



REPORT ON THE TERMS AND IMPLEMENTATION OF THE RESOLUTION FOR CAPITAL INCREASE AGAINST RESERVES (DIVIDEND/SHARE PROGRAM) APPROVED AT THE COMPANY'S GENERAL MEETING HELD ON 28 APRIL 2016, UNDER ITEM 9 ON THE AGENDA, AND NOTIFICATION OF THE BALANCE SHEET USED AS A BASIS FOR ITS APPROVAL

Board of Directors - 23 February 2017

This report has been prepared by the Board of Directors of CaixaBank, S.A. (the “**Company**”), pursuant to the provisions of Article 518 d) of the Law 31/2014, dated 3rd December (hereinafter, “**Corporations Act**”), with the purpose of informing the shareholders of the terms and implementation of the resolution for capital increase against reserves (Dividend/Share Program) approved at the Company's General Meeting held on 28 April 2016, under item 9 on the Agenda. Likewise, this report has the purpose of informing the shareholders of the balance sheet used as a basis for the approval of such capital increase.

Shareholders are informed that on November 17, 2016 the Board of Directors approved the implementation of the capital increase against voluntary reserves approved by the General Meeting of April 28, 2016, under item 9 of the Agenda. The conditions under which the Board of Directors resolved to implement the share capital increase, with the amendments made by the Managing Director, duly published, are the following: (i) establish the maximum increase amount as equal to 82,086,703 euros, conducted via the issuance and entry into circulation of the maximum number of 82,086,703 new shares of the Company, (ii) establish the number of free subscription rights required for the allocation of one new share as equal to 72, (iii) waive 68 free subscription rights corresponding to 68 shares owned by the Company with a sole purpose of making the amount of new shares a whole number, notwithstanding the waiver of free assignment rights acquired pursuant to the Purchase Commitment corresponding to the rights for Company's shares; (iv) establish a period of 15 calendar days (that is, from November 22 to December 6, 2016) during which free subscription rights may be traded on the Spanish through Spain's Continuous Market, and (v) assume the commitment for the purchase of free subscription rights from the shareholders who have selected this option, at a fixed price of 0.04 euro cents per each right.

The terms of the capital increase were described in the Prospectus published by way of significant events dated November 17 and 21, 2016, as provided in articles 26(1)(e) of Royal Decree 1310/2005 of November 4. On December 13, 2016 a public deed was granted, announcing the capital increase in the amount of 71,195,347 euros via the issuance and entry into circulation of 71,195,347 new shares of the Company, registered in book-entry form, with a nominal value of one euro per share, with no premium, charged against the restricted reserve funded for this purpose.

The capital increase was made on the basis of the balance sheet closed December 31, 2015, drawn-up by the Board of Directors, verified by the Company's auditor of accounts and approved by the General Meeting of April 28, 2016. Additionally, the existence of reserves at the time of implementation of the capital increase was determined on the basis of a balance sheet closed June 30, 2016, drawn-up by the Board of Directors and verified by the Company's auditors which, for the appropriate purposes, is hereby communicated to the General Meeting.

Barcelona, February 23, 2017