

Article 529 (19) of Royal Legislative Decree 1/2010 of 2 July and article 15.6 of the Regulations of the Board of Directors stipulate that, at least once a year, the Board, as a plenary body, shall evaluate the quality and efficiency of the functioning of the Board; the carrying out of the duties on the part of the Chairman of the Board and the chief executive of the company; and the functioning of the Committees.

CONTINUES IN SECTION H.

C. 1.20 Indicate whether the board has evaluated its performance during the year.

Yes ☒

No ☐

Explain, if applicable, to what extent this evaluation has prompted significant changes in its internal organisation and the procedures applicable to its activities.

Description of amendments
The Board of Directors evaluated its performance during the year. However, this evaluation did not prompt significant changes in its internal organisation and the procedures applicable to its activities.

C. 1.21 Indicate the cases in which Directors must resign.

Article 20 of the Regulations of the Board of Directors stipulates that the Directors must place their position at the disposal of the Board of Directors and formalise, if the latter deems appropriate, the pertinent resignation, in the following cases:

- a) when they depart the executive positions with which their appointment as Director was associated;
- b) when they are subject to any of the cases of incompatibility or prohibition provided by law; when they are indicted for an allegedly criminal act or are subject to a disciplinary proceeding for serious or very serious fault instructed by the supervisory authorities;
- c) when they are indicted for an allegedly criminal act or are subject to a disciplinary proceeding for serious or very serious fault instructed by the supervisory authorities;
- d) when their remaining on the Board, they may place at risk the Company's interest, or when the reasons for which they were appointed cease to exist. In particular, in the case of stakeholding external Directors, when the shareholder they represent sells its stakeholding in its entirety. They must also do so when the said shareholder lowers its stakeholding to a level which requires the reduction of the number of external stakeholding Directors;
- e) when significant changes in their professional status or in the conditions under which they were appointed Director take place; and
- f) when due to facts attributable to the Director, his remainder on the Board causes a serious damage to the corporate net worth or reputation in the judgement of the Board.

C. 1.22 Indicate whether the duties of chief executive officer fall upon the Chairman of the Board of Directors. If so, describe the measures taken to limit the risk of powers being concentrated in a single person.

Yes ☐

No ☒

Indicate, and if necessary, explain whether rules have been established that enable any of the independent Directors to convene board meetings or include new items on the agenda, to coordinate and voice the concerns of external Directors and oversee the evaluation by the Board of Directors.

Yes ☒

No ☐

Explanation of rules
Articles 15 and 36.1 of the Regulations of the Board of Directors and the Bylaws stipulate that the Board of Directors must meet when requested to do so by at least two (2) of its members or one of the independent Directors. In this case, the meeting will be called by the Chairman, through any written means, addressed personally to each Director, to be held within fifteen (15) days following the request at the registered office.

No Director is expressly entrusted with the task of coordinating external Directors. This task is considered to be unnecessary given the qualitative composition of CaixaBank's Board where nearly all Directors are external (17 out of the 19 members) and the positions of Chairman and CEO are not held by the same person.

At least once a year, the Board, as a plenary body, shall evaluate the quality and efficiency of the functioning of the Board; the carrying out of the duties on the part of the Chairman of the Board and the chief executive of the company; and the functioning of the Committees.

C. 1.23 Are qualified majorities other than those prescribed by law required for any type of decision?

Yes ☐

No ☒

If applicable, describe the differences.

- C. 1.24 Indicate whether there are any specific requirements other than those relating to the Directors, to be appointed Chairman.

Yes ☐

No ☒

- C. 1.25 Indicate whether the Chairman has the casting vote.

Yes ☒

No ☐

Matters where the Chairman has the casting vote

Articles 35. 5. (iv) of the Bylaws and 16.4 of the the Regulations of the Board stipulate that the Chairman shall have a casting vote in case of a tie in meetings of the Board of Directors over which he presides.

- C. 1.26 Indicate whether the Bylaws or the board regulations set any age limit for Directors.

Yes ☒

No ☒

- C. 1.27 Indicate whether the Bylaws or the board regulations set a limited term of office for independent Directors.

Yes ☒

No ☒

- C. 1.28 Indicate whether the Bylaws or board regulations stipulate specific rules on appointing a proxy to the board, the procedures thereof and, in particular, the maximum number of proxy appointments a Director may hold. Also indicate whether only one Director of the same category may be appointed as a proxy. If so, give brief details.

Article 16 of the Regulations of the Board of Directors stipulates that Directors will do everything possible to attend the Board meetings. When they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein. This is without prejudice to prevailing legislation limiting the number of proxies non-executive Directors may appoint and that these may only be other non-executive Directors.

Likewise, the internal regulations stipulate that the proxy shall be granted by any postal, electronic means or by fax, provided that the identity of the Director is assured.

However, proxies are not usually granted with specific instructions so that proxies may adhere to the matters under discussion by the Board, providing they have been granted according to the law. In accordance with applicable law governing the powers of the Chairman of the Board, such powers including the power to encourage debate and the active involvement of the Board members during the meeting, board members must be allowed speak freely and adopt the stance they wish.

- C. 1.29 Indicate the number of board meetings held during the year and how many times the board has met without the Chairman's attendance. Attendance will also include proxies appointed with specific instructions.

Number of board meetings	14
Number of board meetings held without the Chairman's attendance	0

Indicate the number of meetings of the various board committees held during the year.

Fees and commissions	No. meetings
EXECUTIVE COMMITTEE	23
NOMINATION COMMITTEE	4
AUDIT AND CONTROL COMMITTEE	11
REMUNERATION COMMITTEE	6
RISKS COMMITTEE	8
APPOINTMENTS AND REMUNERATION COMMITTEE	15

- C. 1.30 Indicate the number of board meetings held during the year with all members in attendance. Attendance will also include proxies appointed with specific instructions.

Directors' attendance	4
% of attendances of the total votes cast during the year	93.92%

- C. 1.31 Indicate whether the consolidated and individual financial statements submitted for authorisation for issue by the board are certified previously.

Yes ☐

No ☒

Identify, where applicable, the person(s) who certified the company's individual and consolidated financial statements prior for their authorisation for issue by the board.

- C. 1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated financial statements it prepares from being laid before the General Shareholders' Meeting with a qualified Audit Report.

The Audit and Control Committee is responsible for ensuring that the financial information is correctly drawn up in addition to other functions which include the following in order to avoid a qualified audit report:

* 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;

* to establish appropriate relationships with auditors in order to receive information, for examination by the Audit and Control Committee, on matters which may jeopardise the independence of said auditors and any other matters relating to the audit process and any other communications provided for in audit legislation and technical audit regulations;

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

* to review the Company's accounts and periodic financial reporting which the Board must furnish to the markets and their supervisory bodies and, in general, to monitor compliance with legal requisites on this subject matter and the correct application of generally accepted accounting principles, as well as to report on proposals for modification of accounting principles and criteria suggested by management.

- C. 1.33 Is the Secretary of the board also a Director?

Yes ☐

No ☒

- C. 1.34 Explain the procedures for appointing and removing the Secretary of the board, indicating whether their appointment and removal have been notified by the Nomination Committee and approved by the board in plenary session.

Appointment and removal procedure

Article 9.4 of the Regulations of the Board of Directors stipulates that the Secretary shall be appointed, and, as the case may be, removed, by the Board acting as a plenary body, subject to a report, in both cases, of the Appointments and Remuneration Committee.

	Yes	No
Does the Nomination Committee propose appointments?	X	
Does the Nomination Committee advise on dismissals?	X	
Do appointments have to be approved by the board in plenary session?	X	
Do dismissals have to be approved by the board in plenary session?	X	

Is the Secretary of the board entrusted in particular with the function of overseeing corporate governance recommendations?

Yes ☒

No ☐

Remarks

The Secretary of the board is entrusted in particular with the function of overseeing corporate governance recommendations.

- C. 1.35 Indicate and explain, where applicable, the mechanisms implemented by the company to preserve the independence of the auditor, financial analysts, investment banks and rating agencies.

As well as appointing the auditor, the Audit and Control Committee is responsible for maintaining the appropriate relations with the external auditors in order to receive information on those matters that could jeopardise their independence and any other matters related to the process of auditing the accounts. In all events, on an annual basis, the Audit and Control Committee must receive from the auditors written confirmation of their independence vis-à-vis the Company or entities related to it directly or indirectly, in addition to information on additional services of any kind rendered to these entities by the aforementioned auditors or persons or entities related to them as stipulated by auditing legislation. In addition, the Audit and Control Committee will issue annually, prior to the audit report, a report containing an opinion on the independence of the auditors. This report must contain an opinion of the provision of the aforementioned services.

As an additional mechanism of ensuring the auditor's independence, article 45.4 of the Bylaws states that the General Meeting may not revoke the auditors until the period for which they were appointed terminated, unless it finds just cause. Further, the Company has policies governing the relationship with the external auditors, approved by the Audit and Control Committee, to guarantee compliance with applicable legislation and the independence of the auditing work.

With regard to its relationship with market agents, the Company acts on the principles of transparency and non-discrimination set out in the applicable legislation and those stated in the Regulations of the Board of Directors which stipulate that the Board, through communications of material facts to the Spanish Securities Market Commission (CNMV) and the corporate website, shall inform the public immediately with regard to any material information. With regard to the Company's relationship with analysts and investment banks, the Investor Relations department shall coordinate the Company's relationship with analysts, shareholders and institutional investors and manage their requests for information in order to ensure they are treated fairly and objectively.

The Audit and Control Committee is kept duly informed in all matters regarding the granting and revision of ratings by rating agencies.

- C. 1.36 Indicate whether the company has changed its external audit firm during the year. If so, identify the incoming audit firm and the outgoing auditor.

Yes ☐No ☒

Explain any disagreements with the outgoing auditor and the reasons for the same.

- C. 1.37 Indicate whether the audit firm performs non-audit work for the company and/or its group. If so, state the amount of fees paid for such work and the percentage they represent of the fees invoiced to the company and/or its group.

Yes ☒No ☐

	Company	Group	Total
Amount of non-audit work (thousands euros)	3,036	372	3,408
Amount of non-audit work as a % of the total amount billed by the audit firm	48.70%	15.30%	39.30%

- C. 1.38 Indicate whether the audit report on the previous year's financial statements is qualified or includes reservations. Indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.

Yes ☐No ☒

- C. 1.39 Indicate the number of consecutive years during which the current audit firm has been auditing the financial statements of the company and/or its group. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited.

	Company	Group
Number of consecutive years	13	13
Number of years audited by current audit firm/Number of years the company's financial statements have been audited (%)	87.00%	87.00%

- C. 1.40 Indicate and give details of any procedures through which Directors may receive external advice.

Yes ☒No ☐

Procedures

Article 22 of the Regulations of the Board of Directors expressly states that to receive assistance in fulfilling their duties, external Directors may request that legal, accounting or financial advisors or other experts be hired, at the expense of the Company.

The decision to contract must be notified to the Chairman of the Company, if he holds executive status, and, otherwise, to the Chief Executive Officer, and may be vetoed by the Board of Directors, provided that it demonstrates that:

- * it is not necessary for the proper performance of the duties entrusted to the external Directors;
- * the cost thereof is not reasonable in view of the importance of the problem and of the assets and income of the Company;
- * the technical assistance being obtained may be adequately dispensed by experts and technical staff of the Company; or
- * it may entail a risk to the confidentiality of the information that must be handled.

- C. 1.41 Indicate whether there are procedures for Directors to receive the information they need in sufficient time to prepare for the meetings of the governing bodies.

Yes ☒

No ☐

Procedures

Article 21 of the Regulations of Board of Directors stipulates that Directors have the duty of diligently informing themselves on the running of the Company. For such purpose, they may request information on any aspect of the Company and examine its books, records, documents and further documentation. The right to information extends to investee companies provided that this is possible.

Requests for information must be directed to the Chairman of the Board of Directors, if he holds executive status, and otherwise, to the Chief Executive Officer who will forward the request to the appropriate party in the Company. If the Chairman deems that the information is confidential, he will notify the Director who requests and receives the information of this as well as of the Director's duty of confidentiality under these Regulations.

Notwithstanding the above, documents must be approved by the Board. In particular, documents that cannot be fully be analysed and discussed during the meeting due to their size are sent out to Board members prior to the Board meeting in question.

- C. 1.42 Indicate and, where appropriate, give details of whether the company has established rules obliging Directors to inform the board of any circumstances that might harm the organisation's name or reputation, tendering their resignation as the case may be.

Yes ☒

No ☐

Details of rules

In addition to the response to C.1.21 above, article 20 of the Regulations of the Board stipulates that Directors must place their position at the disposal of the Board of Directors and formalise, if the latter deems appropriate, the pertinent resignation when due to facts attributable to the Director, his remaining on the Board could cause serious damage to the corporate net worth or reputation in the judgement of the Board.

- C. 1.43 Indicate whether any Director has notified the company that they have been indicted or tried for any of the offences stated in article 213 of the LSC.

Yes ☐

No ☒

Indicate whether the Board of Directors has examined this matter. If so, provide a justified explanation of the decision taken as to whether or not the Director should continue to hold office or, if applicable, detail the actions taken or to be taken by the board.

- C. 1.44 List the significant agreements entered into by the company which come into force, are amended or terminate in the event of a change of control of the company due to a takeover bid, and their effects.

Not applicable.

- C. 1.45 Identify, in aggregate form and provide detailed information on agreements between the company and its officers, executives and employees that provide indemnities for the event of resignation, unfair dismissal or termination as a result of a takeover bid or other.

Number of beneficiaries 57

Type of beneficiary

2 executive Directors, 10 Management Committee members, 16 executives/ 29 employees -specialists and middle management

Description of resolution

2 executive Directors, 10 Management Committee members, 16 executives

2-7 annual payments (fixed remuneration or fixed and variable remuneration, depending on contractual conditions). Any compensation payments for early termination or rescission of contracts with the right to receive compensation shall only be paid as the positive difference between the compensation entitlement and the cumulative amount in the employee's favour in the policy governing pension benefit obligations or other long-term savings plans, which the manager shall be entitled in the case of termination or rescission of contracts

The remuneration policy applicable after 2015 contemplates the progressive adaptation of contracts so that payments for early termination of contracts are limited to a maximum of two annual payments of the fixed components of remuneration.

29 employees – specialists and middle management

1-2.4 annual payments (fixed remuneration or fixed and non-fixed remuneration, depending on contractual conditions).

Indicate whether these agreements must be reported to and/or authorised by the governing bodies of the company or its group.

	Board of Directors	Annual General Meeting
Body authorising clauses	Yes	No

	Yes	No
Is the General Shareholders' Meeting informed of such clauses?		X

C. 2 Board Committees

C. 2.1 Give details of all the board committees, their members and the proportion of proprietary and independent Directors.

EXECUTIVE COMMITTEE

Name	Position	Type
ISIDRO FAINÉ CASAS	CHAIRMAN	Proprietary
ANTONIO MASSANELL LAVILLA	MEMBER	Executive Director
GONZALO GORTÁZAR ROTAECHE	MEMBER	Executive Director
JAVIER IBARZ ALEGRÍA	MEMBER	Proprietary
JUAN JOSÉ LÓPEZ BURNIOL	MEMBER	Proprietary
MARIA DOLORS LLOBET MARIA	MEMBER	Proprietary
MARIA AMPARO MORALEDA MARTÍNEZ	MEMBER	Independent Director
ANTONIO SÁINZ DE VICUÑA Y BARROSO	MEMBER	Independent Director

% of executive Directors	25.00%
% of proprietary Directors	50.00%
% of independent Directors	25.00%
% of other external Directors	0.00%

NOMINATION COMMITTEE

Name	Position	Type
ANTONIO SÁINZ DE VICUÑA Y BARROSO	CHAIRMAN	Independent Director
MARÍA TERESA BASSONS BONCOMPTE	MEMBER	Proprietary
MARÍA AMPARO MORALEDA MARTÍNEZ	MEMBER	Independent Director

% of executive Directors	0.00%
% of proprietary Directors	33.00%
% of independent Directors	67.00%
% of other external Directors	0.00%

AUDIT AND CONTROL COMMITTEE

Name	Position	Type
ALAIN MINC	MEMBER	Independent Director
SALVADOR GABARRÓ SERRA	MEMBER	Proprietary
FRANCESC XAVIER VIVES TORRENTS	CHAIRMAN	Independent Director

% of executive Directors	0.00%
% of proprietary Directors	33.00%
% of independent Directors	67.00%
% of other external Directors	0.00%

REMUNERATION COMMITTEE

Name	Position	Type
MARÍA AMPARO MORALEDA MARTÍNEZ	CHAIRMAN	Independent Director
SALVADOR GABARRÓ SERRA	MEMBER	Proprietary
ALAIN MINC	MEMBER	Independent Director
LEOPOLDO RODÉS CASTAÑÉ	MEMBER	Proprietary

% of executive Directors	0.00%
% of proprietary Directors	50.00%
% of independent Directors	50.00%
% of other external Directors	0.00%

RISKS COMMITTEE

Name	Position	Type
ANTONIO SÁINZ DE VICUÑA Y BARROSO	CHAIRMAN	Independent Director
JAVIER IBARZ ALEGRÍA	MEMBER	Proprietary
JUAN JOSÉ LÓPEZ BURNIOL	MEMBER	Proprietary
MARÍA AMPARO MORALEDA MARTÍNEZ	MEMBER	Independent Director
JUAN ROSELL LASTORTAS	MEMBER	Independent Director

% of executive Directors	0.00%
% of proprietary Directors	40.00%
% of independent Directors	60.00%
% of other external Directors	0.00%

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
ANTONIO SÁINZ DE VICUÑA Y BARROSO	CHAIRMAN	Independent Director
MARÍA TERESA BASSONS BONCOMPTE	MEMBER	Proprietary
MARÍA AMPARO MORALEDA MARTÍNEZ	MEMBER	Independent Director

% of executive Directors	0.00%
% of proprietary Directors	33.00%
% of independent Directors	67.00%
% of other external Directors	0.00%

C. 2.2 Complete the following table on the number of female Directors on the various board committees over the past four years.

	Number of female Directors							
	2014		2013		2012		2011	
	Number	%	Number	%	Number	%	Number	%
EXECUTIVE COMMITTEE	2	25.00%	2	33.33%	3	42.86%	3	42.86%
NOMINATION COMMITTEE	2	66.67%	0	0.00%	0	0.00%	0	0.00%
AUDIT AND CONTROL COMMITTEE	0	0.00%	0	0.00%	0	0.00%	0	0.00%
REMUNERATION COMMITTEE	1	25.00%	0	0.00%	0	0.00%	0	0.00%
RISKS COMMITTEE	1	20.00%	0	0.00%	0	0.00%	0	0.00%
APPOINTMENTS AND REMUNERATION COMMITTEE	0	0.00%	2	66.67%	2	66.67%	1	33.33%

C. 2.3 Indicate whether the Audit Committee is responsible for the following:

	Yes	No
Monitoring the preparation and integrity of financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter and the correct application of accounting principles.	X	
Reviewing internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.	X	
Monitoring the independence and efficacy of the internal audit function; proposing the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verifying that senior management are acting on the findings and recommendations of its reports.	X	
Establishing and supervising a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.	X	
Making recommendations to the board for the selection, appointment, reappointment and removal of the external auditor, and the terms of their engagement.	X	
Receiving regular information from the external auditor on the progress and findings of the audit program, and checking that senior management are acting on its recommendations.	X	
Monitoring the independence of the external auditor.	X	

C. 2.4 Describe the organisational and operational rules and the responsibilities attributed to each of the board committees.

- C. 2.5 Indicate, as appropriate, whether there are any regulations governing the board committees. If so, indicate where they can be consulted, and whether any amendments have been made during the year. Also, indicate whether an annual report on the activities of each committee has been prepared voluntarily.

EXECUTIVE COMMITTEE

Brief description

There are no specific regulations for the Board committees. The Executive Committee is governed by applicable legislation, the Company's Bylaws and the Regulations of the Board of Directors. Aspects not specifically defined for the Executive Committee are governed by the rules of procedure set forth in the Regulations of the Board of Directors for general Board procedures and which is available on CaixaBank's website (www.caixabank.com). There is no express mention in the Company's Bylaws that the Committee must prepare an activities report. Nevertheless, at its meeting on 19 February 2015 the Committee approved its annual activities report which includes the main aspects of its regulation as described in the various corporate documents. It also evaluates the committee's performance during 2014.

AUDIT AND CONTROL COMMITTEE

Brief description

There are no specific regulations for the Board committees. The organisation and functions of the Audit and Control Committee are set out in the Regulations of the Board of Directors which is available on CaixaBank's corporate website (www.caixabank.com) together with its structure and composition.

In compliance with article 13.3 (v) of the Regulations of the Board of Directors, at its meeting on 26 February 2014, the Audit and Control Committee approved its annual activities report which includes the main aspects of its regulation as described in the various corporate documents. It also evaluates the committee's performance during 2014.

RISKS COMMITTEE

Brief description

There are no specific regulations for the Board committees. The organisation and functions of the Risks Committee are set out in the Regulations of the Board of Directors which is available on CaixaBank's corporate website (www.caixabank.com) together its structure and composition.

In compliance with article 13.3 (v) of the Regulations of the Board of Directors, at its meeting on 19 February 2014, the Risks Committee approved its annual activities report which includes the main aspects of its regulation as described in the various corporate documents. It also evaluates the committee's performance during 2014.

APPOINTMENTS COMMITTEE

Brief description

There are no specific regulations for the Board committees. The organisation and functions of the Appointments Committee are set out in the Regulations of the Board of Directors which is available on CaixaBank's corporate website (www.caixabank.com) together its structure and composition.

In compliance with prevailing legislation, at its meeting on 23 February 2015, the Appointments Committee approved its annual activities report detailing its performance during 2014.

REMUNERATION COMMITTEE

Brief description

There are no specific regulations for the Board committees. The organisation and functions of the Remuneration Committee are set out in the Regulations of the Board of Directors which is available on CaixaBank's corporate website (www.caixabank.com) together its structure and composition.

In compliance with prevailing legislation, at its meeting on 17 February 2015, the Appointments Committee approved its annual activities report detailing its performance during 2014.

- C. 2.6 Indicate whether the composition of the Executive Committee reflects the participation within the board of the different types of Directors.

Yes ☒

No ☐

D RELATED-PARTY AND INTRAGROUP TRANSACTIONS

- D. 1 Identify the competent body and explain, if applicable, the procedures for approving related-party or intragroup transactions.

Competent body
Board in plenary session.

CONTINUES IN SECTION H.

Procedures for approving related-party transactions

The Board of Directors, or the Executive Committee (for reasons of urgency and under the authorisation conferred) shall approve related-party transactions based on a favourable report from the Audit and Control Committee. Any Directors affected by these transactions shall abstain from the debate and voting on the transactions.

Intragroup transactions are regulated by clause 4 of the Internal Relations Protocol between the Caja de Ahorros y Pensiones de Barcelona, "la Caixa" Banking Foundation y CaixaBank which is available on the CaixaBank website (http://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/Gobierno_corporativo/ProtocoloCABK_en.pdf)

It should be noted that certain intragroup operations described in Clause 4.3, given their importance, shall be subject to prior approval of the CaixaBank Board of Directors which must be in possession of a report from the CaixaBank Audit and Control Committee and also of the "la Caixa" Banking Foundation Board of Trustees.

Explain if the authority to approve related-party transactions has been delegated to another body or person.

Pursuant to article 4 of the Regulations of the Board of Directors, the Board in plenary session is responsible for approving transactions which the Company conducts with Directors, significant shareholders, shareholders with Board representation or other persons related thereto.

Nevertheless, for reasons of urgency and under the authorisation conferred, the Executive Committee shall approve these transactions, which must subsequently be submitted for ratification.

- D. 2 List any relevant transactions, by virtue of their amount or importance, between the company or its group of companies and the company's significant shareholders.

Name or corporate name of significant shareholder	Name or corporate name of the company or its group company	Nature of the relationship	Type of transaction	Amount (thousands of euros)
LA CAIXA BANKING FOUNDATION	CAIXABANK	Corporate	Others	166,458
CRITERIA CAIXAHOLDING, S.A.U.	CAIXABANK	Corporate	Others	490,251
CRITERIA CAIXAHOLDING, S.A.U.	CAIXABANK	Commercial	Financing agreements: loans	750,000
CRITERIA CAIXAHOLDING, S.A.U.	CAIXABANK	Commercial	Financing agreements: others	999,000
CRITERIA CAIXAHOLDING, S.A.U.	CAIXABANK	Commercial	Other instruments that could imply a transfer of resources of or obligations between the Company and the related party	800,000
LA CAIXA BANKING FOUNDATION	CAIXABANK, S.A.	Contractual	Licences agreements	1,600

- D. 3 List any relevant transactions, by virtue of their amount or importance, between the company or its group of companies and the company's managers or Directors.

- D. 4 List any relevant transactions undertaken by the company with other companies in its group that are not eliminated in the process of drawing up the consolidated financial statements and whose subject matter and terms set them apart from the company's ordinary trading activities.

In any case, list any intragroup transactions carried out with entities in countries or territories considered to be tax havens.

Corporate name of the group company

VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS

Amount (thousands of euros): 3,558,834

Brief description of the transaction:

Purchase of CAIXABANK issues held by VidaCaixa.

Corporate name of the group company

VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS

Amount (thousands of euros): 388,710

Brief description of the transaction:

Purchase of SAREB subordinated bonds

- D. 5 Indicate the amount from other related-party transactions.

0 (thousands of euros)

- D. 6 List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its Directors, management or significant shareholders.

Directors and Executives

Article 26 of the Regulations of the Board of Directors regulates the duty not to compete of company 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 the Company's assets to obtain an economic advantage unless they have paid an adequate consideration.

Further, article 1 of the Code of Conduct on Matters relating to the Securities Market of CaixaBank stipulates that Concerned Persons shall include members of the Board of Directors, and senior executives and members of the Company's Management Committee.

Section VI of the Regulation establishes the Policy on Conflicts of Interest of the Company, and article 36 lists the duties regarding personal or family-related conflicts of interest of Concerned Persons. 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.

Significant shareholders

In order to foster the Company's transparency, and good governance, and in accordance with Recommendation 2 of the Unified Good Governance Code, CaixaBank and "la Caixa", as controlling shareholder, signed an Internal Relations Protocol. This has been novated on various occasions and duly reported to the CNMV each time.

The current Protocol aims to: develop the basic principles governing relations between the "la Caixa" Banking Foundation and CaixaBank; demarcate the general parameters governing any mutual business or social dealings between CaixaBank, its group and the "la Caixa" Banking Foundation and other Group companies (of which CaixaBank is part), and to ensure an adequate flow of information to allow the "la Caixa" Banking Foundation and the CaixaBank to prepare financial statements and meet their periodic reporting and supervision obligations with Bank of Spain, the CNMV and other regulatory bodies

The Protocol lays down the procedures to be followed by CaixaBank and the "la Caixa" Banking Foundation with regard to, inter alia, conflicts of interest, their relationship with core shareholders, related-party transactions and the use of privileged information, pursuant to prevailing legislation at all times.

D. 7 Is more than one group company listed in Spain?

Yes ☐

No ☒

Identify the listed subsidiaries in Spain

Listed subsidiaries

Indicate whether they have provided detailed disclosure on the type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;

Business dealings between the parent and listed subsidiary, as well as between the subsidiary and other group companies

Indicate the mechanisms in place to resolve possible conflicts of interest between the listed subsidiary and other group companies.

Mechanisms

E RISK CONTROL AND MANAGEMENT SYSTEMS

E. 1 Describe the risk management system in place at the company.

The Company hereby states that of the descriptions contained in CNMV Circular 5/2013, of 12 June, regarding the scope of entities' risk management system, the one which best describes the Company's is number 1:

"... The Risk Management System functions in an integrated and continuous manner, with each area, business unit, activity, subsidiary, geographical area and support area (for example human resources, marketing or management control) managing risk at a corporate level."

In other words, risk control is fully ingrained in the business and the organisation plays a proactive role in ensuring that it is implemented. Senior management participates directly in maintaining the internal control framework, ensuring that it is executed prudently, and in the ongoing management and planning of capital to guarantee the level of capital available is in keeping with the Entity's risk level. The risk management system is comprehensive and consolidated at corporate level.

Risk management at CaixaBank is based on the following principles:

- Risk is inherent to CaixaBank's business
- Risk is the ultimate responsibility of the Board and requires involvement of Senior Management
- Medium-low risk profile
- Involvement throughout the organisation
- Life cycle of transactions
- Joint decision-making, with an authorisation system always requiring approval by two employees
- Independence of business and operating units
- Lending approval based on the borrower's repayment ability and an appropriate return
- The use of standard criteria and tools
- Decentralised decision-making
- Use of advanced techniques
- Allocation of appropriate reserves

The Risk Management System itself comprises the following elements:

- The corporate risk catalogue, signed within the framework of the Corporate Risk Map Project (for more information see point E.3), allows for the classification of risks by category and facilitates their evaluation, thereby helping determine the Group's risk profile, a Risk Appetite Framework which standardises risk terminology and facilitates the adaptation of risk reporting to the requirements of the Single Supervisory Mechanism (SSM).

- The Risk Appetite Framework (RAF) is a comprehensive and forward-looking tool used by the CaixaBank Group's Board of Directors to determine the types and thresholds of risk it is willing to assume in achieving the financial conglomerate's strategic and profitability targets.
- Policies which are the regulatory framework defining how risk activities are conducted in general in order to control and manage risks at corporate level.
- Procedures, methodologies and support tools, which allow policies to be articulated and the "standardisation, comprehensiveness and consistency" principle to be adhered to.
- Risk culture at CaixaBank constantly evolving. This is evident in (i) training: both classroom-based and virtual, using the remote means available; (ii) information: publication of relevant standards, circulars and manuals which are reported during monthly meetings of the CEO and senior management with the directors of the branch network and Central Services; and (iii) incentives: at present this applies to the variable remuneration of certain managers involved in risk origination and management.
- A fully integrated Risk Monitoring and Control System which (i) mitigates operational losses, provides information on thresholds, consumption and risk positions to (ii) avoid overexposure and ensure reporting information, risk calculations and metrics are complete to (iii) guarantee their reliability when measuring risks, and in relation to the data fed into risk software to ensure (iv) no key data is missing or contains inaccurate or out-of-date information which means debtor risks cannot be calculated properly.
- CaixaBank has an internal control framework which offers a reasonable degree of assurance that the Group will achieve its objectives. CaixaBank's internal control environment is aligned with guidelines issued by the regulator and industry best practices, and is structured in accordance with the Three Lines of Defence model: the first involves the Entity's own areas; the Internal Control Area is the second line of defence, together with Global Risk Management, Internal Control over Financial Reporting (ICFR) and Regulatory Compliance, among others, which oversee the proper operation of risk management and control carried out by first line; and finally, the third line of defence is the supervisory element which is formed by the Internal Audit Area.

For more information see Note 3 of the Consolidated Financial Statements of the CaixaBank Group for 2014.

E. 2 Identify the bodies responsible for preparing and implementing the risk management system.

Governing bodies

CaixaBank's Board of Directors is the Entity's highest risk-policy setting body. In this regard, the Board itself takes decisions on certain risk management issues:

- Adopting and monitoring compliance with risk measurement approaches, as well as calculating the related regulatory capital requirements;
- Organising control duties at the highest level of authority;
- Establishing global risk limits; and
- Ruling on general risk policies and progress made..

In general, the Board of Directors' functions are:

- Defining general risk management principles;
- Establishing the distribution of functions within the organisation and the criteria for preventing conflicts of interest;
- Approving and reviewing periodically the risk performance, management, control and reduction strategies and policies;
- Approving the general internal control strategies and procedures; and
- Monitoring the results of the risk management and control function and the status of internal control.

The Board has delegated certain issues to the Delegate Committees, whose activities are described in the Regulations of the Board of Directors (articles 11 et seq.). Specifically, the delegate Risks Committee (set up in 2014) closely monitors risk management. Its exact duties and composition are detailed in section C.2.4.. However, the Audit and Control Committee is, without prejudice to the Board's risk control and management powers, the final guarantee of the control mechanisms. See section C.2.4 for its exact duties and composition.

Management bodies

Senior management acts within the framework of powers delegated by the Board of Directors, both collegiately (Management Committee) and individually through the Chief Risks Officer. CaixaBank's General Risk Division ensures the correct working of the Group's Risk Management System. It is not directly responsible for reputational risk (which is managed by the Deputy General Division for Communication, Institutional Relations, Brand and Corporate Responsibility) nor legal/political/regulatory risk or regulatory compliance (which are the responsibility of the General Secretary).

CaixaBank senior management sit on the various risk management committees which establish general action policies, approve transactions at the highest level, and manage business risk across the Group. These committees are:

- Global Risks Committee
- Risk Policies Committee
- Subsidiaries' Risk Policies Committee
- Asset and Liability Committee (ALCO)
- Permanent Lending Committee
- Real Estate Acquisition and Appraisal Committee
- Operational Risk Committee
- Parameters and Models Committee
- Risk Monitoring Committee
- Default and Recovery Committee

- New Investment Products Committee
- Corporate Rating Committee
- Major Auctions Committee
- Major Customer Monitoring Committee
- Dations Committee

For more information see Note 3 of the Consolidated Financial Statements of the CaixaBank Group for 2014.

E. 3 Indicate the main risks which may prevent the savings bank from achieving its targets.

Developments in the financial system and the rapid transformation of the regulatory framework highlight the growing importance of assessing the risk and control environment of entities. Within this framework, CaixaBank's Internal Control Area is coordinating the Corporate Risk Map (CRM) project) to identify, measure, monitor, control and report risks. The process for assessing the significance of risks is aligned with the Entity's Risk Appetite Framework (outlined in point E.1 above).

The Corporate Risk Map offers a comprehensive vision of the risks associated with corporate activities and the control environment.

The CRM project has included determining a Corporate Risk Catalogue (see point E.1), which helps the internal and external monitoring and reporting of risks, which are grouped into the following categories: Risks affecting the Entity's financial activity and risks affecting business continuity.

The main risks reported periodically to management and the governing bodies are:

Risks affecting the Entity's financial activity.

- Liquidity risk: Risk of insufficient liquid assets due to outflows of funds and market closure to meet contractual maturities of liabilities, regulatory requirements, or the needs of the business.
- Credit risk: Risk of a decrease in the value of the CaixaBank Group's assets due to uncertainty in a counterparty's ability to meet its obligations.
- Market risk: Risk of a decrease of the value in the Group's assets held for trading or increase in the value of its liabilities held for trading due to fluctuations in interest rates or prices in the market where the assets/liabilities are traded.
- Interest or exchange rate risk: Risk of a negative impact on the economic value of the balance sheet or results, arising from changes in the structure of the interest rate curve or exchange rate fluctuations.
- Actuarial risk: Risk of an 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.
- Capital adequacy risk: Risk caused by a restriction of the CaixaBank Group's ability to adapt its level of capital to regulatory requirements or to a change in its risk profile.

Risks affecting continuity of corporate activity

- Legal/Regulatory risk: Risk of a loss or decrease in profitability of the CaixaBank Group as a result of changes to the regulatory framework or court rulings that are unfavourable to the Entity.
- Compliance risk Risk arising from a deficient procedure that generates actions or omissions that are not aligned with the legal or regulatory framework, or with the internal codes and rules, and which could result in administrative sanctions or reputational damage.
- Operational risk: Risk of losses arising from inadequate or failed internal processes, people and systems, or from external events. Includes the risk categories encompassed in the regulation.
- Reputational risk: Risk associated with reduced competitiveness due to the loss of trust in CaixaBank by some of its stakeholders, based on their assessment of actions or omissions, real or purported, by the Entity, its Senior Management or Governing Bodies.

For more information see Note 3 of the Consolidated Financial Statements of the CaixaBank Group for 2014.

E. 4 Identify if the company has a risk tolerance level.

The Entity has various risk tolerance levels in its Risk Appetite Framework (already detailed in point E.1, as part of its Risk Management System).

CaixaBank's Risk Appetite Framework includes qualitative and quantitative statements.

- The risk appetite statement transmits the target risk profile with four key dimensions

1. Loss protection: The Entity wishes to maintain a medium-low risk profile and a comfortable level of capital.
2. Liquidity and financing: In order to have a stable and diversified financing base, the Entity must be certain it has the capability to meet its financing obligations and needs, including under adverse market conditions.
3. Business combination: The Entity aspires to hold a leading position in the retail banking market and be able to generate revenue and capital in a balanced and diversified manner.
4. Franchise risks: the Group adheres to the highest ethical and governance standards, encouraging sustainability and social responsibility, and actively strives to ensure operating excellence.

- Quantitative metrics, which are summarised in scorecards:

1. Primary metrics, with the appetite and tolerance levels set by the Board
2. Complementary indicators, to breakdown or complement risk monitoring by the management team

- Management levers, to ensure the business and risks are managed in a coherent and efficient manner. These are included in:

1. Human Resources policies
2. Risk communication and training
3. Processes and tools
4. Delegation of authority
5. Policies and methodologies
6. Limits (e.g. concentration)

For each key dimension defined, and in addition to the qualitative statements, there are also various quantitative metrics with the appetite to be maintained and the tolerance thresholds. Along with the management levers, these help steer the risk profile assumed by the management team.

There are various "Appetite" and "Tolerance" levels for each of the metrics which have a system of alert traffic lights:

- "Green traffic light": risk target
- "Amber traffic light": early alert
- "Red traffic light": breach

There is also a "Black traffic light" for certain metrics included in the Recovery and Resolution Plan. Once activated, the stipulated communication and governance processes will be triggered.

This ensures a comprehensive and scaled monitoring process of potential impairments in the Entity's risk profile, and regulates the opportune and selective involvement of the governing bodies.

For more information (risk assessment process) see Note 3 of the Consolidated Financial Statements of the CaixaBank Group for 2014.

E. 5 Identify any risks which have occurred during the year.

The risks, identified in the Corporate Risks Catalogue, are listed in point E.3; the comprehensive (management, control, etc.) and forward-looking tool used is the Risk Appetite Framework (described in point E.1); in line with the primary metrics defined therein, credit risk rose above the risk appetite thresholds in 2014, although it remained within the tolerance levels.

Specifically, there were losses due to impairment of the portfolio of loans, while real estate and non-core assets on the consolidated balance sheet exceeded the desired amount, against a backdrop of a drawn-out economic crisis in Spain, deleveraging of the private sector and stagnation in the real estate sector.

The initiatives adopted and the current action plans should enable the risk levels to be brought back into line with the Entity's risk appetite.

The main figures which affected credit risk in 2014 are:

- NPLs. At 31 December 2014 the Group's non-performing loans totalled EUR 20,110 million (9.69%). At 31 December 2013 this was EUR 25,365 million (11.66%).
- Property development and foreclosed assets. At 31 December 2014, the Group's gross financing of real estate development stood at EUR 14,069 million (EUR 19,980 million at 31 December 2013) and the net carrying amount of foreclosed assets was EUR 6,719 million (EUR 6,169 million at 31 December 2013).
- CaixaBank's NPL ratio compares very favourably with that of the private sector resident lending for the total system, which in 11 months has gone from 13.8% (31 December 2013) to 12.8% (30 November 2014, the last available date). (Source: Bank of Spain).
- For the NPL coverage ratio, in 2014 the Group recognised insolvency provisions of EUR 2,084 million (EUR 3,974 in 2013), stripping out recoveries. Including these provisions, total credit loss provisions were EUR 11,120 million at the end of 2014 (EUR 15,478 at the end of 2013).
- This gave a Cost of Risk of 1.0% in 2014 compared to 1.86% in 2013 and an expected loss of EUR 8,687 million at the end of 2014 (EUR 10,636 at the end of 2013).

Control systems

The Group's ability to generate value over the long term has not been affected.

Here we would note the positive result obtained by the Group in the Asset Quality Review and the stress tests which were carried out in preparation of the Single Supervisory Mechanism (SSM) assuming full powers.

The control systems worked correctly, meaning the risk was correctly managed. The Group's Board was informed of the progress.

For more information see Note 3 of the Consolidated Financial Statements of the CaixaBank Group for 2014.

E. 6 Explain the response and monitoring plans for the main risks the company is exposed to.

Due to space limitations, see our response in "Appendix to 2014 ACGR" attached to section H.

F INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

Describe the mechanisms which comprise the internal control over financial reporting (ICFR) risk control and management system at the entity.

F.1 The entity's control environment

Specify at least the following components with a description of their main characteristics:

F. 1.1. The bodies and/or functions responsible for: (i) the existence and regular updating of a suitable, effective ICFR; (ii) its implementation; and (iii) its monitoring.

The Board of Directors of CaixaBank has formally assumed responsibility for ensuring the existence of a suitable, effective ICFR and has delegated powers to the Entity's Audit, Management and Capital Control Executive Division to design, implement and monitor the same.

Article 40.3 of CaixaBank's Bylaws, states that the Audit and Control Committee's responsibilities shall include at least the following:

- "To oversee the effectiveness of the Company's internal control environment, internal audit and risk management systems, and to discuss with auditors of accounts any significant weaknesses in the internal control system identified during the course of the audit.
- To oversee the process for preparing and submitting regular financial accounting information."

In this regard, the Audit and Control Committee is charged with overseeing ICFR. Its oversight activity seeks to ensure its continued effectiveness by gathering sufficient evidence of its correct design and operation.

The Entity has been notified of this role and an internal, classified Internal Control over Financial Reporting Code has been approved by the Management Committee and Board of Directors. The Internal Control over Financial Reporting Unit ("ICFR") reports directly to the Head of Audit, Management and Capital Control who:

- Assesses whether the practices and processes in place at the Entity ensure the reliability of the financial information and compliance with applicable regulations.
- Evaluates that the financial information reported by the various business areas and entities comprising the CaixaBank Group comply with the following principles:
 - Transactions, facts and other events presented in the financial information exist in reality and were recorded at the right time (existence and occurrence).
 - The information includes all transactions, facts and other events in which the entity is the affected party (completeness).
 - Transactions, facts and other events are recorded and valued in accordance with applicable standards (valuation).
 - Transactions, facts and other events are classified, presented and disclosed in the financial information in accordance with applicable standards (presentation, disclosure and comparability).
 - Financial information shows, at the corresponding date, the Entity's rights and obligations through the corresponding assets and liabilities, in accordance with applicable standards (rights and obligations).

The Code also details the responsibilities of the Internal Accounting Units which are involved in preparing financial information. These responsibilities include certifying the execution of the key controls identified with the required frequency, as well as helping to identify risks and controls and the formal establishment and descriptive documentation of the activities and controls which affect the preparation of financial information.

F.1.2. The existence or otherwise of the following components, especially in connection with the financial reporting process:

- The departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) deploying procedures so this structure is communicated effectively throughout the entity.

CaixaBank's Board of Directors has entrusted its Management Committee and Appointments Committee with reviewing the organisational structure and the lines of responsibility and authority at the Entity. The Organisation and Quality area designs the organisational structure of CaixaBank and proposes to the Entity's governing bodies any suitable changes. Then, the Human Resources and Organisation Deputy General Division proposes the people to be appointed to carry out the duties defined.

The lines of responsibility and authority for drawing up the Entity's financial information are clearly defined. It also has a comprehensive plan which includes, among other issues, the allocation of tasks, key dates and the various revisions to be carried out by each of the hierarchical levels. The above-mentioned lines of authority and responsibility have been duly documented and all of those people taking part in the financial reporting process have been informed of the same.

We would note that all CaixaBank Group entities subject to ICFR act in a coordinated manner. In this regard, the above-mentioned Internal Regulations enable the Entity to disseminate its ICFR methodology groupwide.

- Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action.

The CaixaBank Code of Business Conduct and Ethics, which has been approved by the Board of Directors, sets out the core ethical values and principles that guide its conduct and govern the actions of all employees, executives and officers. The Code is available to all employees on the Company's intranet and can also be accessed by shareholders, customers, suppliers and other interested parties under the Corporate Responsibility section of the CaixaBank website.

The ethical values and principles outlined in the Code are as follows: compliance with the law, respect, integrity, transparency, excellence, professionalism, confidentiality and social responsibility.

The Code also states that the Entity undertakes to provide its customers and shareholders with accurate, truthful and understandable information on its transactions and commissions and the procedures for handling claims and resolving incidents. CaixaBank also makes all its financial and relevant corporate information available to its shareholders, in line with prevailing legislation.

All new employees must adhere to the Code.

Likewise, due to prevailing legislation and self-regulatory agreements proposed by Management and the Governing Bodies, there are other codes regulating the conduct of employees in specific areas. These are:

I. Internal Rules of Conduct on matters relating to the Stock Market (IRC)

Its objective is to set out the rules governing CaixaBank's actions as well as its administrative bodies, employees and representatives, in accordance with the rules of conduct contained in the Securities Market Law and the corresponding implementing regulations. In addition, this Code of Conduct sets out CaixaBank's conflict of interest policy, in accordance with the above-referenced legislation. The overall purpose is to promote transparency in markets and to protect, at all times, the legitimate interests of investors. The Code is available to all employees on the Regulatory Compliance section of the Entity's intranet and all covered parties must declare that they are cognisant of it. Other stakeholders may also access it on the CaixaBank website. The CoC Oversight Body is charged with analysing any breaches and imposing corresponding corrective measures or disciplinary action. Likewise, any queries regarding the content of the IRC can be forwarded to the Secretary of the Code of Conduct Monitoring Committee or Regulatory Compliance, depending on the issue.

II. The Entity also has a Telematic Code of Conduct which implements the conduct and best practices associated with access to the Entity's data and information systems.

It applies to all CaixaBank employees and is disseminated internally on the Regulatory Compliance portal on the intranet. All new employees must adhere to the Telematic Code of Conduct and all new versions of the same are announced on the intranet.

III. The Anti-Corruption Policy covers CaixaBank's position in its relations with public administrations, political parties, authorities and civil servants and contains guidelines regarding, inter alia, accepting and giving gifts, sponsorships and donations to non-governmental organisations.

It applies to all employees and is available on the intranet while external stakeholders can view it on CaixaBank's corporate website.

IV. The Policy and Internal Code of Conduct for the Contribution to Euribor and Eonia regulates the management and internal control framework of the process as well as its guidelines.

These guidelines are only applicable to personnel in the Euribor Contribution Unit, and one of the aspects covered is the identification and management of potential conflicts of interest.

Finally, we would note that there is an Internal Confidential Consulting Channel where employees can send any queries regarding the interpretation and application of the Code of Ethics, the Anti-corruption Policy, the Telematic Code of Conduct and the Internal Code of Conduct relating to the Euribor and Eonia Contribution Process. The channel is available to all employees on the intranet. Queries are handled by Regulatory Compliance except for those regarding the Telematic Code of Conduct which are handled by the IT Security Area. As we have already mentioned, all queries regarding the IRC can be sent to the Code of Conduct Monitoring Committee or Regulatory Compliance, depending on the subject.

The following training on these codes, regulations and policies was given in

- 2014: e-learning courses on the Code of Ethics, the Anti-corruption Policy and the Confidential Consulting and Whistle-blowing Channel. This 90-minute course was aimed at all CaixaBank employees.
- Information Security training was also given in 2014, to provide knowledge on the protection measures and criteria to be adopted concerning information. The course also included the guidelines of the Telematic Code of Conduct. This 60 minute e-learning course was aimed at all CaixaBank employees.
- There were also two e-learning courses available on the IRC: one for all covered persons; and another for all employees which focused on identifying and notifying any market abuse or suspicious operations, the corporate conflict of interest policy and employees' general obligations regarding privileged information.

- 'Whistle-blowing' channel, for the reporting to the audit committee of any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and malpractice within the organisation, stating whether reports made through this channel are confidential.

All notifications about possible breaches of the Code of Ethics, the Anti-Corruption Policy, the Telematic Code of Conduct and the Internal Code of Conduct for the Contribution to Euribor and Eonia, as well as reports of potential irregularities regarding financial and accounting information must be sent to Regulatory Compliance via the Confidential Consulting and Whistle-blowing Channel set up by CaixaBank and available to all employees on the intranet. This unit is responsible for managing the channel, while all reports are dealt with by an internal collegiate unit which alerts the relevant business units of the measures to be applied.

The collegiate body, which is formed by the General Secretary's Office, Human Resources, Regulatory Compliance and Legal Advisory, notifies the Audit and Control Committee of any complaints regarding financial and accounting information pursuant to the ICFR guidelines.

This internal channel is exclusively for employees and can be accessed via various links on the intranet. All reports must be individual and confidential. The whistle-blower is only identified to the business areas involved in the investigation if it is absolutely necessary and only with the employee's consent. This also guarantees the employee's indemnity except in cases of intentional claims or their participation in the events.

We would note that in 2014 the Entity offered training on this channel and its use (see previous section).

- Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating ICFR, which address, at least, accounting rules, auditing, internal control and risk management.

CaixaBank and its subsidiaries strive to offer an ongoing accounting and financial plan which is adapted to the requirements inherent in the job and responsibilities of personnel involved in preparing and reviewing financial information.

In 2014, training courses focused on the following areas:

- Accounting
- Auditing
- Internal Control
- Legal/Fiscal
- Risk management
- Regulatory Compliance

The various courses were aimed at personnel in Audit, Management and Capital Control, Audit and Control, Default and Recovery, Risks, and Regulatory Compliance, as well as members of the Entity's senior management. An estimated 2,500 hours of training were provided.

Also, following the incorporation of 21 new employees in the Audit Area, a bespoke training plan was drawn up for them, covering, inter alia, risks and auditing best practices. The courses were both classroom-based and virtual with approximately 90 hours assigned to each person.

Audit, Management and Capital Control also subscribes to various national and international accounting and financial publications, journals and websites. These are checked regularly to ensure that the Entity takes into account any developments when preparing financial information.

We would note that in the last quarter of 2014, the Entity launched a revised on-line ICFR training course, mainly for new employees. A total of 64 employees in Legal Services, the General Risk Division, Audit, Management and Capital Control, Internal Control and Regulatory Compliance took part. This is in addition to the 236 employees who took the course in 2013 when it was also aimed at personnel in subsidiaries involved in preparing and reviewing financial information.

This two-hour long course is intended to raise awareness among all employees, either directly or indirectly involved in preparing financial information, of the importance of establishing mechanisms which guarantee the reliability of the same, as well as their duty to ensure compliance with applicable regulations. The first section covers ICFR standards, with particular reference to the CNMV's guidelines issued in June 2010, while the second covers the methodology established at the CaixaBank Group to ensure compliance with all prevailing ICFR regulatory requirements.

Also, following the roll out at the beginning of 2014 of the ICFR IT system (SAP GRC) which is used by all staff responsible for the controls in the quarterly internal certification process (see section F.3.1), a two-hour long classroom-based course was offered to all employees explaining how to use the system and the correct validation procedure to ensure the controls are effective.

As in 2013, professional development programmes and courses for the various business areas were drawn up in accordance with the profiles and skills of potential participants and the objectives set.

The Management Development Centre also runs specific training courses for managers, following on from the leadership programmes for Business Area Heads and activities aimed at executives from central services and new business areas. Talent identification and management programmes were also available.

In 2014 various classroom-based courses were available to members of the Remuneration Committee, the Risks Committee, the Board of Directors and the Audit and Control Committee. These courses, given by leading external instructors, covered issues concerning corporate governance and senior management remuneration, risks, regulatory compliance and accounting developments.

In total, the Group gave over one million hours of classroom-based and online training in 2014 to its staff. Among the subjects covered were accounting and auditing principles, as well as internal control and risk management. CaixaBank is committed to informal e-learning via its Virtaula platform where employees can share knowledge. Training via this platform in 2014 also amounted to over one million hours.

F.2 Risk assessment in financial reporting

Report at least:

F.2.1. The main characteristics of the risk identification process, including risks of error or fraud, stating whether:

- The process exists and is documented.

CaixaBank's risk identification process is as follows:

1. Determining the scope of the review: relevant headings and Group Entities generating this financial information are selected, using quantitative and qualitative criteria.
2. Documentation of the processes, applications and Business Areas involved, either directly or indirectly, in preparing financial information.
3. Identifying and assessing risks Details of the processes concerning risks which may cause errors in the financial information. A financial information risk map is defined.
4. Documentation of existing controls to mitigate critical risks identified.
5. Continual assessment of the efficiency of ICFR. Reports submitted.

As indicated in the internal regulations which govern Internal Control over Financial Reporting, CaixaBank has a policy outlining the risk identification process and the relevant areas and risks associated with financial information reporting, including risks of error or fraud.

This policy implements the methodology to identify key processes, areas and risks associated with financial information, based largely on:

- Establishing specific guidelines for responsibilities and implementation and updating; and
- Establishing the criteria to be followed when identifying these. Both quantitative and qualitative criteria are used. The different possible combinations of these two types of criteria (qualitative and quantitative) are used to determine whether a financial statement item is considered significant or insignificant.
- The sources to be used.

Using the most recent financial information available and in collaboration with the different areas that have processes which affect the reporting and preparation of financial information, the ICFR function periodically, at least once a year, identifies the main risks which could have an impact on its reliability as well as the controls in place to mitigate them.

However, when, during the course of the year, previously unidentified circumstances arise that could lead to potential errors in financial information or substantial changes in the Group's operations, the ICFR function must evaluate the existence of risks in addition to those already identified.

In any case, risks will refer to possible errors (intentional or otherwise) with a potentially significant impact on financial information objectives: existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations.

The risk identification process takes into account both routine transactions as well as less frequent transactions which are potentially more complex as well as the effects of other types of risks (operational, technology, financial, legal, reputational, environmental, etc.).

The Entity also has an analysis procedure in place at the various Business Areas involved in corporate transactions and non-recurring or special operations with all impacts being reported.

The scope of consolidation is also assessed on a monthly basis by the Consolidation function which is part of the Accounts and Audit Inspection Area.

The impact of risks on the reliability of the reporting of financial information is analysed in each of the processes entailed in its preparation. The governing and management bodies receive periodic information on the main risks inherent in the financial information, while the Audit and Control Committee, via the Internal Audit function, is responsible for overseeing the entire process.

- The process covers all financial reporting objectives, (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), is updated and with what frequency.

See the explanation in the first section.

- A specific process is in place to define the scope of consolidation, with reference to the possible existence of complex corporate structures, special purpose vehicles, holding companies. etc.

See the explanation in the first section.

- The process addresses other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they may affect the financial statements.

See the explanation in the first section.

- Finally, which of the entity's governing bodies is responsible for overseeing the process.

See the explanation in the first section.

F.3 Control activities

Indicate the existence of at least the following components, and specify their main characteristics:

F.3.1. Procedures for reviewing and authorising the financial information and description of ICFR to be disclosed to the markets, stating who is responsible in each case and documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the separate review of critical judgements, estimates, evaluations and projections.

The Entity's Audit, Management and Capital division is responsible for reporting, preparing and reviewing all financial information. It demands that the various Business Areas collaborate in ensuring that the financial information submitted is sufficiently detailed.

Financial information is the cornerstone of the control and decision-making process of the Entity's senior governing bodies and Management.

The reporting and review of all financial information hinge on suitable human and technical resources which enable the Entity to disclose accurate, truthful and understandable information on its transactions in compliance with applicable standards.

In particular, the professional experience of the personnel involved in reviewing and authorising the financial information is of a suitable standard and all are appointed in light of their knowledge and experience in accounting, audit or risk management. Likewise, by establishing control mechanisms, the technical measures and IT systems ensure that the financial information is reliable and complete. Also, the financial information is monitored by the various hierarchical levels within Audit, Management and Capital Control and, where applicable, double checked with other business areas. Finally, the key financial information disclosed to the market is examined and, if applicable, approved by the highest-ranking governing bodies (the Board of Directors and the Audit and Control Committee) and the Entity's management.

The Entity has in place control and monitoring mechanisms for the various levels of financial information it compiles:

- The first control level is carried out by the various business areas which generate the financial information. This is intended to guarantee that the items are correctly accounted for.
- The second control level is the business area Intervention Unit. Its basic function is to ensure accounting control concerning the business applications managed by the Entity's different business units, which help validate and ensure that the applications work correctly and adhere to defined accounting circuits, generally accepted accounting principles and applicable accounting regulations.

The accounting control duties and responsibilities in these two control levels are outlined in an internal regulation.

There are various monthly revision procedures in place, such as a comparative analysis of actual and forecast performance, indicators of changes in business and the financial position.

- Finally, the third control level corresponds to the ICFR function which assesses whether the practices and processes in place at the Entity ensure the reliability of the financial information and compliance with applicable regulations. It specifically evaluates that the financial information reported by the various business areas and entities comprising the CaixaBank Group comply with the following principles:

- i) Transactions, facts and other events presented in the financial information exist in reality and were recorded at the right time (existence and occurrence).
- ii) The information includes all transactions, facts and other events in which the Entity is the affected party (completeness).
- iii) Transactions, facts and other events are recorded and valued in accordance with applicable standards (valuation).
- iv) Transactions, facts and other events are classified, presented and disclosed in the financial information in accordance with applicable standards (presentation, disclosure and comparability).
- v) Financial information shows, at the corresponding date, the Entity's rights and obligations through the corresponding assets and liabilities, in accordance with applicable standards (rights and obligations).

With regard to activities and control procedures directly related to transactions which may have a material impact on the financial statements, the Entity has in place a process whereby it constantly revises all documentation concerning the activities carried out, any risks inherent in reporting the financial information and the controls needed to mitigate critical risks. This ensures that all documentation is complete and up-to-date. This documentation includes a description of all activities carried out during the process from its start, indicating any particularities of specific products or operations.

The documentation of the critical processes and control activities contains the following information:

- A description of the processes and associated subprocesses
- A description of the financial information risks along with the financial statement assertions and the possibility of the risk of fraud. In this regard, we would note that the risks are classified into risk category and risk models which comprise the Entity's Corporate Risk Map which is managed by the Internal Control Area.
- Control activities carried out to mitigate the risk along with their characteristics:
- Classification - Key / Standard
- Purpose - Preventive / Detective / Corrective
- Method - Manual / Automatic / Semiautomatic
- Frequency - How often the control is executed
- Evidence - Evidence/proof that the control is working correctly
- COSO Component - Type of control activity, according to COSO classification (Committee of Sponsoring Organizations of the Treadway Commission)
- System - IT applications or programmes used in the control activity
- Control executor - Person responsible for implementing the control
- Person responsible for the control - Person who ensures the control is executed correctly

All activities and controls are designed to guarantee that all transactions carried out are correctly recorded, valued, presented and itemised.

As part of the ICFR evaluation process, in 2012 the ICFR Unit designed and rolled out a hierarchical certification of the key controls identified process to guarantee the accuracy of the quarterly financial information coinciding with when it is disclosed to the market. The persons responsible for each of the controls identified shall submit certifications guaranteeing their efficient execution during the period in question.

Each quarter the Audit, Management and Capital Control Executive Director informs the Management Committee and the Audit and Control Committee of the outcome of this certification process as well as the Board of Directors.

In 2014, the Entity carried out its quarterly certification process of financial information. No significant incidences which may affect the accuracy of the financial information were identified.

Internal Audit carries out the monitoring functions described in F.5.1 and F.5.2 below.

The preparation of the consolidated financial statements requires senior executives to make certain judgements, estimates and assumptions in order to quantify certain of the assets, liabilities, revenues, expenses and obligations shown in them. These estimates are based on the most information available at the date the financial statements are prepared, using generally-accepted methods and techniques and observable and comparable data and assumptions.

The procedures for reviewing and approving judgements and estimates are outlined in the Judgements and Estimates Review and Approval Policy which forms part of the internal ICFR regulations and has been approved by the Management Committee and the Board of Directors.

This year the Entity has carried out the following:

- Impairment losses on certain financial assets and the fair value of the related guarantees
- The measurement of goodwill and intangible assets.
- The useful life of and impairment losses on other intangible assets and property and equipment
- Impairment losses on non-current assets held for sale.
- The measurement of investments in jointly controlled entities and associates
- Actuarial assumptions used to measure liabilities arising under insurance contracts
- Actuarial assumptions used to measure post-employment liabilities and commitments
- The fair value of certain financial assets and liabilities
- The measurement of the provisions required to cover labour, legal and tax contingencies
- The fair value of assets, liabilities and contingent liabilities in the context of the purchase price allocation in business combinations
- The income tax expense based on the income tax rate expected for the full year and the capitalisation and recoverability of tax assets
- Determination of share of profit (loss) of associates.

The Audit and Control Committee must analyse those transactions which are most complex and have the greatest impact before approval can be granted by the Board of Directors.

F.3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key processes regarding the preparation and publication of financial information.

The IT systems which give support to processes regarding the preparation of financial information are subject to internal control policies and procedures which guarantee completeness when preparing and publishing financial information. Specifically there are policies regarding:

I. Information Security Management System: CaixaBank has an Information Security Management System (ISMS) based on international best practices and which is ISO 27001:2005 certified on an annual basis (Applus+). This system defines, among other policies, those for accessing IT systems and the internal and external controls which ensure all of the policies defined are correctly applied.

II. Operating and business continuity: the Entity has in place an IT Contingency Plan to deal with serious situations to guarantee its IT services are not interrupted. It also has strategies in place to enable it to recover information in the shortest time possible.

The British Standards Institution (BSI) has certified that CaixaBank's business continuity programme is ISO 22301:2012 compliant. The certificate accredits:

- Management's commitment to business continuity.
- The existence of business continuity management best practices.
- The existence of a cyclical process aimed at continuous improvement.
- That CaixaBank's business continuity management system is compliant with international standards.
- This certificate provides:
 - Assurance to our customers, investors, employees and society in general that the Entity is able to respond to serious events that may affect business operations.
 - Compliance with the recommendations of regulators, the Bank of Spain, MIFID and Basel III.
 - Advantages in terms of the Entity's image and reputation.
 - Annual audits, both internal and external, which ensure we keep our system up-to-date.

III. Information technology (IT) governance: CaixaBank's information technology (IT) governance model ensures that its services are aligned with the Entity's business strategy and comply with all regulatory, operational and business requirements. IT governance is an essential part of governance as a whole and encompasses organisational structures and processes to ensure that the organisation's IT services sustain and extend the Entity's strategies and objectives. The governance model has been designed and developed according to ISO 38500:2008 standard, and has been certified by Deloitte. CaixaBank's IT services have been designed to meet the business' needs, guaranteeing the following:

- Segregation of duties;
- Change management;
- Incident management;
- IT quality management;
- Risk management; Operational, Reliability of financial reporting
- Identification, definition and monitoring of indicators (scorecard);
- Existence of governance, management and monitoring committees;
- Periodic reporting to management;
- Rigorous internal controls which include annual internal and external audits.

F.3.3. Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

The CaixaBank Group has a procurement and commissioning policy in place to ensure transparent and rigorous compliance with the legally established framework. The relationship between the CaixaBank Group and its collaborating entities is predicated on these principles.

All of the processes carried out between Group entities and suppliers are managed and recorded by programmes which include all activities.

The Efficiency Committee ensures that the budget is applied in accordance with internal regulations.

The procurement and commissioning policy is detailed in the internal regulations which mainly regulate processes regarding:

- Drawing up, approving, managing and settling the budget
- Applying the budget: procurement and commissioning
- Paying invoices

Also, the Procurement department is the collegiate body of the Efficiency Committee which ratifies all resolutions agreed by the Spending Committees and their respective business areas/subsidiaries which entail or could entail future procurement obligations or services and investment contracts. The Entity's Code of Business Conduct and Ethics stipulates that goods must be purchased and services engaged objectively and transparently, avoiding situations that could affect the objectiveness of the people involved; therefore auctions and budget requests are acceptable procurement methods according to the Procurement Department. A minimum of three tenders from suppliers must be submitted.

The CaixaBank Group has a Suppliers' Portal offering quick and easy communication between suppliers and Group companies. This channel allows suppliers to submit all the necessary documentation when bidding for contracts as well as all the necessary documentation once services have been contracted. This not only ensures compliance with internal procurement regulations but also makes management and control easier.

The Entity has in place internal control policies to supervise all outsourced activities and designs and establishes controls to monitor all outsourced services which may have an impact on accounting records. These include overseeing services, deliveries and managing incidents and discrepancies. In this regard the Entity's internal regulations have been amended to state that the Management Centre must supervise all services which affect the reporting and preparation of financial information to ensure that the process is correctly followed, the validity of the data and methods used, as well as the reasonableness of the assumptions used (if applicable) by the third party company.

In 2014, valuation and calculation services commissioned from independent experts mainly concerned the following:

- Actuarial calculations related to commitments assumed with employees
- Appraisals of assets received in lieu of debts and assets pledged as collateral in loan transactions
- Certain processes related to Information Systems
- Certain processes related to Human Resources
- Certain fiscal and legal advisory services
- Certain Front Office processes

F.4 Information and communication

Indicate the existence of at least the following components, and specify their main characteristics:

- F.4.1. A specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations, and a manual of accounting policies regularly updated and communicated to all the entity's operating units.

The Accounts and Audit Inspection Area – Accounting Circuits and Policies Department, which reports to Audit, Management and Capital Control, is responsible for defining the Entity's accounting policy.

These criteria are based on and documented according to the characteristics of the product/transaction defined by the business areas involved and, applicable accounting regulations, which specify the creation of amendment of an accounting circuit. The various documents comprising an accounting circuit explain in detail all the likely events which could affect the contract or transaction and describe the key features of the operating procedures, tax regulations and applicable accounting criteria and principles.

This department is charged with resolving any accounting queries not included in the circuit and any queries as to its interpretation. Additions and amendments to the accounting circuits are notified immediately and can be consulted on the Entity's intranet.

Accounting criteria are constantly updated in line with new contract types or transactions or any regulatory changes. In this process all new events which have been reported to the department and which may have an accounting impact both for the Entity and the Group are analysed. The various areas involved in these new events work together to review them. The conclusions of these reviews are transferred to and implemented in the various accounting circuits and, if necessary, the various documents comprising the general accounting documents. The affected business areas are informed via existing mechanisms, mainly the Intranet and the accounting policies manual. Also, documentation regarding the accounting analysis of one-off translations is prepared and held by the accounting policies department. The latest review coincided with the preparation of the 2014 financial statements.

- F.4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning ICFR.

The Entity has in place various mechanisms for the capture and preparation of financial information based on tools which it has developed internally. In order to ensure the completeness, standardisation and correct functioning of these mechanisms, the Entity has upgraded its applications.

A project to improve the Entity's reporting architecture was begun in 2011 to improve the quality, completeness, and immediacy of the information provided by business applications. In 2014 work continued on incorporating other applications into the project.

The Group has specialist, top-of-the-range tools with which to draw up its consolidated information. Both CaixaBank and other Group entities use mechanisms in standard format to capture, analyse and prepare financial information. The accounts plan, which is incorporated in the consolidation application, has been defined to comply with reporting requirements of the various regulators.

During 2013, the Entity began to roll out the SAP Governance, Risk and Compliance (SAP GRC) tool to guarantee the integrity of ICFR, uniformly reflecting all the activities involved in a process and associating them with existing risks and controls. The tool also supports the Corporate Risk Map (CRM) and Key Risk Indicators, for which the Internal Control and Credit Risk Models business areas are respectively responsible.

The tool became fully operational in 2014 and was available to all end users at the end of January. Also in 2014 various adjustments were made to improve the tool's functionalities which were not covered by the standard SAP GRC. Training on the tool was also offered during the year, as explained in section F.1.2.

F.5 Monitoring

Indicate the existence of at least the following components, describing their main characteristics:

- F.5.1. The ICFR monitoring activities undertaken by the audit committee and an internal audit function whose competencies include supporting the audit committee in its role of monitoring the internal control system, including ICFR. Describe the scope of the ICFR assessment conducted in the year and the procedure for the person in charge to communicate its findings. State also whether the entity has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information.

Notwithstanding the risk management and control functions of the Board of Directors, the Audit and Control Committee is entrusted with overseeing the process for preparing and submitting regular financial account information and the effectiveness of the Company's internal control environment, internal audit and risk management system and to discuss with auditors of accounts any significant weaknesses in the internal control system identified during the course of the audit.

The duties of the Audit and Control Committee include those related to overseeing the process for preparing and submitting regular financial information as described in section F.1.1.

Its duties include "to oversee the process for preparing and submitting regular financial account information" and carrying out, inter alia, the following activities:

- Approval of an annual Internal Audit Plan. This process includes assessing whether the Plan has sufficient scope to provide appropriate coverage for the main risks to which the Entity is exposed.
- Assessment of the conclusions of the audits carried out and the impact on financial information, where applicable.
- Constant monitoring of corrective action, prioritising each one.

The Entity has an Audit and Internal Control Deputy General Division whose mission is to ensure the correct performance of and supervise the Group's internal control framework.

The internal audit function, which is part of the Audit and Internal Control Deputy General Division, is governed by the principles contained in the Internal Audit Regulations approved by the CaixaBank Executive Committee and the Board. The mission of Internal Audit is to guarantee effective supervision of the internal control system through ongoing assessments of the organisation's risks and provide support to the Audit and Control Committee by drafting reports and reporting regularly on the results of work carried out. Section E.6 provides a description of the internal audit function and all the functions of the Audit and Internal Control Deputy General Division.

Internal Audit has auditors working in various audit teams which specialise in reviewing the main risks to which the Entity is exposed. One of these teams is the Financial Audit and Investees Division where specialists oversee processes at the Audit, Management and Capital Control Executive Division, which is responsible for preparing the Entity's financial and accounting information. The Internal Audit's annual plan includes a multiyear review of the risks and controls in financial reporting for all auditing work where these risks are relevant.

In each review Internal Audit:

- Identifies the necessary controls to mitigate the risks associated with the process' activities.
- Analyses the effectiveness of the existing controls on the basis of their design.
- Verifies that these controls are applied.
- Reports its conclusions of the review and issues an opinion on the control environment.
- Recommends corrective actions.

Internal Audit carried out its annual assessment of ICFR at 31 December 2014, focused on the following:

- Revising the application of the framework defined in the document "Internal Control over Financial Reporting in Listed Companies" published by the CNMV which sets out the voluntary best practices for internal control over financial reporting.
- Verifying the application of the methodology established in the Internal Control over Financing Reporting Code to guarantee that Group ICFR is adequate and effective.
- Assessing the hierarchical certification of key controls identified process.
- Evaluating the descriptive documentation of the relevant processes, risks and controls in drafting financial information

It also studied the execution of key controls by the various areas subject to ICFR.

In 2014, Internal Audit also revised the processes which affect the preparation and presentation of financial information, focusing on, inter alia, financial-accounting, financial instruments, legal and compliance, information systems and the insurance and real estate businesses.

The Audit and Control Committee and senior management will be informed of the results of the ICFR evaluation. These reports also include an action plan detailing corrective measures, their urgency to mitigate risks in financial information and the timeframe for resolving these.

F.5.2. A discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the entity's senior management and its audit committee or Board of Directors. State also whether the entity has an action plan to correct or mitigate the weaknesses found.

The Entity has in place a discussion procedure with its auditor. Senior management is kept permanently informed of the conclusions reached during the review of the financial statements and the Audit and Control Committee receives information from the auditor, who attends its meetings, on the audit plan, the preliminary conclusions reached concerning publication of the financial statements and the final conclusions as well as, if applicable, any weaknesses encountered in the internal control system, prior to preparing the financial statements.

Also, when reviewing the interim financial information, the Audit and Control Committee shall be informed of the work carried out and the conclusions reached.

In addition, and within its areas of activity, Internal Audit's reviews conclude with the issue of a report evaluating the relevant risks and the effectiveness of internal control of the processes and the transactions analysed. It also evaluates the possible control weaknesses and shortcomings and formulates recommendations to correct them and to mitigate inherent risk. Internal Audit reports are sent to senior management.

The Audit and Control Committee also issues a monthly report on the activities carried out by Internal Audit, with specific information on all significant weaknesses identified during the reviews.

Internal Audit constantly oversees the fulfilment of recommendations, focusing particularly on critical and high-risk weaknesses, and reports to senior management on a regular basis.

This monitoring information, as well as the relevant incidents identified in the Audit reviews, are reported to the Audit and Control Committee and senior management.

F.6 Other relevant information

No other relevant information.

F.7 External auditor report

State whether:

F.7.1. The ICFR information supplied to the market has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

See the external auditors' report attached to the Annual Corporate Governance Report.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of the company's compliance with Corporate Governance recommendations.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations are not acceptable.

1. The Bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

See sections: A.10, B.1, B.2, C.1.23 and C.1.24.

Compliant ☒

Explain

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:

- a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;
- b) The mechanisms in place to resolve possible conflicts of interest.

See sections: D.4 and D.7

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Shareholders' Meeting for approval or ratification. In particular:

- a) **The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating core activities to subsidiaries that were previously carried out by the originating firm, even though the latter retains full control of the former;**
- b) **Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;**
- c) **Operations that effectively add up to the company's liquidation.**

See section: B.6

Compliant ☒ Partially compliant ☐ Explain ☐

4. Detailed proposals of the resolutions to be adopted at the General Shareholders' Meeting, including the information stated in Recommendation 27, should be made available at the same time as the publication of the Meeting notice.

Compliant ☒ Explain ☐

5. Separate votes should be taken at the General Shareholders' Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:

- a) **The appointment or ratification of Directors, with separate voting on each candidate;**
- b) **Amendments to the Bylaws, with votes taken on all articles or groups of articles that are materially different.**

Compliant ☒ Partially compliant ☐ Explain ☐

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

Compliant ☒

Explain ☐

7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the company's best interest and, as such, strive to maximise its value over time.

It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Compliant ☒

Partially compliant ☐

Explain ☐

8. The board should see the core components of its mission as to approve the company's strategy and authorise the organisational resources to carry it forward, and to ensure that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the board in full should reserve the right to approve:

a) The company's general policies and strategies, and in particular:

- i) The strategic or business plan, management targets and annual budgets;
- ii) Investment and financing policy;
- iii) Design of the structure of the corporate group;
- iv) Corporate governance policy;
- v) Corporate social responsibility policy;
- vi) Remuneration and evaluation of senior officers;
- vii) Risk control and management, and the periodic monitoring of internal information and control systems;
- viii) Dividend policy, as well as the policies and limits applying to treasury stock.

See sections: C.1.14, C.1.16 and E.2

b) The following decisions:

- i) On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.
- ii) Directors' remuneration and, in the case of executive Directors, the additional remuneration for their executive functions and other contract conditions
- iii) The financial information that all listed companies must periodically disclose.

- iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Shareholders' Meeting;
 - v) The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.
- c) Transactions which the company conducts with Directors, significant shareholders, shareholders with board representation or other persons related thereto ("related-party transactions").

However, board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:

1a. They are governed by standard form agreements applied on an across the-board basis to a large number of clients;

2a. They go through at market prices, generally set by the person supplying the goods or services;

3a. Their amount is no more than 1% of the company's annual revenues.

It is advisable that related-party transactions should only be approved on the basis of a favourable report from the Audit Committee or some other committee handling the same function; and that the Directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes.

Ideally the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

See sections: D.1 and D.6

Compliant ☐

Partially compliant ☒

Explain ☐

As regards the possibility of proposing the appointment and removal of senior officers, the Company's internal regulations go further than the Recommendation; not only can the Company's senior officer do so, but also the Appointments Committee, whose functions include the duty to report motions to appoint and remove senior officers. The committee may raise such motions itself directly in the case of senior officers in relation to whom the committee believes it should take the initiative due to the fact that the officers in question exercise control functions or otherwise support the Board or its delegate committees.

In respect of the recommendation that when voting on related party transactions, the affected board members should be absent from the meeting room while the Board discusses and votes on the matter, in general this is indeed what happens, although in certain cases in the past when there has been no doubt as to the soundness of the transaction and all independent directors have shown themselves to be in favour of the arrangement, the board member in question has remained present.

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

See section: C.1.2

Compliant ☐

Explain ☒

At 31 December 2014 the Board of Directors comprised 19 members.

The composition of the Board is deemed to be suitable to ensure maximum effectiveness and participation with a wide variety of opinions.

Also, its composition is deemed to be suitable given the Bank's history, namely that it was previously a savings bank with a Board of 21 Directors.

The current composition and size of the Board is also justified given the need to include a certain number of independent Directors and to comply with the shareholders' agreements following the merger with Banca Cívica whereby two additional Directors were necessary to represent the savings banks resulting from that merger.

Also, and given the Entity's stake in BEA (The Bank of East Asia), Hong Kong's largest credit institution, it was deemed necessary to include a representative from BEA's Board, and it is for this reason that he holds the position on CaixaBank's of other external Director.

Finally, and in compliance with new legal requirements, as the Entity has five board committees it requires a sufficient number of Directors to avoid, in so far as possible, duplications therein. Therefore, despite the Entity exceeding the recommended number of Directors, it considers this number to be appropriate as it ensures maximum effectiveness and participation of both the Board and its committees.

10. External Directors, proprietary and independent, should occupy an ample majority of board places, while the number of executive Directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

See sections: A.3 and C.1.3

Compliant ☒

Partially compliant ☐

Explain ☐

11. That among external Directors, the relation between proprietary members and independents should match the proportion between the capital represented on the board by proprietary Directors and the remainder of the company's capital.

This proportional criterion can be relaxed so the weight of proprietary Directors is greater than would strictly correspond to the total percentage of capital they represent:

- 1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested.**
- 2. In companies with a plurality of shareholders represented on the board but not otherwise related.**

See sections: A.2, A.3 and C.1.3

Compliant ☒

Explain ☐

12. The number of independent Directors should represent at least one third of all board members.

See section: C.1.3

Compliant ☐

Explain ☒

At 31 December 2014, the CaixaBank Board of Directors comprised 19 members. the "la Caixa" Banking Foundation, the Entity's core shareholder with a 58.913% stake (at December 31, 2014), has 9 representatives on the CaixaBank board. However, the Entity is not compliant with the Recommendation that independent Directors should represent at least one third of all board members as, under the shareholder agreement signed following the merger and absorption of Banca Cívica by CaixaBank, there are two other proprietary Directors representing the Banking Foundations (see section A.6). Also, of the external Directors (excluding the proprietary and independent Directors) one cannot be considered independent (see section C.1.3) as he is Deputy Chairman of BEA where CaixaBank is a significant shareholder.

Regarding the independent Directors, in 2014, two new Directors were appointed to cover the vacancy left following the resignation of Isabel Estapé Tous (independent) and the vacancy left by Susana Gallardo Torrededía (independent) who stood down as her mandate had expired. Therefore, one of the Directors previously considered as "other external" resumed their category of independent following their departure as General Assembly member of Caja de Ahorros y Pensiones de Barcelona, "la Caixa".

13. The nature of each Director should be explained to the General Meeting of Shareholders, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Nomination Committee. The said Report should also disclose the reasons for the appointment of proprietary Directors at the urging of shareholders controlling less than 5% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

See sections: C.1.3 and C.1.8

Compliant ☒

Partially compliant ☐

Explain ☐

14. When women Directors are few or non existent, the Nomination Committee should take steps to ensure that:

- a) The process of filling board vacancies has no implicit bias against women candidates;
- b) The company makes a conscious effort to include women with the target profile among the candidates for board places.

See sections: C.1.2, C.1.4, C.1.5, C.1.6, C.2.2 and C.2.4.

Compliant ☒

Partially compliant ☐

Explain ☐

Not applicable ☐

15. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that Directors are supplied with sufficient information in advance of board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely express and adopt positions; he or she should organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive, along with the chairmen of the relevant board committees.

See sections: C.1.19 and C.1.41

Compliant ☒

Partially compliant ☐

Explain ☐

16. When a company's Chairman is also its chief executive, an independent Director should be empowered to request the calling of board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external Directors; and to lead the board's evaluation of the Chairman.

See section: C.1.22

Compliant ☐

Partially compliant ☐

Explain ☐

Not applicable ☒

17. The Secretary should take care to ensure that the board's actions:

- a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
- b) Comply with the company Bylaws and the regulations of the General Shareholders' Meeting, the Board of Directors and others;
- c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Nomination Committee and approved by a full board meeting; the relevant appointment and removal procedures being spelled out in the board regulations.

See section: C.1.34

Compliant ☒

Partially compliant ☐

Explain ☐

18. The board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each Director may propose the addition of other items.

See section: C.1.29

Compliant ☒

Partially compliant ☐

Explain ☐

19. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When Directors have no choice but to delegate their vote, they should do so with instructions.

See sections: C.1.28, C.1.29 and C.1.30

Compliant ☐

Partially compliant ☒

Explain ☐

Director absences occur when Directors are unable to attend. Proxies, when appointed, do not generally include specific instructions for the proxyholder, so that the proxyholder can adhere to the outcome of the discussion by the Board. This is in line with the legally-established duties of the Chairman of the Board of Directors, which include, inter alia, working to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely express and adopt positions;.

20. When Directors or the Secretary express concerns about some proposal or, in the case of Directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

Compliant ☒

Partially compliant ☐

Explain ☐

Not applicable ☐

21. The board in full should evaluate the following points on a yearly basis:

a) The quality and efficiency of the board's operation;

b) Starting from a report submitted by the Nomination Committee, how well the Chairman and chief executive have carried out their duties;

c) The performance of its committees on the basis of the reports furnished by the same.

See sections: C.1.19 and C.1.20

Compliant ☒

Partially compliant ☐

Explain ☐

22. All Directors should be able to exercise their right to receive any additional information they require on matters within the board's competence. Unless the Bylaws or board regulations indicate otherwise, such requests should be addressed to the Chairman or Secretary.

See section: C.1.41

Compliant ☒

Explain ☐

23. All Directors should be entitled to call on the company for the advice and guidance they need to carry out their duties. The company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the company's expense.

See section: C.1.40

Compliant ☒

Explain ☐

24. Companies should organise induction programmes for new Directors to acquaint them rapidly with the workings of the company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise

Compliant ☒

Partially compliant ☐

Explain ☐

25. Companies should require their Directors to devote sufficient time and effort to perform their duties effectively, and, as such:

- a) **Directors should apprise the Nomination Committee of any other professional obligations, in case they might detract from the necessary dedication;**
- b) **Companies should lay down rules about the number of directorships their board members can hold.**

See sections: C.1.12, C.1.13 and C.1.17

Compliant ☒

Partially compliant ☐

Explain ☐

26. The proposal for the appointment or renewal of Directors which the board submits to the General Shareholders' Meeting, as well as provisional appointments by the method of co-option, should be approved by the board:

- a) **On the proposal of the Nomination Committee, in the case of independent Directors.**
- b) **Subject to a report from the Nomination Committee in all other cases.**

See section: C.1.3

Compliant ☒

Partially compliant ☐

Explain ☐

27. Companies should post the following Director particulars on their websites, and keep them permanently updated:

- a) **Professional experience and background;**
- b) **Directorships held in other companies, listed or otherwise;**

c) An indication of the Director's classification as executive, proprietary or independent; in the case of proprietary Directors, stating the shareholder they represent or have links with.

d) The date of their first and subsequent appointments as a company Director, and;

e) Shares held in the company and any options on the same.

Compliant ☒ Partially compliant ☐ Explain ☐

28. Proprietary Directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary Directors, the latter's number should be reduced accordingly.

See sections: A.2, A.3 and C.1.2

Compliant ☒ Partially compliant ☐ Explain ☐

29. The Board of Directors should not propose the removal of independent Directors before the expiry of their tenure as mandated by the Bylaws, except where just cause is found by the board, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a Director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in Ministerial Order ECC/461/2013.

The removal of independent Directors may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 11.

See sections: C.1.2, C.1.9, C.1.19 and C.1.27

Compliant ☒ Explain ☐

30. Companies should establish rules obliging Directors to inform the board of any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a Director is indicted or tried for any of the crimes stated in article 213 of the Corporate Enterprises Act, the board should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the Annual Corporate Governance Report.

See sections: C.1.42, C.1.43

Compliant ☒ Partially compliant ☐ Explain ☐

31. All Directors should express clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other Directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a Director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

The terms of this Recommendation should also apply to the Secretary of the board, Director or otherwise.

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

32. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

See section: C.1.9

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

33. Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-based instruments, payments linked to the company's performance or membership of pension schemes should be confined to executive Directors.

The delivery of shares is excluded from this limitation when Directors are obliged to retain them until the end of their tenure.

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

34. External Directors' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.

Compliant ☒ Explain ☐ Not applicable ☐

35. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Compliant ☐ Explain ☒ Not applicable ☐

No qualifications are expressly included and therefore, a priori, do not affect this either way.

However, and pursuant to the remuneration policies for the identified group and Directors to be approved at the 2015 AGM, the following deductions to variable remuneration are being contemplated: "The existence of qualifications in the Auditors Report which reduce the financial parameters used as the basis to calculate variable remuneration." this clause shall also be applied to recover any variable remuneration which has already been paid.

36. In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.

Compliant ☒ Explain ☐ Not applicable ☐

37. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the board itself. The Secretary of the board should also act as secretary to the Executive Committee.

See sections: C.2.3 and C.2.4

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

38. The board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all board members should receive a copy of the Committee's minutes.

Compliant ☒ Explain ☐ Not applicable ☐

39. In addition to the Audit Committee mandatory under the Securities Market Law, the Board of Directors should form a committee, or two separate committees, of Nomination and Remuneration.

The rules governing the make-up and operation of the Audit Committee and the committee or committees of Nomination and Remuneration should be set forth in the board regulations, and include the following:

- a) **The Board of Directors should appoint the members of such committees with regard to the knowledge, aptitudes and experience of its Directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first board plenary following each meeting;**
- b) **These committees should be formed exclusively of external Directors and have a minimum of three members. Executive Directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.**
- c) **Committees should be chaired by an independent Director.**
- d) **They may engage external advisors, when they feel this is necessary for the discharge of their duties.**
- e) **Meeting proceedings should be minuted and a copy sent to all board members.**

See sections: C.2.3 and C.2.4

Compliant ☐ Partially compliant ☒ Explain ☐

As stipulated in article 14.5 (iii) of the Regulations of the Board of Directors, minutes of the Appointments Committee and the Remuneration Committee meetings shall be available to all Board members through the office of the Secretary, but shall not be forwarded or delivered for reasons of discretion, unless otherwise ordered by the Chairman of each Committee.

40. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Nomination Committee or, as the case may be, separate Compliance or Corporate Governance committees.

See sections: C.2.3 and C.2.4

Compliant ☒ Explain ☐

41. Audit committee members, particularly the Chairman, are appointed in light of their knowledge and experience of accounting, audit or risk management.

Compliant ☒

Explain ☐

42. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems.

See section: C.2.3

Compliant ☒

Explain ☐

43. The head of internal audit should present an annual work program to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

Compliant ☒

Partially compliant ☐

Explain ☐

44. Control and risk management policy should specify at least:

- a) **The different types of risk (operational, technological, financial, legal, reputational...) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;**
- b) **The determination of the risk level the company sees as acceptable;**
- c) **Measures in place to mitigate the impact of risk events should they occur;**
- d) **The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.**

See section: E

Compliant ☒

Partially compliant ☐

Explain ☐

45. The Audit Committee's role should be:

1. With respect to internal control and reporting systems:

- a) **Review internal control and risk management systems on a regular basis, so the main risks are properly identified, managed and disclosed.**
- b) **Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verifying that senior management are acting on the findings and recommendations of its reports.**

- c) **Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.**

2. With respect to the external auditor:

- a) **Receive regular information from the external auditor on the progress and findings of the audit programme, and check that senior management are acting on its recommendations.**
- b) **Monitor the independence of the external auditor, to which end:**
- i) **The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.**
- ii) **The Committee should investigate the issues giving rise to the resignation of any external auditor.**

See sections: C.1.36, C.2.3, C.2.4 and E.2

Compliant ☒ Partially compliant ☐ Explain ☐

46. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Compliant ☒ Explain ☐

47. The Audit Committee should prepare information on the following points from Recommendation 8 for input to board decision-making:

- a) **The financial information that all listed companies must periodically disclose. The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.**
- b) **The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.**
- c) **Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.**

See sections: C.2.3 and C.2.4

Compliant ☒ Partially compliant ☐ Explain ☐

48. The Board of Directors should seek to present the annual accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

See section: C.1.38

Compliant ☒ Partially compliant ☐ Explain ☐

49. The majority of Nomination Committee members – or Nomination and Remuneration Committee members as the case may be – should be independent Directors.

See section: C.2.1

Compliant ☒ Explain ☐ Not applicable ☐

50. The Nomination Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Evaluate the balance of skills, knowledge and experience on the board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.
- b) Examine or organise, in appropriate form, the succession of the Chairman and chief executive, making recommendations to the board so the handover proceeds in a planned and orderly manner.
- c) Report on the senior officer appointments and removals which the chief executive proposes to the board.
- d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this Code.

See section: C.2.4

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

51. The Nomination Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive Directors.

Any board member may suggest directorship candidates to the Nomination Committee for its consideration.

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

52. The Remuneration Committee should have the following functions in addition to those stated in earlier Recommendations:

- a) Make proposals to the Board of Directors regarding:

- i) The remuneration policy for Directors and senior officers;
- ii) The individual remuneration and other contractual conditions of executive Directors.

iii) The standard conditions for senior officer employment contracts.

b) Oversee compliance with the remuneration policy set by the company.

See sections: C.2.4

Compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

53. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive Directors and senior officers.

Compliant ☒ Explain ☐ Not applicable ☐

H OTHER INFORMATION OF INTEREST

1. If you consider that there is any material aspect or principle relating to the Corporate Governance practices followed by your company that has not been addressed in this report and which is necessary to provide a more comprehensive view of the corporate governance structure and practices at the company or group, explain briefly.
2. You may include in this section any other information, clarification or observation related to the above sections of this report.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different from that required by this report.

3. Also state whether the company voluntarily subscribes to other international, sectorial or other ethical principles or standard practices. If applicable, identify the Code and date of adoption.

A.2 - Regarding the direct or indirect holder of the significant ownership interest of CaixaBank, we would note that the General Assembly of Caja de Ahorros y Pensiones de Barcelona ("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 CaixaHolding.

Following this process, and at year-end, the Caja de Ahorros y Pensiones de Barcelona ("la Caixa") Banking Foundation directly holds 6,119 shares and, indirectly through Criteria CaixaHolding, S.A.U. (wholly-owned by the Banking Foundation) holds 3,369,260,593 shares in CaixaBank.

We would also note that 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 Caja de Ahorros y Pensiones de Barcelona ("la Caixa") Banking Foundation may only exercise the voting rights corresponding to 3,271,238,148 shares.

With regard to the most significant movements in the shareholder structure during the year we would note the following: there were two notifications concerning a 60% decline in voting rights, the first on 7 July 2014 and the second on 14 October 2014. The notification of 7 July followed an unexpected change in the number of voting rights held by the Issuer following the capital increase. However, as we have explained above, in accordance with Additional Provision 8a of the 2013 Law on Savings Banks and Banking Foundations, of the 3,293,783.958 shares it held in CaixaBank at 27 December 2013, the Caja de Ahorros y Pensiones de Barcelona ("la Caixa") Banking Foundation may only exercise the voting rights corresponding to 3,267,704,227 shares.

Meanwhile, the notification of 14 October was due to the registration of the deed of transfer to Criteria CaixaHolding of the Banking Foundation's direct stake in CaixaBank. The purpose of this notification was to report the situation of this direct stake within the Group's new structure, thereby resulting in the 60% decline. Also, and as we have explained above, in accordance with Additional Provision 8a of the 2013 Law on Savings Banks and Banking Foundations, of the 3,329,150,349 shares it held in CaixaBank at 27 December 2013, the Caja de Ahorros y Pensiones de Barcelona ("la Caixa") Banking Foundation may only exercise the voting rights corresponding to 3,271,232,029 shares.

A.6 – The share capital affected by the shareholder agreement notified to the Company is 80.597%. This represents the CaixaBank shares held by: Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Monte San Fernando), Caja Canarias (currently Fundación Caja Canarias), and Caja de Burgos (currently Fundación Caja de Burgos), ("the Foundations") and the "la Caixa" Banking Foundation at 1 August 2012, the date the agreement was signed. This percentage has not been updated as two of the signatories do not sit on the CaixaBank Board (i.e. Fundación Caja Canarias and Fundación Caja Burgos) and therefore are not legally bound to report their stake in CaixaBank in the same way as the Directors of the listed company (information on the stakes of the other Foundations is available on the websites of the CNMV and CaixaBank). Therefore this percentage is the most recent made available by the Company.

"Brief description of agreement" continued:

They also agreed to appoint two members of the Board of Directors of CaixaBank proposed by "the Foundations" and, in order to give stability to their shareholding in CaixaBank, the "Foundations" agreed a four-year lock up period, as well as a commitment to exercise their pre-emptive acquisition rights over two years in favour of the other Foundations in the first place and subsidiarily the "la Caixa" Banking Foundation, should any of the Savings Banks wish to transfer all or part of their stake, once the lock-up period has expired.

A.7 - "Comments" continued:

The initial Protocol was signed when the Company, 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.

As a result of the entry into force of Law 26/2013 of 27 December on Savings Banks and Banking Foundations, inasmuch as Caja de Ahorros y Pensiones de Barcelona "la Caixa" owned over 10% of the share capital and voting rights of CaixaBank, the former must become a banking foundation. The primary activity of the banking foundation shall be to manage and carry out welfare projects and appropriately manage its stake in CaixaBank. Consequently, this extinguishes the arrangement whereby Caja de Ahorros y Pensiones de Barcelona "la Caixa" indirectly carries out its financial activity through CaixaBank.

Once the "la Caixa" Banking Foundation was registered in the Foundations Registry, the "la Caixa" Banking Foundation immediately ceased to carry out its financial activity indirectly through CaixaBank, therefore rendering the Protocol ineffective. It was therefore necessary to amend the Protocol to extend its validity for all matters which are not related to the indirect exercise of the Caja de Ahorros y Pensiones de Barcelona "la Caixa" Banking Foundation's financial activity until a new Internal Relations Protocol is signed outlining the "la Caixa" Group's new structure.

By virtue of the foregoing, the Parties entered into a novation agreement amending the Protocol on 16 June 2014, duly informing the CNMV the following day.

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.

A.8 - Within the framework of authorisation to acquire treasury stock granted by the CaixaBank Annual General Meeting, in order to increase the liquidity of shares on the market and regularise their trading, on 29 July 2010 the Board of Directors approved the acquisition of company shares up to a maximum net balance of 50 million shares, provided the net investment was less than EUR 200 million. This authorisation also includes a disposal entitlement, depending on the prevailing market conditions.

Likewise, on 8 March 2012, the Board of Directors resolved to extend the limit for treasury shares set in 2010 to 75 million shares. Subsequently, on 22 May 2012, it was resolved to render null and void the limit of 75 million, leaving transactions involving treasury shares only subject to the limits established in the 2012 Annual General Meeting resolution granting the Board a new authorisation for five years from adoption of the resolution on 19 April 2012, and the Corporate Enterprises Act, with the obligation of informing the Board every three months of the performance of the treasury shares and the financial result of transactions involving treasury shares. This is without prejudice to the fact that the Separate Area responsible for managing the treasury shares reports every month to the Audit and Control Committee so the Committee can monitor compliance with the treasury share policy established by the Board of Directors, and, if applicable, whether the Area has applied the controls assigned by the Board pursuant to this Policy. The Chief Executive Officer or, if applicable, the Secretary of the Board of Directors, shall report to the Board on the essential aspects of the information submitted to the Audit and Control Committee by the Separate Area. This is without prejudice to any other information which, if applicable, the Chairman of the Audit and Control Committee deems appropriate to submit to the Board.

At its meeting of 30 January 2014, the Board resolved to amend the Internal Rules of Conduct and the Internal Code of Conduct for Treasury Shares Transactions of CaixaBank, S.A. to include the recommendations contained in the CNMV's criteria governing the discretionary trading in own securities of 18 July 2013. Both documents are available on the CaixaBank website.

A.10 - There is no restriction on the transfer of securities or voting rights. Notwithstanding the above, it should be noted that Article 16 et seq. of Law 10/2014, of 26 July, on Discipline and Supervision of Credit Entities, amended by Law 5/2009, of 29 June, states that persons wishing to acquire ownership interest in the Entity (under the terms of article 16) or voting rights or to increase, directly or indirectly, their stake in said ownership interest, such that their voting rights or share capital is equal to or greater than 20%, 30% or 50% of the total or they obtain control of the credit institution, must give prior notice to the Bank of Spain.

Nor does CaixaBank have legal restrictions or restrictions set forth in the Bylaws on voting rights. Nevertheless, as explained in Note B.5 below, CaixaBank's Bylaws and Annual General Meeting Regulations stipulate that all shareholders who individually, or in a group with other shareholders, own a minimum of one thousand (1,000) shares, and who have registered ownership of same in the relevant book-entry ledger at least five days in advance of the date the General Meeting is to be held, may attend in person.

Shareholders at the Annual General Meeting on 19 April 2012 voted to amend certain articles of the Bylaws. Amendments include, inter alia, specification that given that as the Company allows shareholders to exercise their voting rights and proxies through means of remote communication, the restriction of owning a minimum of one thousand shares to be able to attending the General Meeting would only apply to those attending in person.

Therefore, following this amendment, shareholders do not have to hold a minimum number of shares in order to be eligible to attend the Annual General Meeting (either in person or by proxy) and exercise their voting rights through means of remote communication.

B. 1 and B.2 - The quorum required for constitution of the Annual General Meeting and the system of adopting corporate resolutions at CaixaBank do not differ from that established in the Corporate Enterprises Act. However, we would note that, in accordance with Additional Provision 10 of the Savings Bank and Banking Foundations Law of 2013, resolutions concerning the distribution of dividends to the credit institutions controlled by a banking foundation pursuant to article 44.3 of this Law are subject to a larger quorum as stipulated in article 194 of the revised text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July. These must be adopted by at least two thirds of the share capital present or represented at the Meeting. The Bylaws of the investee may stipulate a greater majority. Therefore, in the case of CaixaBank, in compliance with the provisions of the Law on Savings Banks and Banking Foundations, for the distribution of dividends (which is not expressly included in article 194.1 of the Corporate Enterprises Act), a larger quorum and the corresponding majority required for adopting the pertinent resolution is applicable.

B.5 - CaixaBank's Bylaws and Annual General Meeting Regulations stipulate that all shareholders who individually, or in a group with other shareholders, own a minimum of one thousand (1,000) shares, and who have registered ownership of same in the relevant book-entry ledger at least five days in advance of the date the General Meeting is to be held, may attend.

C. 1.3 - Given Antonio Massanell Lavilla's position as a company executive and pursuant to the Corporate Enterprises Act of 2 July 2010, he is considered to be an executive Director. However, since he was appointed to represent the holding of the "la Caixa" Banking Foundation at CaixaBank he is also considered to be a proprietary Director.

C.1.11 - The information on Directors and directorships at other Group Companies refers to year-end. This section includes Group Companies and Joint Ventures at the end of the financial year.

C.1.12 - The information on Directors and directorships at other listed companies refers to year-end.

The position of Mr. Massanell as a Director of Banco BPI, S.A., is pending registration in the Register of Senior Executives before he can assume this position. Likewise, at Boursorama, S.A. Mr. Massanell is the natural person representative of the Director "la Caixa" Banking Foundation.

C.1.15 - The remuneration of Directors in 2014 as reported in this section takes the following aspects into consideration:

- On 1 March 2014, the Board co-opted Mr. Sáinz de Vicuña to cover the vacancy left by Mrs. Estapé Tous on 12 December 2013. The General Meeting ratified his appointment on 24 April 2014 reappointing him as Director.
- Shareholders also approved the appointment to the board of María Amparo Moraleda Martínez to cover the vacancy left by the departure of Susana Gallardo Torrededía following the completion of her tenure.
- On 30 June 2014, Mr. Godó Muntañola stood down as Director, Mr. Nin Genova resigned as Chief Executive Officer and Mr. Gortázar and Mr. Massanell were appointed Directors.
- On 20 November 2014 the Board resolved to co-opt Mr. Arthur K. C. Li to the Board to cover the vacancy left by the departure of Mr. David K. P. Li. on 23 October 2014.
- Total remuneration includes fixed remuneration, payments in kind and total variable remuneration assigned to the Directors. In application of Royal Decree 771/11, variable remuneration includes the variable remuneration already received by the Director in cash or shares as part of the deferred variable remuneration (cash and shares) receivable on a straight-line basis over the next three years.

C.1.16 - CaixaBank's Senior Management at 31 December 2014, comprised 10 persons, holding the following positions at the Entity: General Managers (3), Deputy General Managers (3), Executive Managers (3) and General Secretary (1). On 30 June 2014, two General Managers were named Directors.

This amount includes fixed remuneration, payments in kind and total variable remuneration assigned to Senior Management. In application of Royal Decree 771/11, variable remuneration includes the variable remuneration already received by Senior Management, in cash or shares, as well as the part of the deferred variable remuneration (cash and shares) receivable on a straight-line basis over the next three years. The remuneration paid in 2014 to Senior Management at CaixaBank in connection with their activities as representatives of the Parent on the

Boards of listed companies and other companies in which it has a significant presence or representation and that are CaixaBank consolidated companies was EUR 586 thousand, recognised in the income statements of these companies.

C.1.17 - Due to space limitations, where the position of "Director" appears under the "la Caixa" Banking Foundation (i.e. for Mr. Juan José López Burniol and Mrs. María Teresa Bassons Boncompte) this should be "Trustee" of the Foundation.

C.1.19 - "Indicate the procedures for appointing, re-electing, evaluating and removing Directors" continued. List the competent bodies, procedures and criteria used for each of these procedures. Therefore, and in accordance with the obligations listed in article 2 of Royal Decree 1245/1995, of 14 July on the incorporation of banks, transborder operations and other matters relating to legislation governing credit entities, and the wording of Royal Decree 256/2013, of 12 April which incorporates into legislation on credit entities the European Banking Authority's guidelines on the assessment of the suitability of members of the management body and key function holders published on 22 November 2012, in 2013 CaixaBank approved a "Protocol on Procedures for Selecting and Assessing the Suitability of Posts" (the "Protocol") which establishes the units and internal procedures at the Entity to ensure the selection and ongoing assessment of, inter alia, members of the Board of Directors, General Managers and similar, the people responsible for internal control and other key positions at CaixaBank, S.A., as defined in applicable legislation (hereinafter, the Covered Positions and Functions).

Under the Protocol, the Board, in plenary session, assesses the suitability of proposed candidates, based on a report from the Appointments and Remuneration Committee.

When assessing the suitability of candidates, CaixaBank takes into account the three recommendations listed in Royal Decree 1245/1995 of 26 June on the organisation, supervision and solvency of credit institutions, i.e. that they should be persons of good business and professional repute, they should possess the appropriate knowledge and experience to perform their duties, and the aptitude to exercise the Entity's good governance.

Also, with regard to the procedure to assess the suitability of candidates prior to their appointment as Director, the Protocol also establishes procedures to continually assess Directors (biannually) and to assess any unforeseeable circumstances which may affect their suitability for the post.

Directors shall be removed from office when the period for which they were appointed has elapsed, when so decided by the General Meeting in use of the attributes granted thereto, legally or in the Bylaws, and when they resign.

In the event of the conditions described in C.1.21, Directors must place their position at the disposal of the Board of Directors and formalise, if the latter deems appropriate, the pertinent resignation.

When a Director leaves office prior to the end of his term, he must explain the reasons in a letter which he shall send to all members of the Board of Directors.

C.1.30 – In 2014, the total number of non-attendances was just 16. Proxies appointed without specific instructions are deemed to be non-attendances. Director absences occur when Directors are unable to attend. Proxies, when appointed, do not generally include specific instructions for the proxyholder, so that the proxyholder can adhere to the outcome of the discussion by the Board. Therefore, the percentage of non-attendances of the total votes cast in 2014 is 6.08%, taking into account that proxies appointed without specific instructions are deemed to be non-attendances.

C.1.31 - Notwithstanding the response given, we hereby note that as part of the ICFR System the financial statements for the year ended 31 December 2014, which form part of the annual accounts, are certified by the Entity's Chief Financial Officer.

C.1.45 - The Board of Directors, in plenary session, is responsible for approving, based on a report from the Remunerations Committee and within the system called for in the Bylaws, Directors' remuneration and, in the case of executive Directors, the additional consideration for their management duties and other contract conditions, as well as compensation clauses. Therefore, the Board of Directors only approves "golden parachute" clauses for the Entity's two executive Directors and the 10 members of the Management Committee given that these clauses for other executives who are not senior management are invariably absorbed by the pension scheme.

C.1.29, C.2.1 and C.2.2 - Regarding the information on the Appointment and Remuneration Committee, the Remuneration Committee and the Appointment Committee, we would note that up until 25 September 2014 there were three Board Committees, namely: the Appointments and Remuneration Committee, the Audit and Control Committee and the Executive Committee. Thereafter, and pursuant to Law 10/2014 on the Organisation, Supervision and Solvency of Credit Institutions, the CaixaBank Board of Directors resolved to change the Appointments and Remuneration Committee into an Appointments Committee, create a Remuneration Committee and a Risks Committee, and amend the Regulations of the Board of Directors accordingly to incorporate the provisions of the new Law and establish the duties of the new Board Committees. These changes resulted in the Entity having 5 Board Committees, namely: the Appointments Committee, the Remuneration Committee, the Audit and Control Committee and the Executive Committee.

Therefore, in the interests of transparency, we have included information on the number of meetings, the composition and structure and the presence of female directors taking into account the above mentioned changes.

Likewise, with regard to the information in section C.2.2., given the lack of space available, and regarding the participation of female Directors in the Appointments and Remuneration Committee, NOT APPLICABLE should appear under 2014 instead of ZERO (without prejudice to the information provided for 2013, 2012, and 2011 which shows the presence of female Directors when the Appointments and Remuneration Committee existed as such). As we have explained previously, this is because on 25 September 2014 the CaixaBank Board resolved, pursuant to Law 10/2014 on the Organisation, Supervision and Solvency of Credit Institutions, to change the Appointments and Remuneration Committee into an Appointments Committee with the same composition as the previous Appointments and Remuneration Committee and to create a Remuneration Committee comprising the following: Salvador Gabarró Serra, Leopoldo Rodés Castañé and María Amparo Moraleda Martínez, who was appointed Chair of the new committee. Also, and for the same reasons, for the Appointments Committee, the Remuneration Committee and the Risks Committee (all created in 2014), the participation of female Directors in these committees for 2013, 2012 and 2011 is ZERO. However, given that these committees did not exist in those years, NOT APPLICABLE should appear. Finally, and as means of clarification, the information on the participation of female Directors in the Audit and Control Committee for 2014, 2013, 2012 and 2011 is ZERO. This accurately reflects the real situation, i.e. the absence of female Directors on this Committee in 2014, 2013, 2012 and 2011.

D.1. - "Identify the competent body and explain, if applicable, the procedures for approving related-party or intragroup transactions" continued. The Board, in plenary session, is responsible for approving transactions which the Company conducts with Directors, significant shareholders, shareholders with Board representation or other persons related thereto.

Nevertheless, the authorisation of the Board of Directors will not be required for Related Party Transactions that simultaneously meet the following three (3) conditions:

- (i) they are carried out by virtue of adhesion contracts whose conditions are standardised and applied en masse to many clients;
- (ii) they go through at market prices, generally set by the person supplying the goods or services;
- (iii) the amount does not exceed 1% of the consolidated annual revenue of the group of which the Company is the parent.

Intragroup transactions are regulated by the Internal Relations Protocol between the "la Caixa" Banking Foundation and CaixaBank. This sets, inter alia, the general criteria to carry out transactions or provide intragroup services under market conditions, as well as identifying the services which the "la Caixa" Banking Foundation provides and will provide to CaixaBank and CaixaBank Group companies and those which

CaixaBank and/or CaixaBank Group companies provide or will provide in turn to the "la Caixa" Banking Foundation and the "la Caixa" Banking Foundation Group companies.

The Protocol establishes the circumstances and terms for approving intragroup operations. In general the Board of Directors is the competent body for approving these transactions.

D.2 - Note 41 of the consolidated financial statements shows the balances with Criteria Group and "la Caixa" Banking Foundation companies in aggregate form as well as additional breakdowns for 2014.

D.3 - All transactions were carried out in the ordinary course of business and on an arm's length basis. Note 41 of the consolidated financial statements shows the balances with managers and Directors in aggregate form for 2014.

D.4- Note 41 of the consolidated financial statements shows the balances with CaixaBank Group associates and joint ventures in aggregate form as well as additional breakdowns 2014.

D.5 - All transactions were carried out in the ordinary course of business and on an arm's length basis.
Note 41 of the consolidated financial statements shows the balances with managers and Directors in aggregate form for 2014.

G.2 – Even though the core shareholder is not a listed company, we have defined the type of activity it engages in and business dealings as well as the mechanisms in place to resolve possible conflicts of interest, as explained in section D.6.

G.18 - Article 7.2 of the Regulations of the Board of Directors stipulates that the Chairman is vested with the ordinary authority to form the agenda for such meetings and to direct the debates.
However, all Directors may request that additional items be included in the agenda.

G.29 - Pursuant to article 33.2 of the CaixaBank Bylaws, Directors may resign from their posts, the posts may be revoked, and Directors may be re-elected. No distinctions are made between types of Directors. Nevertheless, article 19.1 of the Regulations of the Board of Directors stipulates that independent Directors will not stay on as such for a continuous period of more than 12 years.
Article 20 of the Regulations of the Board of Directors stipulates general and specific situations for each type of Director in which Directors must place their post at the disposal of the Board of Directors and tender their resignation, if the Board deems this appropriate.

This annual corporate governance report was adopted by the company's Board of Directors at its meeting held on: 26/02/2014.

List whether any Directors voted against or abstained from voting on the approval of this Report.

Yes ☐

No ☒

CAIXABANK, S.A.

2014 ACGR APPENDIX

C.2.4. Describe the organisational and operational rules and the responsibilities attributed to each of the board committees.

AUDIT AND CONTROL COMMITTEE

Brief description

Articles 40 and 13 of the Bylaws and Regulations of the Board of Directors describe the organisation and operation of the Audit and Control Committee. These also take into account the content of the articles on board committees contained in Royal Legislative Decree, 1/2010, of 2 July, the Corporate Enterprises Act.

1.1) Organisation and operation

The Audit and Control Committee shall be formed exclusively by non-executive Directors in the number of be determined by the Board of Directors, between a minimum of three (3) and a maximum of seven (7). At least two members of the Audit and Control Committee will be independent Directors, and one of these will be appointed on the basis of knowledge and experience of accounting or auditing, or both.

The Audit and Control Committee shall meet, ordinarily on a quarterly basis, in order 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 Audit and Control Committee shall appoint a Chairman from among its members. The Chairman shall be an independent Director. The Chairman must be replaced every four (4) years and may be re-elected once a period of one (1) year from his departure has transpired. It shall also appoint a Secretary and may appoint a Deputy Secretary, both of whom need not be members thereof. In the event that such appointments are not made, the Secretary of the Board shall act as Secretary.

The members of the Company's management team or personnel shall be required to attend the meeting of the Audit and Control Committee and to provide it with their collaboration and access to the information available to them when the Committee so requests. The Committee may also request the attendance at its meetings of the Company's auditors.

(i) The Audit and Control Committee shall meet as often as necessary to fulfil its duties and shall be convened by the Chair, either on his/her own initiative or at the request of the Chair of the Board of Directors or of two (2) members of the Committee itself. The meeting notice shall be given by letter, telegram, fax, e-mail, or any other means which allows keeping a record of its receipt.

(ii) The Secretary shall be responsible for convening the same and for filing the minutes and documents submitted to the Committee;

(iii) It will shall be validly assembled when the majority of its members attend in person or by proxy. Resolutions shall be adopted by a majority of the members attending in person or by proxy and minutes of the resolutions adopted at each meeting shall be drawn up and such resolutions shall be

reported to the Board as a plenary body, submitting or delivering a copy of the minutes to all Board members;

(iv) The Committees will inform the Board of its activities and work performed via its Chairperson in the meetings scheduled for this purpose, or immediately afterwards when the Chair deems necessary;

(v) The Audit and Control Committee shall prepare an annual report on its operation, highlighting the principal incidents arising, if any, in relation to the functions characteristic thereof. Furthermore, if the Committee deems it appropriate, it shall include in the report suggestions for improvement.

1.2) Responsibilities

Notwithstanding any other task which may be assigned thereto from time to time by the Board of Directors, the Audit and Control Committee shall exercise the following basic functions:

(i) Report at the General Shareholders' Meeting on matters posed by shareholders in the area of its competence;

(ii) Propose to the Board of Directors, for submission to the General Shareholders' Meeting, the appointment of the external auditors, in accordance with regulations applicable to the Company, 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;

(iii) Supervise the internal auditing services, verifying the adequacy and integrity thereof, to propose the selection, appointment and substitution of their responsible persons, to propose the budget for such services, and to verify that senior management bears in mind the conclusions and recommendations of their reports;

(iv) 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;

(v) Oversee the process for preparing and submitting regular financial account information and the effectiveness of the Company's internal control environment, internal audit and risk management system and to discuss with auditors of accounts any significant weaknesses in the internal control system identified during the course of the audit;

(vi) Establish appropriate relationships with auditors in order to receive information, for examination by the Audit and Control Committee, on matters which may jeopardise the independence of said auditors and any other matters relating to the audit process and any other communications provided for in audit legislation and technical audit regulations;

In all events, on an annual basis, the Audit and Control Committee must receive from the auditors written confirmation of their independence vis-à-vis the Company or entities related to it directly or indirectly, in addition to information on additional services of any kind rendered to these entities by the aforementioned auditors or persons or entities related to them as stipulated by auditing legislation.

In addition, the Audit and Control Committee will issue annually, prior to the audit report, a report containing an opinion on the independence of the auditors. This report must address the provision of any additional services referred to in the preceding paragraph;

(vii) Supervise the compliance with the auditing contract, striving to ensure that the opinion of the

Annual Financial Statements and the principal contents of the auditor's report are drafted clearly and precisely;

(viii) Review the Company's accounts and periodic financial reporting which the Board must furnish to the markets and their supervisory bodies and, in general, to monitor compliance with legal requisites on this subject matter and the correct application of generally accepted accounting principles, as well as to report on proposals for modification of accounting principles and criteria suggested by management;

(ix) Supervise the compliance with regulations with respect to Related Party Transactions; In particular, to ensure that the information on said transactions be reported to the market, in compliance with the provisions of the Ministry of the Economy and Finance Order 3050/2004, of September 15, 2004, and to report on transactions which imply or may imply conflicts of interest and, in general, on the subject matters contemplated in Chapter IX of this Regulation;

(x) Supervise the compliance with Internal Rules of Conduct on Matters Related to the Securities Market and, in general, of the rules of corporate governance;

(xi) Report to the Board on the creation or acquisition of stakes in special purpose vehicles or entities domiciled in countries or territories considered to be tax havens, as well as any other transactions or operations of an analogous nature which, due to their complexity, may deteriorate the transparency of the Company or of the group to which it belongs;

(xii) Consider the suggestions submitted to it by the Chairman of the Board of Directors, Board members, executives and shareholders of the Company, and to establish and supervise a mechanism which allows the employees of the Company 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 the Company;

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

(xiv) Supervise compliance with the internal protocol governing the relationship between the majority shareholder and the Company 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.

(xv) Any others attributed thereto by Law and other regulations applicable to the Company.

THE APPOINTMENTS COMMITTEE AND THE REMUNERATION COMMITTEE

Brief description

Articles 39 and 14 of the Bylaws and Regulations of the Board of Directors describe the organisation and operation of the Appointments Committee and the Remuneration Committee. These also take into account the content of the articles on board committees contained in Royal Legislative Decree, 1/2010, of 2 July, the Corporate Enterprises Act.

1.1) Organisation and operation

The Appointments Committee and the Remuneration Committee will each be made up of the number of non-executive Directors determined by the Board of Directors, from a minimum of three (3) to a

maximum of five (5). At least one third of these members, and in every case the Chairman, shall be independent Directors.

Both the Appointments and the Remuneration Committees shall be self-governing, they shall elect their Chairman and appoint a Secretary. In the absence of this latter appointment, that of the Board shall act as Secretary or one of the Deputy Secretaries.

Both the Appointments Committee and the Remuneration Committee shall:

(i) Meet each time they are convened by their Chairman, who must do so whenever the Board or its Chair requests the issuance of a report or the adoption of a proposal any, in any case, whenever it is appropriate for the proper performance of its functions;

(ii) They shall be convened by the Chairman of the respective Committee, either on his or her own initiative, or at the request of the Chairman of the Board of Directors or of two (2) members of the Committee itself. The meeting notice shall be given by letter, telegram, fax, e-mail, or any other means which allows keeping a record of its receipt.

(iii) Minutes will be prepared of the resolutions adopted at each meeting, which shall be reported to the Board and the minutes will be available to all members of the Board in the Board Secretariat, but shall not be sent or delivered for reasons of discretion, unless the Chair of the Committee decides otherwise.

(iv) The Committees shall be validly constituted with the attendance in person or represented by proxy of the majority of its members and resolutions shall be adopted by a majority of members who attend in person or by proxy.

1.2) Responsibilities

Notwithstanding other duties which may be assigned thereto by the Board of Directors, the Appointments Committee shall have the following basic responsibilities:

(i) 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 Company;

(ii) 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;

(iii) 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;

(iv) Report on the proposals for appointment and, if necessary, removal of the Secretary and Deputy Secretaries for submission for approval of the Board;

(v) Evaluate the profile of the most suitable persons to sit on the different Committees, based on their knowledge, aptitudes and experience, and forward these proposals to the Board;

(vi) 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, it is considered by the Committee that it should take the initiative. Propose, if deemed appropriate, basic conditions in senior executives' contracts, outside the remuneration aspects and reporting on them when they have been established;

(vii) Prepare, when the time is right, and in collaboration with the Chair of the Board, his or her

succession as well as that of the chief executive officer of the Company and, if appropriate, make proposals to the Board of Directors so that this succession takes place in an orderly and planned manner;

(viii) Report to the Board on gender diversity issues and establish a representation target for the less represented sex on the Board of Directors as well as preparing guidelines for how this should be achieved;

(ix) Evaluate periodically, and at least once a year, the structure, size, composition and actions of the Board and its Committees, its Chairperson, CEO and Secretary, making recommendations regarding possible changes to these. Evaluate the composition of the Steering Committee as well as its replacement tables for adequate provision for transitions.

(x) Consider the suggestions posed thereto by the Chairman, the Board members, officers or shareholders of the Company;

(xi) Supervise and control the smooth operation of the corporate governance of the Company;

(xii) Monitor the independence of the independent Directors;

(xiii) Propose to the Board the Annual Corporate Governance Report;

(xiv) Supervise the activities of the organisation in relation to corporate social responsibility issues and submit to the Board those proposals it deems appropriate in this matter;

(xv) Report to the Board concerning the balance of knowledge, skills, diversity and experience of the Board of Directors.

Notwithstanding other duties which may be assigned thereto by the Board of Directors, the Remuneration Committee shall have the following basic responsibilities:

(i) 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;

(ii) Ensure compliance with the remuneration policy for Directors and senior managers as well as compliance with the conditions established in the contracts of these;

(iii) Report on the general remuneration policy of the Company and in particular the policies relating to the categories of staff whose professional activities have a significant impact on the risk profile of the Company and those that are intended to prevent or manage conflicts of interest with the Company's customers;

(iv) Analyse, formulate and periodically review the remuneration programmes, weighing their adequacy and performance and ensuring compliance;

(v) Propose to the Board the approval of the remuneration reports or policies that it has to submit to the General Shareholders Meeting as well as informing the Board concerning the proposals relating to remuneration that, where applicable, it will propose to the General Meeting;

(vi) Consider the suggestions posed thereto by the Chairman, the Board members, officers or

shareholders of the Company.

RISKS COMMITTEE

Brief description

Article 13 of the Regulations of the Board of Directors describe the organisation and operation of the Risks Committee

1.1) Organisation and operation

The Risks Committee shall comprise members of the Board of Directors who do not perform executive functions and who possess the appropriate knowledge, skills and experience to fully understand and manage the risk strategy and risk propensity of the entity, in the number determined by the Board of Directors, with a minimum of three (3) and a maximum of six (6). At least one third of these members, and in every case the Chairman, shall be independent Directors.

The Risks Committee shall meet as often as necessary to fulfil its duties and shall be convened by the Chair, either on his/her own initiative or at the request of the Chair of the Board of Directors or of two (2) members of the Committee itself. The meeting notice shall be given by letter, telegram, fax, e-mail, or any other means which allows keeping a record of its receipt.

(ii) The Secretary shall be responsible for convening the same and for filing the minutes and documents submitted to the Committee;

(iii) It will shall be validly assembled when the majority of its members attend in person or by proxy. Resolutions shall be adopted by a majority of the members attending in person or by proxy and minutes of the resolutions adopted at each meeting shall be drawn up and such resolutions shall be reported to the Board as a plenary body, submitting or delivering a copy of the minutes to all Board members;

(iv) The Committee will inform the Board of its activities and work performed via its Chairperson in the meetings scheduled for this purpose, or immediately afterwards when the Chair deems necessary;

(v) The Risks Committee shall prepare an annual report on its operation, highlighting the principal incidents arising, if any, in relation to the functions characteristic thereof. Furthermore, if the Committee deems it appropriate, it shall include in the report suggestions for improvement.

For the proper performance of its functions, the Entity shall ensure that the delegated Risks Committee can access without difficulty the information concerning the risk situation of the Entity and, if necessary, specialist outside expertise, including external auditors and regulators.

The Risks Committee may request the attendance at meetings of the people that, within the organisation, have roles related to its functions, and shall have the advice that may be necessary to form criteria on matters within its competence, which shall be processed through the Council Secretariat.

The Committee shall appoint a Chairperson from among its members, who shall be an independent Director and may also appoint a Secretary. In the absence of this latter appointment, that of the Board shall act as Secretary or one of the Deputy Secretaries.

1.2) Responsibilities

Notwithstanding any other task which may be assigned thereto from time to time by the Board of Directors, the Risks Committee shall exercise the following basic functions:

(i) Advise the Board of Directors on the overall susceptibility to risk, current and future, of the Entity and its strategy in this area, reporting 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 monitoring the appropriateness of the risks assumed and the profile established.

(ii) Propose to the Board the Group's risk policy, which shall identify in particular:

a) The different types of risk (operational, technological, financial, legal, reputational, etc.) which the Company faces, including among the financial or economic risks the contingent liabilities and other off-balance-sheet risks;

(b) The internal reporting and control systems to be used to control and manage the above risks.

(c) The level of risk that the Company considers acceptable;

(d) The planned measures to mitigate the impact of identified risks should they occur;

(iii) 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.

(iv) Regularly review exposures with its main customers, economic business sectors and by geographic area and types of risk.

(v) Examine the information and control processes of the Group's risk as well as the information systems and indicators, which should enable:

(a) The adequacy of the structure and the functionality of risk management throughout the Group;

(b) To know the risk exposure of the Group in order to assess whether it conforms to the profile determined by the institution;

(c) The availability of sufficient information to enable accurate knowledge of the risk exposure for decision-making purposes;

(d) The proper functioning of policies and procedures that mitigate the operational risks;

(vi) Evaluate the regulatory compliance risk in its scope of action and determination, understood as the risk management of legal or regulatory sanctions, financial loss, or material or reputational loss that the Company 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.

(vii) Report on new products and services or significant changes to existing ones, in order to determine:

(a) The risks facing the Company from their issue and their commercialisation on the market, as well as from significant changes in existing ones.

(b) The internal reporting and control systems to be used to control and manage the above risks.

(c) Corrective measures to limit the impact of the identified risks, should they occur.

(d) The means and the appropriate channels for their commercialisation in order to minimise any reputational risks and mis-marketing.

(viii) Examine, without prejudice to the functions of the Remuneration Committee, if the incentives anticipated in the remuneration systems take into account the risk, capital, liquidity and the

probability and timing of the benefits.

EXECUTIVE COMMITTEE

Brief description

Article 39 of the Bylaws and articles 11 and 12 of the Regulations of the Board of Directors describe the organisation and operation of the Executive Committee.

1.1) Organisation and operation

The Executive Committee is governed by applicable legislation, the company's Bylaws and the Regulations of the Board of Directors.

Aspects not specifically defined for the Executive Committee shall be governed by the rules of procedure set forth by the Regulations of the Board of Directors for its own procedures.

It will be considered to have a valid quorum when the majority of its members are present or represented at its meetings. Resolutions will be adopted by majority of the members in attendance, whether in person or by proxy.

1.2) Responsibilities

The Executive Committee has been delegated all of the responsibilities and powers available to it both legally and under the Company's Bylaws. In terms of procedure, the Executive Committee is subject to the limitations set forth under article 4 of the Regulations of the Board of Directors.

E.6 Explain the response and monitoring plans for the main risks the company is exposed to.

As we have mentioned before, the main risks the Entity is exposed to are outlined in the Corporate Risk Catalogue.

Clear monitoring responsibilities have been established and, where applicable, the response within the risk appetite framework.

The **Board of Directors** is responsible for defining and supervising the Group's risk profile, updating the framework each year and monitoring the effective risk profile.

The **Delegate Risks Committee** advises the Board of Directors on the Entity's overall susceptibility to risk, current and future and its strategy in this area.

The **Global Risks Committee** is an executive body which reports directly to the delegate Risks Committee. It monitors the effective compliance of the framework at least once a month. If the pre-established levels are exceeded, the necessary measures are taken to reshape the situation.

In order to meet the information, management and control needs of the above mentioned bodies, the following reporting system has been set up:

- **Monthly presentation** of the tier 1 scorecard to the **Global Risks Committee**, indicating the risk position for the last available month and the trend. If risk levels breach the threshold for:
 - **Appetite**: an "amber traffic light" or early alert is assigned to the indicator, and

the party responsible or the Management Committee is entrusted with preparing an response, or action, plan to return to the "green" zone, and a timeline drawn up.

- **Tolerance:** a "red traffic light" is assigned, including an explanation as to why the previous action plan did not work. Corrective or mitigating measures are proposed to reduce exposure. This must be approved by the Delegate Risks Committee.
- **Recovery and Resolution Plan:** refers to a series of measures developed to:
 - Reduce the possibility of a financial entity going bankrupt or entering into a resolution process;
 - Minimise the impact in the event of bankruptcy, and avoid the need for a bail out.

If these measures are not met, the regulator must be informed of serious breaches and action plans.

- **Quarterly presentation** to the **Delegate Risks Committee** on the situation, action plans and forecasts for tier 1 metrics.
- **Quarterly presentation** to the Board of Directors on the situation, action plans and forecasts for tier 1 metrics.

During these sessions, the Board may decide to amend or update the metrics and previously assigned thresholds as per the regulation governing the Risk Appetite Framework (at least annually).

If a risk breaches a tolerance threshold which could threaten the Group's ability to continue as a going concern, the Board may initiate the measures set forth in the **Recovery and Resolution Plan**.

One example of a "Response Plan" is the "Liquidity Contingency Plan", drawn up by ALM and Financing Division and endorsed by the various management/administrative bodies. This Plan (described in Note 3, point 4.1. of the CaixaBank Annual Financial Statements - Liquidity Risk), has various concrete plans for each of the crisis scenarios, and details measures to be taken at various different levels within the organisation.

For more information see Note 3 of the Consolidated Financial Statements of the CaixaBank Group for 2014.

Below are the risk supervisory teams (second and third control lines, pursuant to the Group's Internal Control Framework):

- **Global Risk Management**
- **Internal Validation**
- **Internal Control**
- **Regulatory Compliance**
- **Audit**

Global Risk Management

The Global Risk Management Corporate Division, which reports to the Group's General Risk Division, is responsible for ensuring that the main risk management principles are in keeping with the Entity's risk profile, its risk policies, the organisation of the risk function (structure, limits and delegation and committee), the use of measurement methodologies in keeping with their complexity, the monitoring of positions and solvency of borrowers and the systems and procedures for reporting, managing and controlling risks.

As we mentioned above, the Risk Appetite Framework was approved in 2014 as a comprehensive and forward-looking tool used by the Board to determine the types and thresholds of risk it is willing to accept. The Global Risk Management Corporate Division ensures the tool is implemented and monitored.

A systematic and periodical reporting system aimed at the various governing bodies has been defined to handle the reporting, management and control needs of the various thresholds established.

For more information see Note 3 of the Consolidated Financial Statements of the CaixaBank Group for 2014.

Internal Validation

The Basel Capital Accord establishes how entities can determine their minimum capital requirements based on their risk profile. For credit risk, it allows entities to use internal rating models and their own estimates of risk parameters to determine their capital requirements.

The importance of the capital determination process requires proper control environments to ensure that reliable estimates are obtained. The Bank of Spain establishes internal validation as a mandatory pre-requisite for supervisory validation, and requires the process to be carried out by an independent specialised division within the entity. It must also be carried out on a continuous basis at the entities, as a complementary feature to traditional control functions (internal audit and supervision).

The validation function at CaixaBank is carried out by the Internal Validation unit which reports directly to the CaixaBank General Risk Division, guaranteeing the independence of the teams developing and implementing internal models.

Within the framework of the project to migrate to the Single Supervisory Mechanism (SSM), the Internal Validation unit has identified a number of areas within internal governance to be strengthened. The Global Risk Model Validation framework has been defined and signed off. This document outlines the Internal Validation unit's mission, the general action framework, the reporting lines, etc. Relevant criteria for the recommendations issued have also been defined.

For more information see Note 3 of the Consolidated Financial Statements of the CaixaBank Group for 2014.

Internal Control

The mission of the Internal Control Area is to provide reasonable assurance to management and the governing bodies that the necessary controls are in place, designed correctly and operating efficiently to manage the Group's risks.

Using the Corporate Risk Map the Area provides a transversal vision of the main risks assumed by the Group and assesses the control environment, and reports systematically to senior management and the Audit and Control Committee.

For more information see Note 3 of the Consolidated Financial Statements of the CaixaBank Group for 2014.

Regulatory Compliance

The CaixaBank Group's objective is, on the one hand, to minimise the probability of occurrence of

regulatory compliance risk (as defined in point E.2), and, if it occurs, to detect, report and address the weaknesses promptly.

As a second line of defence, the Regulatory Compliance Area reviews internal procedures to verify that they are up-to-date and, as appropriate, to identify situations of risk, in which case it calls upon the affected areas to develop and implement the improvement actions necessary. A commitment to a reasonable implementation schedule is reached and Regulatory Compliance performs regular monitoring, reporting the results to the governing bodies and management.

Regulatory Compliance is also in charge of advising Senior Management on this matter and of promoting a compliance culture in the Entity.

For more information see Note 3 of the Consolidated Financial Statements of the CaixaBank Group for 2014.

Internal Audit

Internal Audit provides reasonable assurance to Senior Management and the governing bodies that the CaixaBank Group's objectives are being fulfilled, assessing the effectiveness and efficiency of the risk management, internal, control and corporate-governance processes.

Pursuant to the principles of independence and objectivity, and applying a systematic and disciplined approach, Internal Audit performs assurance and consulting services that add value to the Entity, acting as the third line of defence in CaixaBank's internal control framework.

For more information see Note 3 of the Consolidated Financial Statements of the CaixaBank Group for 2014.

H. Other Information of Interest

3. Also state whether the company voluntarily subscribes to other international, sectorial or other ethical principles or standard practices. If applicable, identify the Code and date of adoption.

CaixaBank participates in numerous alliances and initiatives, both at home and on the international stage, in order to achieve joint progress in questions of corporate responsibility and the exchange of best practices in this area.

UN Global Compact

CaixaBank supports the Global Compact and endeavours to disseminate its 10 principles, based on human and labour rights, the environment and the fight against corruption. A member since 2005, in 2012, CaixaBank was awarded the 4-year presidency of the Spanish Global Compact Network, extending its commitment to establish and implement the principles among Spanish companies and institutions.

Equator Principles

CaixaBank has been a signatory to the Equator Principles since 2007. The Entity is committed to considering and managing social and environmental risks in assessing and financing project finance transactions of more than US \$10 million and project-related corporate loans where the total aggregate loan amount is over US \$ 100 million.

Carbon Disclosure Project

CaixaBank is a signatory to the Carbon Disclosure Project (CDP) since 2012. The CDP is an independent not-for-profit organisation working to drive greenhouse gas emissions reduction and sustainable water usage. As a signatory, and as a token of its commitment to respect and protect the environment, CaixaBank has committed to measure, disclose, manage and disseminate environmental information.

Women's Empowerment Principles

In 2013, CaixaBank adhered to the U.N. Women and the United Nations Global Compact's joint initiative: Women's Empowerment Principles. By doing so, CaixaBank publicly assumed the commitment to ensure that its policies promote gender equality.

Global Reporting Initiative

CaixaBank draws up an Integrated Corporate Report that includes the GRI's indicators regarding the actions taken in the social, environmental and corporate governance areas.

United Nations Principles for Responsible Investment (UNPRI)

Since October 2009, VidaCaixa, the CaixaBank company which sells life insurance policies and manages pension plans, is a signatory to these principles which guide the responsible management of all its investments.

OECD Guidelines for multinational enterprises

CaixaBank follows these guidelines which promote sustainable and responsible business behaviour.

The Conference Board

CaixaBank takes part in this business research association, whose aim is to share with leading world organisations the practical know-how they need in order to improve their performance and serve society better.

Code of Good Practices for the viable restructuring of mortgage loans on primary residences

On 15 March 2012, CaixaBank adhered to the Spanish government's Code of Good Practices for the viable restructuring of mortgage loans on primary residences. CaixaBank's decision to join was based on the fact that the code mirrors one of its own core objectives: its long-standing fight against social

and financial exclusion.

National Education Plan

Since 2010 CaixaBank has been a signatory to the Financial Education Plan promoted by the Bank of Spain and the Spanish Securities Market Regulator (CNMV) to improve society's knowledge of financial matters.

CSR –SMEs initiative

CaixaBank collaborates with the ICO and the Spanish Global Compact Network to promote corporate social responsibility amongst small and medium-sized enterprises.

Diversity Charter

A diversity charter is a short document voluntarily signed by a company or a public institution to promote its commitment to the principles of equality, its actions to foster the inclusion of all people in the workplace and society, the recognition of the benefits of cultural, demographic and social diversity within companies, the implementation of specific policies which encourage a working environment free from prejudice with regard to employment, training and the promotion and adoption of non-discrimination policies. CaixaBank became a signatory in 2012.

Equality Seal network of companies

Since 2013 In 2011, CaixaBank obtained the equality seal which recognises those companies committed to equality and which stand out by applying equal treatment and equal opportunities policies to working conditions, their organisational models, and other areas such as services, products and advertising. Companies holding this equality seal are members of the DIE network which works to promote the exchange of best practices and experiences in fostering equal opportunities for women in the work place. The Network connects companies by organising technical workshops and online forums offering various themed activities.

For more information, please visit the “Corporate Responsibility” section under “Corporate Information” on the CaixaBank website, or via this link:

http://www.caixabank.com/responsabilidadcorporativa/modelofinanzasresponsables/iniciativasyalianzas_es.html

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails

AUDITOR'S REPORT FOR 2014 ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF CAIXABANK, S.A.

To the Directors of CaixaBank, S.A.:

As requested by the Board of Directors of CaixaBank, S.A. ("the Company") and in accordance with our proposal-letter dated 12 January 2015, we have applied certain procedures to the "Information relating to the system of ICFR" contained in the Section F to the Company's 2014 Annual Corporate Governance Report, which summarises the internal control procedures of the Company in relation to its annual financial reporting.

The Board of Directors is responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system and for making improvements to that system and for preparing and establishing the content of the accompanying Information relating to the system of ICFR.

It should be noted in this regard, irrespective of the quality of the design and operativity of the internal control system adopted by the Company in relation to its annual financial reporting, the system can only permit reasonable, but not absolute, assurance in connection with the objectives pursued, due to the limitations inherent to any internal control system.

In the course of our audit work on the financial statements and pursuant to Technical Auditing Standards, the sole purpose of our assessment of the internal control of the Company was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Company's financial statements. Therefore, our assessment of internal control performed for the purposes of the aforementioned audit of financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we applied exclusively the specific procedures described below. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Company's annual financial reporting for 2014 described in the accompanying Information relating to the system of ICFR. Therefore, had procedures additional to those provided for in the engagement letter been applied or an audit or a review of the system of internal control over the regulated annual financial reporting been performed, other matters or aspects might have been disclosed which would have been reported to you.

Also, since this special engagement does not constitute an audit of financial statements and is not subject to the Consolidated Spanish Audit Law, approved by Legislative Royal Decree 1/2011, of 1 July, we do not express an audit opinion in the terms provided for in that Law.

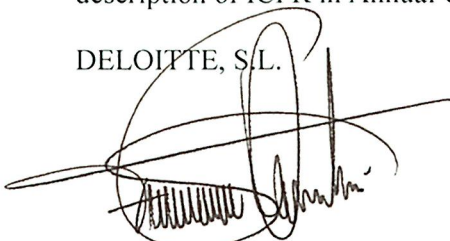
The procedures applied were as follows:

1. Perusal and understanding of the information prepared by the Company in relation to the system of ICFR - disclosure information included in the directors' report- and assessment of whether this information addresses all the information required in section F, relating to the description of the system of ICFR, of the Annual Corporate Governance Report model established in CNMV Circular 5/2013, of 12 June 2013.
2. Inquiries of personnel in charge of preparing the information detailed in point 1 above for the purpose of achieving: (i) familiarisation with the preparation process; (ii) obtainment of the information required in order to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) obtainment of information on whether the aforementioned control procedures have been implemented and are in use at the Company.
3. Review of the explanatory supporting documentation for the information detailed in point 1 above, including the documentation furnished directly to the personnel in charge of preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes reports prepared by the Internal Audit Department, senior executives or other internal or external experts providing support functions to the Audit and Control Committee.
4. Comparison of the information detailed in point 1 above with the Company's knowledge of the system of ICFR obtained as a result of the application of the procedures carried out as part of the audit of its financial statements.
5. Perusal of minutes of meetings of the Board of Directors, the Audit and Control Committee and of other Company committees in order to assess the consistency between the ICFR issues addressed therein and the information detailed in point 1 above.
6. Obtainment of the representation letter concerning the work performed, duly signed by the personnel in charge of the preparation of the information detailed in point 1 above.

The procedures applied to the Information relating to the system of ICFR did not disclose any inconsistencies or incidents that might affect the Information.

This report was prepared exclusively under the framework of the requirements established by Article 540 of the Consolidated Spanish Limited Liability Companies Law and by Spanish National Securities Market Commission (CNMV) Circular 5/2013, of 12 June, for the purposes of the description of ICFR in Annual Corporate Governance Reports.

DELOITTE, S.L.

A large, stylized handwritten signature in black ink, appearing to be 'Francisco Ignacio Ambrós', is written over the company name and extends across the signature line.

Francisco Ignacio Ambrós

27 February 2015