REPORT ON THE AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL, THROUGH MONETARY CONTRIBUTIONS, REVOKING THE AUTHORISATION CURRENTLY IN FORCE. DELEGATION OF POWERS TO EXCLUDE PREFERENTIAL SUBSCRIPTION RIGHTS

Board of Directors – 16 April 2020

I. PURPOSE OF THE REPORT

This report has been prepared by the Board of Directors of CaixaBank, S.A. (hereinafter "**CaixaBank**" or the "**Company**"), pursuant to the provisions of Articles 286, 296.1, 297.1 and 506 of the Spanish Corporate Law, in order to justify the proposal on the authorisation to the Board of Directors to increase the share capital according to Article 297.1.b) of the Spanish Corporate Law, including the delegation of powers to exclude preferential subscription rights in accordance with Article 506 of the Act, subject to approval of the proposal made to the Annual General Meeting of Shareholders in item 7 of its Agenda.

Pursuant to Article 297.1.b) of the Spanish Corporate Law, the Annual General Meeting, following the requirements to amend the by-laws, is entitled to authorise the Board of Directors to approve, once or several times, to increase the share capital up to a given amount, at the time and for the amount to be determined by the Board, without needing prior approval of the General Meeting. In any event those capital increases shall not exceed half of the amount of the share capital of the Company at the time of the authorisation and shall be made within the five years following the resolution by the General Meeting. In turn, as provided for in Article 286 of the Spanish Corporate Law in relation to Articles 296 and 297.1, the Directors shall prepare a written report justifying the proposal.

II. JUSTIFICATION FOR THE PROPOSAL

Delegation of powers to increase the share capital

The Board of Directors understands that the proposal submitted to the General Shareholders Meeting responds to the need to provide the Board with an instrument permitted under current corporate law and which, at any time, without having to call and hold a General Shareholders Meeting, allows capital to be increased as deemed appropriate according to the corporate interest of the Company, within the limits and timeframe and under the terms and conditions authorised by the General Shareholders Meeting. The dynamics of any commercial company, and especially a large corporation, require that the Company has access at all times to the best instruments to ensure they are able to meet the company's needs, based on the market conditions, which includes having new funds available to the Company, such funds to be normally provided through new capital contributions.

It is usually not possible to anticipate the Company's needs in terms of capital and, moreover, the normal way to increase the share capital holding a General Shareholders Meeting's, with the resulting delay and increased costs involved, may in certain circumstances make it difficult for the Company to respond rapidly and efficiently to market needs. In view of that, the ability to grant an authorisation for that purpose, in accordance with Article 297.1.b) of the Spanish Corporate Law, largely enables avoiding 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.

For such purposes, it is resolved to submit to the General Shareholders Meeting the approval of an authorisation to the Board to increase the share capital of the Company by up to a maximum amount of €2,990,719,015 (that is, half of the share capital as of the date of this report), which includes revoking the resolution passed by the General Shareholders Meeting on 23 April 2015 referred to the capital increase authorisation, with respect to the unused portion.

The proposed resolution that is submitted to the General Shareholders Meeting includes an authorisation allowing the Board, in turn, to delegate any powers that may be delegated and received by the General Shareholders Meeting to the Executive Committee and, where applicable, to the Board member or members it deems appropriate, and in order to ensure coordination with the authorisations in force to issue convertible bonds; the proposal specifically states that the amounts of any capital increases that may take place to meet bond conversions in accordance with the resolution passed by the Ordinary General Shareholders Meeting on 28 April 2016 under item 12 of the Agenda, or any other resolution that may be passed by the General Meeting on this matter will be deemed included within the maximum limit available from time to time amounting to €2,990,719,015.

Delegation of the power to exclude preferential subscription rights in the case of new share issues

In addition, and pursuant to Article 506 of the Spanish Corporate Law regarding listed companies, in those cases where the General Shareholders Meeting delegates to the Directors the power to increase the share capital in accordance with the provisions of Article 297.1.b) referred to above, it may also authorise them to exclude the preferential subscription rights relating to the authorised share issues if the Company’s interest requires so, in such cases being necessary that the exclusion of preferential rights is included in the call notice of the General Shareholders Meeting and that the report issued by the Board of Directors justifying the proposal is made available to the shareholders.

In this regard, it is hereby informed that, according to Article 506 of the Spanish Corporate Law, the authorisation given to the Board of Directors to increase the share capital contained in the proposal referred to in this report, also includes the authorisation that allows the Board of Directors to exclude the preferential subscription rights of the shareholders, totally or partially, where the Company's interest so requires, 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 the share capital under the terms of Article 297.1.b) of the Spanish Corporation Law, is justified by the flexibility and speed of action called for, at times, in today’s financial markets to take advantage, for the best interest of the Company, of a moment in time when market conditions are most favourable. In turn, raising capital on international markets may require the exclusion of preferential subscription rights to enable the use of book building methods commonly required in the market. In this regard, such book building methods also reduce the distorting effect on the trading of Company shares during the issuance period, which tends to be shorter than in an issuance with preferential subscription rights, and normally also enables to reduce the costs associated with the operation (including, especially, commissions charged by financial entities involved in the issuance) compared with an issuance with pre-emption rights.

In any event, in general terms, the proposal submitted to the General Shareholders Meeting expressly foresees that any increases in share capital that the Board may approve under this authorisation excluding preferential subscription rights, shall be limited to a total amount of €1,196,287,606 (that is, an amount equivalent to 20% of the share capital on the date of this report).

It is hereby stated that the amount of any capital increases that may take place in order to cover the conversion of bonds, *warrants* or other securities and carried out under the authorisation granted by the General Shareholders Meeting in favour of the Board of Directors on 28 April 2016 under item 12 of the agenda or any other resolution on that matter that may be passed by the General Shareholders Meeting, shall be deemed included within the maximum limit available from time to time to increase the share capital under the authorisation referred to in this report. Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, EU Regulation 575/2013 on prudential requirements for credit institutions and investment firms and Law 11/2015 dated 18 June on recovery and resolution of credit institutions and investment service companies, provide for the need for credit institutions to equip themselves, in certain proportions, with various instruments in the composition of their regulatory capital so that they may be considered adequately capitalised. Therefore, different capital categories are contemplated that must be covered by specific instruments. Despite the Company's current adequate capital situation, in certain circumstances the Board of Directors may deem it appropriate to issue convertible instruments under the authorisation granted by the General Shareholders Meeting. To the extent that the issuance of these instruments implies the need to have an authorised capital to cover a potential conversion and in order to provide the company with greater flexibility, bearing also in mind that according to Article 304.2 of the Spanish Corporation Law no preferential subscription rights exist in case of share capital increases to cover the conversion of bonds, it shall be understood that all capital increases that may be approved by the Board under the authorisation referred to in this report to meet the conversion of securities issued with exclusion of preferential subscription rights, shall not be subject to the maximum limit of 20% of the share capital, being exceptionally subject to the limit of 50%.

It must be clearly understood that the total or partial exclusion of preferential subscription rights is simply an authorisation given to the Board of Directors by the General Shareholders Meeting and the exercise of that authorisation will depend on the decision of the Board, taking into consideration the circumstances applicable in each individual case and in compliance with all legal requirements. If, when using this authorisation, the Board would decide to exclude the preferential subscription rights in relation to a specific capital increase that it may potentially decide under the authorisation granted by the General Shareholders Meeting, by the time of the resolution to increase the share capital, the Board would issue a detailed report giving the specific reasons why, in the interest of the Company, that measure is justified, such report being subject of the corresponding report issued by an independent expert other than the Company's auditor in accordance with Article 506 of the Spanish Corporation Law as referred to by Articles 505 and 308 of the same legal text. Both reports would be made available to the shareholders and submitted at the first General Shareholders Meeting that would be held following the share capital increase resolution, in accordance with the provisions contained in the referred Article.

16 April 2020