



REPORT ON THE AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE CAPITAL, WITHIN A FIVE YEAR TERM, THROUGH MONETARY CONTRIBUTIONS, REVOKING THE AUTHORISATION IN EFFECT TO DATE FOR THE UNUSED PORTION. DELEGATION OF POWERS TO DISAPPLY PRE-EMPTIVE SUBSCRIPTION RIGHTS

This report has been prepared by the directors of CaixaBank, S.A. (the “**Company**”), pursuant to the provisions of Articles 286, 296.1, 297.1 and 506 of Royal Decree 1/2010, of July 2, approving the revised text of the Corporate Enterprise Act, justifying the proposal on the delegation of new powers to the Board of Directors to increase capital pursuant to Article 297.1.b) of the Corporate Enterprise Act, including the delegation of powers to exercise pre-emption rights in accordance with Article 506 of the Act, subject to approval of the proposal made to the General Meeting in item 14 of its Agenda.

Pursuant to Article 297.1.b) of the Corporate Enterprise Act, the Annual General Meeting, in line with the requisites on amending the by-laws, can authorize the Board of Directors to agree once or several times to increase capital up to a given amount, at a time and for an amount to be determined by the Board, without needing to consult the General Shareholders Meeting. Those capital increases may in no case exceed half of the amount of the share capital at the time of authorisation and must be made within the five years following the resolution by the General Shareholders Meeting. As provided for in Article 286 of the Corporate Enterprise Act in relation to Articles 296 and 297.1, the directors must prepare a written report justifying the proposal.

JUSTIFICATION FOR THE PROPOSAL

Delegation of powers to increase share capital

The Board of Directors understands that the proposal, as was presented to the General Shareholders Meeting, responds to the need to provide the Board with an instrument permitted under current company law and which, at any time, without having to call and hold a General Shareholders Meeting first, allows capital to be increased as deemed advisable in the Company interests, within the limits and time frame and under the terms and conditions agreed upon by the Meeting. The dynamics of any commercial company, and especially a large corporation, require that its governing and management bodies have access at all times to the best instruments to ensure they are able to meet any and all of the company’s requirements, according to market conditions. These needs may include making new funds available to the Company; such funds are normally provided through new capital contributions.

It is usually not possible to anticipate the Company’s needs in terms of capital provision and, moreover, the General Shareholders Meeting’s normal way of increasing share capital, with the resulting delay and increase costs involved, may in certain circumstances make it hard for the Company to respond rapidly and efficiently to market needs. In view of that, the ability to delegate powers for that purpose, pursuant to Article 297.1.b) of the Corporate Enterprise Act, is largely able to avoid such difficulty, while giving the Board of Directors a sufficient amount of flexibility to deal with the Company’s needs, according to the Company’s circumstances.

So the proposal presented to the General Shareholders Meeting and indicated below is to grant the Board the power to increase share capital by up to €2,857,477,950 (that is, half of

the share capital as of the date of this report), which includes revoking Resolution Ten of the resolutions adopted by the Annual General Meeting on 25 April 2013 applicable to the unused portion, in respect of the authorisation to increase capital.

The proposed resolution submitted to the General Shareholders Meeting includes an authorisation allowing the Board, in turn, to delegate to the Executive Committee any powers that may be delegated and were received by the General Shareholders Meeting, in order to ensure smooth coordination with current authorisations to issue convertible bonds, and the sum of any capital increases to meet the bond conversion if necessary will be considered part of the limit available each time from the maximum amount of €2,857,477,950, in accordance with the resolution adopted by the General Shareholders Meeting held on 25 April 2013 under item 9 of the Agenda or any other resolution adopted by the General Shareholders Meeting on the matter.

Delegation of the power to disapply pre-emption rights in the case of new share issues

In addition, and pursuant to Article 506 of the Corporate Enterprise Act regarding listed companies, when the General Shareholders Meeting delegates to the directors the power to increase capital in accordance with the provisions of Article 297.1.b) referred to above, it may also authorise them to disapply pre-emption rights in the case of the share issues authorised if this is deemed in the Company's interest, but the proposal to disapply those rights must be included in the Notice of the General Meeting and a report by the directors justifying the proposal must be made available to the shareholders.

The authorisation given to the Board of Directors to increase the capital, contained in the proposal to which this report refers, also includes an authorisation in accordance with Article 506 of that Law, that allows the directors to exclude the shareholders' pre-emption right, totally or partially, all according to the terms of said Article 506.

The Board of Directors considers that this additional possibility, which considerably increases the scope and capacity of response provided by the mere delegation of the power to increase capital under the terms of Article 297.1.b) of the Corporate Enterprise Act, is justified on the one hand by the flexibility and speed of action called for in today's financial markets to take advantage of a moment in time when market conditions are most favourable. On the other hand, the disapplication of pre-emption rights normally makes it possible to reduce the costs associated with the operation (including, especially, commissions charged by financial entities involved in the issue) compared with an issue with pre-emption rights, while having a distorting effect on the trading of Company shares during the issue period, which tends to be shorter than in an issue with pre-emption rights.

Likewise, disapplication may be necessary if the intention is to raise the capital on international markets or using the book building method.

In any event, the proposal submitted to the General Meeting of Shareholders expressly sets forth that any increases in share capital that the Board may approve under this authorisation excluding pre-emption rights, are limited to a total of €1,142,991,180 (that is, an amount equivalent to 20% of the share capital on the date of this report). It is understood that this limit includes any share capital increases approved by the Board of Directors of the Company to attend bond conversions, in case those bonds had been issued disapplying pre-emption rights based on the resolution authorising the Board to issue convertible bonds approved by the General Meeting of Shareholders of 25 April 2013 under item 9 of the Agenda, or any other resolution on this subject that may be approved by the General Meeting of Shareholders.

It must be clearly understood that the total or partial disapplication of pre-emption rights is simply an authorisation given to the General Meeting by the Board of Directors and how those rights are exercised will depend on the Board, according to circumstances in each individual case and in keeping with the law. If, when using the powers referred to, the Board should decide to suppress the pre-emption rights granted for a specific capital increase that it may ultimately decide to make under the authorisation granted by the General Shareholders Meeting, when the increase is agreed, it will issue a detailed report giving the specific reasons why, in the interest of the Company, that measure was justified and the report must be included in the corresponding auditor's report referred to in Article 506 of the Corporate Enterprise Act. Both reports will be made available to the shareholders and submitted at the first General Shareholders Meeting held following the resolution to increase capital, in accordance with the provisions in place on the matter.

In Barcelona, 12 March 2015