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CaixaBank

REGISTRATION DOCUMENT

CAIXABANK, S.A.

July 2018

This Registration Document was filed with the Comisión Nacional del Mercado de Valores, the Spanish Securities Market Regulator, on 12 July 2018

In accordance with the provisions of Spanish Royal Decree 1310/2005, of 4 November, and Order EHA 3527/2005, of 10 November, this Registration Document has been drawn up in accordance with the schedule established in Annex I of Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

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CONTENTS

I. RISK FACTORS 7

1. CREDIT RISK 9

2. MARKET RISK 21

3. RISKS IN THE BANKING BOOK 22

4. ACTUARIAL RISK 24

5. CAPITAL ADEQUACY RISK 25

6. LIQUIDITY RISK 29

7. LEGAL/REGULATORY RISK 35

8. CONDUCT AND COMPLIANCE RISK 37

9. OPERATIONAL RISK 37

10. REPUTATIONAL RISK 38

II. INFORMATION ON THE ISSUER (ANNEX I OF COMMISSION REGULATION (EC) NO 809/2004 OF 29 APRIL 2004) 39

1. PERSONS RESPONSIBLE 39

1.1. Identification of the persons responsible for the share registration document 39

1.2. Declaration by the persons responsible for the share registration document 39

2. STATUTORY AUDITORS 39

2.1. Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body) 39

2.2. If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material 39

3. SELECTED FINANCIAL INFORMATION 40

3.1 Selected historical financial information regarding the issuer, presented for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information 40

3.2 If selected financial information is provided for interim periods, comparative data for the same period of the previous year must also be provided, unless the comparative information requirement is satisfied by presenting the year-end balance sheet information 43

4. RISK FACTORS 45

5. INFORMATION ABOUT THE ISSUER 45

5.1 History and development of the issuer 45

5.2 Investments 59

6. BUSINESS OVERVIEW 60

6.1 Principal activities 60

6.1.1 Description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information 60

6.1.2 An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of development 69

6.2 Main markets 70

6.3 Where the information given pursuant to items 6.1. and 6.2. has been influenced by exceptional factors, mention that fact 72

6.4 If material to the issuer's business or profitability, give summary information regarding the extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes 73

6.5 The basis for any statements made by the issuer regarding its competitive position 73

7. ORGANISATIONAL STRUCTURE 73

7.1 If the issuer is part of a group, a brief description of the group and the issuer's position within it 73

7.2 A list of the issuer's significant subsidiaries, including name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held 74

8. PROPERTY, PLANT AND EQUIPMENT 81

8.1 Information regarding any existing or planned tangible assets, including leased properties, and any major encumbrances thereon 81

8.2 Description of any environmental issues that may affect the issuer's utilisation of the tangible assets 83

9. OPERATIONAL AND FINANCIAL REVIEW 83

9.1 Financial condition 83

9.2 Operating results 83

9.2.1 Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations, indicating the extent to which income was so affected 85

9.2.2 Where the financial statements disclose material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes 86

9.2.3 Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations 87

10. CAPITAL RESOURCES...91

10.1 Information concerning the issuer's capital resources 91

10.2 Explanation of the sources and amounts of and a narrative description of the issuer's cash flows 93

10.3 Information on the borrowing requirements and funding structure of the issuer 93

10.4 Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations 96

10.5 Information regarding the anticipated sources of funds needed to fulfil commitments referred to in Sections 5.2.3. and 8.1...96

11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES 96

12. TREND INFORMATION..100

12.1 The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document. 100

12.2 Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.....................100

13. PROFIT FORECASTS OR ESTIMATES 102

14. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT102

14.1 Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside the issuer where such activities are significant with respect to the issuer: 102

14.2 Administrative, management, and supervisory bodies and senior management conflicts of interests..124

15. REMUNERATION AND BENEFITS..129

15.1 The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person...129

15.2 The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits 141

16. BOARD PRACTICES 142

17. EMPLOYEES 156

18. MAJOR SHAREHOLDERS 167

19. RELATED PARTY TRANSACTIONS....171

20. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES....176

20.1. Trend information....177

20.2. Pro-forma financial information....187

20.3. Financial statements....187

20.4. Auditing of historical annual financial information....188

20.5. Age of latest financial information....188

20.6. Interim and other financial information....188

20.7. Dividend policy....192

20.8. Legal and arbitration proceedings....193

20.9. Significant changes in the issuer's financial or trading position....195

21. ADDITIONAL INFORMATION....195

21.2 Memorandum and articles of association....200

22. RELEVANT CONTRACTS....205

23. DECLARATIONS OF ANY INTEREST....207

23.1. Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorised the contents of that part of the registration document....207

23.2. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer shall identify the source(s) of the information....207

24. DOCUMENTS ON DISPLAY....207

25. INFORMATION ON HOLDINGS....209

ANNEX – ALTERNATIVE PERFORMANCE MEASURES....210

I. RISK FACTORS

The risks to which CAIXABANK, S.A. (hereinafter, **"CAIXABANK"**, "CaixaBank", the "Company", the "Bank" or the "Issuer") is exposed are set out hereon.

Were they to arise, any of these risks could have a negative impact on the Bank's business, earnings, financial position and/or image and reputation. These risks are not the only risks that CAIXABANK may have to address; other risks could arise in the future that are not currently known or considered material at present. All references to CAIXABANK, the Company or the Issuer should also be taken to refer to any company in the group of companies of which CAIXABANK is the parent (the "**CAIXABANK Group**" or the **"Group"**).

The principal activity of CAIXABANK's banking business is retail banking (provision of financial services to retail customers by receiving customers' deposits and lending, as well as providing all types of banking and insurance services: payment methods, securities trading, currency exchange, etc.). This business line and CAIXABANK's investment activity are exposed to a variety of risks, the most relevant being those inherent to the financial sector and affected by a raft of macroeconomic variables beyond the Company's control.

CaixaBank, S.A., an entity supervised by the ECB for prudential regulation purposes, confirms that it has taken into due account the instructions and recommendations received from the ECB and the Bank of Spain when preparing the information contained in this Registration Document, to the extent that those instructions and recommendations could impact the financial statements and the risks presented below.

The CAIXABANK Group has a "Corporate Risk Map" to identify, measure, monitor, control and report on risks.

CAIXABANK's Corporate Risk Map includes a Corporate Risk Catalogue updated in 2017, which facilitates the internal and external monitoring and reporting of the Group's risks, grouped into three main categories: Business Model Risk, risks specific to the Bank's financial activity, and Operational and Reputational Risk.

The main risks reported periodically to CAIXABANK's management and governing bodies are:

- **Business Model Risk**

  - **Business profitability:** where earnings fall short of market expectations or the Group's own objectives and ultimately prevent it from attaining a sustainable level of profitability that exceeds the cost of capital.
  - **Eligible own funds/Solvency:** impairment of the CAIXABANK Group's ability to adapt its level of capital to regulatory requirements or to a change in its risk profile.
  - **Funding and liquidity:** risk of insufficient liquid assets or limited access to market financing to meet contractual maturities of liabilities, regulatory requirements, or the investment needs of the Group.

- **Risks specific to the Bank's financial activity**

  - **Credit risk:** risk of the assets of the CAIXABANK Group losing value due to a counterparty defaulting on its obligations.
  - **Impairment of other assets:** reduction in the carrying amount of the shareholdings and non-financial assets (tangible, intangible, deferred tax assets (DTAs) and other assets) of the CAIXABANK Group.
  - **Market risk:** risk of a decrease in the value of the Group's assets or an increase in the value of its liabilities held for trading or held to maturity, due to fluctuations in interest rates, credit spreads, external factors or prevailing prices in the markets where those assets/liabilities are traded.

- **Interest rate risk in the banking book:** risk of a negative impact on the economic value of the balance sheet or results, caused by the renewal of assets and liabilities at rates different to those previously established due to changes in the structure of the interest rate curve.
- **Actuarial risk:** risk of an increase in the value of commitments assumed through insurance contracts with customers (insurance business) and employee pension plans (pension commitments), due to differences between claims estimates and actual performance.

- **Operational and reputational risk**

  - **Legal/Regulatory risk:** losses or impairment in the CAIXABANK Group's profitability due to legislative or regulatory changes, errors in interpreting or applying the laws or regulations in force, court rulings or administrative action that have an adverse outcome for the Bank or tax-related decisions taken by the Bank or the tax authorities.
  - **Conduct and compliance:** where CAIXABANK's approach runs contrary to the interests of its customers and stakeholders, including deficient procedures resulting in acts or omissions that are not compliant with the legal or regulatory framework, or with internal codes and rules, and which could result in administrative sanctions or reputational damage.
  - **Technological:** risk of losses due to inadequate hardware or software or failures in technical infrastructure that could compromise the availability, integrity, accessibility and security of the infrastructure and data.
  - **Operating processes and external events:** risk of loss or damage caused by operational errors in processes related to the Bank's activity, due to external events beyond the Bank's control, or due to the actions of third parties unrelated to the Bank, whether accidental or fraudulent. This risk includes errors overseeing suppliers, model risk, and the custody of securities.
  - **Reliability of financial information:** deficiencies in the accuracy, integrity and approach to preparing the information needed to assess the financial situations and assets of the CAIXABANK Group.
  - **Reputational risk:** risk associated with reduced competitiveness due to a loss of trust in CAIXABANK by one or more of its stakeholders, based on their assessment of the actions or omissions, real or purported, of the Bank, its senior management or governing bodies (step-in risk).

CAIXABANK has focused on solvency and quality as strategic priorities in order to enhance customer confidence in the Group. In this regard, CAIXABANK has spent the last few years strengthening the necessary control and regulatory compliance structures.

The Board of Directors sets and monitors the business model and strategy, monitors the result of the risk assessment process, establishes the Corporate Risk Map and the Risk Appetite Framework and is in charge of internal governance policies and risk management and control by supervising the Bank's organisation to implement and monitor these aspects.

RISKS SPECIFIC TO THE BANK'S FINANCIAL ACTIVITY

1. CREDIT RISK

Credit risk refers to the risk of losses from a borrower defaulting on its obligations.

Credit risk is the most significant risk item on the CAIXABANK Group's balance sheet and arises from the banking and insurance business, cash operations and long-term equity investments. The maximum credit risk exposure at 31 December 2017 of financial instruments recognised as "Financial assets held for trading", "Available-for-sale financial assets", "Loans and receivables", "Held-to-maturity investments" and "Derivatives – Hedge accounting" in the accompanying balance sheet, and "Guarantees given" and "Contingent commitments given" as memorandum items in the accompanying balance sheet, does not differ significantly from the carrying amount.

The main asset items on the CAIXABANK Group's consolidated balance sheet exposed to credit risk are shown in the following table.

(Thousands of euros)	**2017**	**2016**
Cash, cash balances at central banks and other demand deposits	**20,155,318**	**13,259,957**
Financial assets held for trading	**10,596,684**	**11,667,687**
Derivatives	8,162,172	9,575,832
Equity instruments	402,714	294,923
Debt securities	2,031,798	1,796,932
Financial assets designated at fair value through profit or loss	**6,499,807**	**3,139,646**
Equity instruments	4,299,161	1,806,976
Debt securities	2,100,347	1,332,670
Loans and advances	100,299	
Credit institutions	*100,299*	
Available for sale financial assets	**69,554,707**	**65,076,973**
Equity instruments	2,882,849	2,946,030
Debt securities	66,671,858	62,130,943
Loans and receivables	**226,272,499**	**207,640,937**
Debt securities	2,575,603	561,139
Loans and advances	223,696,896	207,079,798
Central banks	*5,000*	
Credit institutions	*7,374,035*	*6,741,354*
Customers	*216,317,861*	*200,338,444*
Held-to-maturity investments	**11,084,829**	**8,305,902**
Derivatives - Hedge accounting	**2,596,939**	**3,090,475**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**10,847**	**134,586**
Guarantees given	**6,015,352**	**3,486,709**
Contingent commitments given	**80,650,751**	**75,651,105**
Total	**433,437,733**	**391,453,977**

Further information on these balance sheet items is provided in the CAIXABANK Group's financial statements for 2017, available on the websites of both CAIXABANK and the CNMV**.**

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1.1. Overview

The CAIXABANK Group's business is geared towards lending to households and businesses.

Credit risk management is characterised by a prudent approvals policy and appropriate coverage. Most loans are to private borrowers and consist primarily of mortgages to first-time homebuyers. Therefore, the loan structure has a significantly low level of risk given the high degree of diversification and fragmentation.

Headline risk management figures (see Annex – Alternative Performance Measures) at 31 March 2018, 31 December 2017, 31 December 2016 and 31 December 2015 are provided below:

Risk management

(Millions of euros)	**March 2018**	**2017**	**2016**	**2015**
Non-performing loans	13,695	14,305	14,754	17,100
NPL ratio	5.8%	6.0%	6.9%	7.9%
Loan-loss provisions	7,597	7,135	6,880	9,512
NPL coverage ratio	55%	50%	47%	56%
Net foreclosed real estate assets held for sale	5,810	5,878	6,256	7,259
Coverage ratio for foreclosed real estate assets available for sale	58%	58%	60%	55%

Gross non-performing assets, meaning non-performing loans and available-for-sale foreclosed real estate assets, amounted to EUR 25,994 million at 31 December 2017 (EUR 14,305 million in NPLs and EUR 11,689 million in available-for-sale foreclosed real estate assets, of which EUR 3,722 million relate to land). The aggregate coverage ratio (including accounting provisions and write-downs) was 54%.

Total gross non-performing assets amounted to EUR 27,305 million at 31 December 2016 (EUR 14,754 million in NPLs and EUR 12,551 million in available-for-sale foreclosed real estate assets, of which EUR 4,324 million related to land). The aggregate coverage ratio (including accounting provisions and write-downs) was 53%.

The following table show loans and advances to customers (gross, excluding valuation adjustments) for 2017, 2016 and 2015, by borrower sector, counterparty and interest rate formula.

(Thousands of euros)	**2017**	**2016**	**2015**
Loan type and status	**222,780,107**	**206,852,684**	**211,903,981**
Public administrations	11,471,603	12,305,908	14,046,653
Commercial loans	9,177,063	8,094,858	7,118,857
Secured loans	128,678,416	118,732,831	123,253,645
Reverse repurchase agreements	912,148	1,440,504	4,559,764
Other term loans	47,547,107	42,426,782	37,953,455
Finance leases	3,775,457	2,700,690	2,438,482
Receivables on demand and others	7,421,638	6,799,713	5,926,458
Non-performing assets	13,796,675	14,351,398	16,606,667
By counterparty	**222,780,107**	**206,852,684**	**211,903,981**
Public sector: Spanish public sector	10,810,086	12,829,892	14,082,417
Public sector: Other countries	1,223,728	113,145	268,413
Private sector: Resident	180,955,812	183,594,101	189,310,708
Private sector: Non-resident	29,790,481	10,315,546	8,242,443
By interest rate type	**222,780,107**	**206,852,684**	**211,903,981**
Fixed	48,299,289	36,224,915	44,736,793
Floating	174,480,818	170,627,769	167,167,188

The breakdown of home purchase loans (business in Spain) at 31 December 2017, 2016 and 2015 was as follows:

(Thousands of euros)	Gross amount		
	2017	**2016**	**2015**
Without mortgage collateral	767,099	745,922	785,033
of which: Non-performing	*14,806*	*5,771*	*16,740*
With mortgage collateral	82,494,803	85,853,616	88,881,789
of which: Non-performing	*3,529,788*	*3,554,446*	*3,359,947*
Total home loans (*)	**83,261,902**	**86,599,538**	**89,666,822**

(*) Includes financing for home purchases granted by investee Unión de Créditos para la Financiación Inmobiliaria, EFC, SAU (Credifimo) and Corporación Hipotecaria Mutual.

Real estate loans granted by CAIXABANK in 2017 and 2016 to buyers of foreclosed homes amounted to EUR 443 million and EUR 504 million, respectively, while the average percentages financed were 70% and 82%, respectively.

Home purchase loans with mortgage collateral in 2017, 2016 and 2015 (business in Spain) by the loan-to-value (LTV) ratio, based on the latest available appraisal, are as follows:

2017

(Thousands of euros)	LTV ranges					
	LTV ≤40%	**40% <LTV ≤60%**	**60% <LTV ≤80%**	**80% <LTV ≤100%**	**LTV > 100%**	**TOTAL**
Gross amount	21,020,919	31,351,499	22,524,204	4,682,038	2,916,143	82,494,803
of which: Non-performing	*226,950*	*515,957*	*811,889*	*779,881*	*1,195,111*	*3,529,788*

2016

(Thousands of euros)	LTV ranges					
	LTV ≤40%	**40% <LTV ≤60%**	**60% <LTV ≤80%**	**80% <LTV ≤100%**	**LTV > 100%**	**TOTAL**
Gross amount	20,627,716	32,189,704	25,569,575	5,242,340	2,224,281	85,853,616
of which: Non-performing	*255,488*	*499,355*	*1,014,221*	*822,054*	*963,328*	*3,554,446*

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2015

(Thousands of euros)	LTV ranges					
	LTV ≤40%	**40% <LTV ≤60%**	**60% <LTV ≤80%**	**80% <LTV ≤100%**	**LTV > 100%**	**TOTAL**
Gross amount	20,295,267	32,932,773	29,526,924	5,255,027	871,798	88,881,789
of which: Non-performing	*244,861*	*789,609*	*1,548,651*	*540,140*	*236,686*	*3,359,947*

Note: LTV calculated based on appraisals available at the grant date. The ranges are updated for non-performing transactions in accordance with prevailing regulations.

The tables below show financing for real estate developers and developments (business in Spain), including development carried out by non-developers, at 31 December 2017 and 2016.

2017

(Thousands of euros)	Gross amount	Allowances for impairment losses	Carrying amount	Excess over the value of collateral
Financing for real estate construction and development (including land)	**6,829,524**	**(636,609)**	**6,192,915**	**1,418,495**
of which: Non-performing	1,480,517	(549,323)	931,194	602,142
Memorandum items:				
Asset write-offs	3,816,292			

Memorandum items: Public consolidated balance sheet	Amount
Loans and advances to customers excluding public sector (carrying amount)	185,256,929
Total assets (total businesses)	383,186,163
Impairment and provisions for performing exposures	(1,823,033)

2016

(Thousands of euros)	Gross amount	Allowances for impairment losses	Carrying amount	Excess over the value of collateral
Financing for real estate construction and development (including land)	**8,023,602**	**(1,061,631)**	**6,961,971**	**2,063,420**
of which: Non-performing	2,434,777	(953,625)	1,481,152	988,580
Memorandum items:				
Asset write-offs	4,410,756			

Memorandum items: Public consolidated balance sheet

	Amount
Loans and advances to customers excluding public sector (carrying amount)	187,984,625
Total assets (total businesses)	347,927,262
Impairment and provisions for performing exposures	(1,471,859)

The following table shows the breakdown of financing for real estate developers and developments, including developments carried out by non-developers, by collateral.

By type of collateral

(Thousands of euros)	Carrying amount		
	2017	**2016**	**2015**
Without mortgage collateral	**813,393**	**1,188,212**	**1,082,542**
With mortgage collateral	**6,016,131**	**6,835,390**	**8,742,902**
Buildings and other completed constructions	4,335,892	5,187,722	6,534,443
Homes	*2,811,016*	*3,390,538*	*4,322,162*
Other	*1,524,876*	*1,797,184*	*2,212,281*
Buildings and other work under construction	931,428	668,262	643,015
Homes	*839,971*	*598,002*	*540,809*
Other	*91,457*	*70,260*	*102,206*
Land	748,811	979,406	1,565,444
Developed urban land	*422,489*	*696,961*	*1,186,723*
Other land	*326,322*	*282,445*	*378,721*
Total	**6,829,524**	**8,023,602**	**9,825,444**

At 31 March 2018, financing for real estate developers and developments totalled EUR 6,703 million.

Foreclosed assets: policies and strategies

BuildingCenter, SAU is the CAIXABANK subsidiary responsible for holding the Group's real estate assets. BuildingCenter acquires the real estate assets deriving from CAIXABANK's lending activity and manages them through Servihabitat Servicios Inmobiliarios, SL. CAIXABANK held a 49% stake in the latter at 31 December 2017.

Real estate assets are acquired through three different channels: acquisition at auctions held after assets have been foreclosed; acquisition of real estate assets secured through mortgages to individuals, with subsequent subrogation and cancellation of the debts; and acquisition of real estate assets secured through mortgages to companies to cancel their debts.

When attempting to market and sell these assets, the company pursues a strategy of land development, completion of property developments, real estate development through swaps, own real estate development, and renting and selling property.

The table below shows available-for-sale foreclosed assets by source and type of property at 31 December 2017 and 31 December 2016.

31-12-2017 (*)

(Thousands of euros)	**Gross carrying amount**	**Allowances for impairment of assets (**)**	***of which: Allowances for impairment of assets from time of foreclosure***	**Net carrying amount**
Real estate assets from loans to real estate constructors and developers	**7,786,645**	**(4,244,919)**	***(2,369,684)***	**3,541,726**
Buildings and other completed constructions	3,202,077	(1,403,420)	*(657,064)*	1,798,657
Homes	*2,389,960*	*(1,010,168)*	*(431,813)*	*1,379,792*
Other	*812,117*	*(393,252)*	*(225,251)*	*418,865*
Buildings and other work under construction	835,392	(463,481)	*(176,374)*	371,911
Homes	*667,373*	*(372,890)*	*(141,796)*	*294,483*
Other	*168,019*	*(90,591)*	*(34,578)*	*77,428*
Land	3,749,176	(2,378,018)	*(1,536,246)*	1,371,158
Developed urban land	*1,799,762*	*(1,062,875)*	*(582,669)*	*736,887*
Other land	*1,949,414*	*(1,315,143)*	*(953,577)*	*634,271*
Property acquired from mortgage loans to homebuyers	**2,813,410**	**(964,034)**	**(438,601)**	**1,849,376**
Other real estate assets foreclosed or received in lieu of payment of debt	**1,658,547**	**(698,383)**	**(343,550)**	**960,164**
Total	**12,258,602**	**(5,907,336)**	***(3,151,835)***	**6,351,266**

(*) Does not include foreclosed assets classified as “Tangible assets – Investment property” amounting to EUR 3,030 million, net, but includes real estate assets in the process of foreclosure at auctions in the amount of EUR 473 million, net. Also excludes foreclosed assets of Banco BPI, with a net carrying amount of EUR 53 million, as this does not qualify as business in Spain.
(**) Cancelled debt associated with the foreclosed assets totalled EUR 14,899 million and total write-downs of this portfolio amounted to EUR 8,548 million, EUR 5,907 million of which are impairment allowances recognised in the balance sheet.

31-12-2016 (*)

(Thousands of euros)	**Gross carrying amount**	**Allowances for impairment of assets (**)**	***of which: Allowances for impairment of assets from time of foreclosure***	**Net carrying amount**
Real estate assets from loans to real estate constructors and developers	**9,103,128**	**(4,819,323)**	***(2,701,044)***	**4,283,805**
Buildings and other completed constructions	3,887,167	(1,634,838)	*(752,300)*	2,252,329
Homes	*2,794,739*	*(1,188,241)*	*(516,283)*	*1,606,498*
Other	*1,092,428*	*(446,597)*	*(236,017)*	*645,831*
Buildings and other work under construction	840,434	(478,528)	*(168,736)*	361,906
Homes	*797,160*	*(453,611)*	*(154,805)*	*343,549*
Other	*43,274*	*(24,917)*	*(13,931)*	*18,357*
Land	4,375,527	(2,705,957)	*(1,780,008)*	1,669,570
Developed urban land	*2,069,470*	*(1,198,973)*	*(668,240)*	*870,497*
Other land	*2,306,057*	*(1,506,984)*	*(1,111,768)*	*799,073*
Property acquired from mortgage loans to homebuyers	**2,791,270**	**(1,019,676)**	***(462,651)***	**1,771,594**
Other real estate assets foreclosed or received in lieu of payment of debt	**1,337,773**	**(580,817)**	***(232,669)***	**756,956**

Finance to companies that hold foreclosed real estate assets or those received in lieu of payment of debt	**63,963**			**63,963**
Total	**13,296,134**	**(6,419,816)**	**(3,396,364)**	**6,876,318**

(*) Does not include foreclosed assets classified as "Tangible assets – Investment properties" amounting to EUR 3,078 million, net, but includes real estate assets in the process of foreclosure at auctions in the amount of EUR 556 million, net.
(**) Cancelled debt associated with foreclosed assets totalled EUR 16,504 million and total write-downs of this portfolio amounted to EUR 9,691 million, EUR 6,420 million of which are impairment allowances recognised in the balance sheet.

Further information on assets classified as investment property is provided in section 8.1 of this document.

Refinancing

Refinancings or restructurings arise where the customer has, or will foreseeably have, financial difficulty in honouring its payment obligations under the contractually agreed terms, causing the contract to be modified or cancelled and/or a new transaction arranged.

These transactions may derive from: new agreements that fully or partially cancel or modify the contractual terms of existing arrangements, or the triggering of contractual clauses that defer repayment or allow for the partial cancellation of the debt without the customer having to provide funds.

The CAIXABANK Group has a detailed customer debt refinancing policy, which complies with Circular 4/2016 and contains the same general principles published by the EBA for this type of operation.

From the very beginning, CAIXABANK has adhered to the Code of Good Practices for the viable restructuring of mortgage debts on primary residences included in Royal Decree-Law 6/2012, of 9 March, on urgent measures to protect mortgagors without funds, as amended by Law 1/2013, of 14 May, on measures to strengthen the protection of mortgage borrowers, debt restructuring and subsidised housing rentals.

The following table shows total refinancings by economic sector at 31 December 2017 and 2016, as well as those classified as non-performing.

(Thousands of euros)	**Total**			**Total**		
	31-12-2017			**31-12-2016**		
	Number of transactions	**Gross carrying amount**	**Accumulated impairment in fair value due to credit risk**	**Number of transactions**	**Gross carrying amount**	**Accumulated impairment in fair value due to credit risk**
Credit institutions				1	5,018	
Public administrations	520	258,483	(6,880)	444	170,780	(832)
Other financial corporations and individual entrepreneurs (financial business)	72	37,981	(25,829)	37	27,458	(24,906)
Non-financial corporations and individual entrepreneurs (non-financial business)	21,918	6,303,451	(1,879,563)	12,791	5,819,149	(1,708,964)
of which: Financing for real estate construction and development (including land)	*4,327*	*1,330,594*	*(415,869)*	*3,179*	*1,696,706*	*(566,891)*
Other households	133,109	5,770,710	(731,467)	105,581	5,710,409	(834,341)

Total	**155,619**	**12,370,625**	**(2,643,739)**	**118,854**	**11,732,814**	**(2,569,043)**

(Thousands of euros)	**Non-performing**			**Non-performing**		
	31-12-2017			**31-12-2016**		
	Number of transactions	**Gross carrying amount**	**Accumulated impairment in fair value due to credit risk**	**Number of transactions**	**Gross carrying amount**	**Accumulated impairment in fair value due to credit risk**
Credit institutions						
Public administrations	181	83,568	(6,880)	142	56,468	(827)
Other financial corporations and individual entrepreneurs (financial business)	56	27,212	(25,784)	25	25,178	(24,674)
Non-financial corporations and individual entrepreneurs (non-financial business)	16,372	3,994,738	(1,791,722)	7,626	4,008,071	(1,601,245)
of which: Financing for real estate construction and development (including land)	*3,072*	*955,387*	*(385,724)*	*1,819*	*1,307,351*	*(521,221)*
Other households	83,250	3,753,511	(699,648)	54,160	3,224,378	(715,131)
Total	**99,859**	**7,859,029**	**(2,524,034)**	**61,953**	**7,314,095**	**(2,341,877)**

At 31 March 2018, refinanced loans totalled EUR 12,030 million. Of this amount, EUR 7,552 million is classified as non-performing. Allowances associated with these transactions total EUR 3,054 million.

1.2. Concentration of risks

Risk concentration is one of the main causes of significant losses and has the potential to impact a financial institution's solvency.

Risk concentration by geographic area at 31 December 2016 was as follows:

(Thousands of euros)	**TOTAL**	**Spain**	**Rest of the European Union**	**America**	**Rest of the world**
Central banks and credit institutions	**37,392,330**	**21,800,503**	**13,242,627**	**776,232**	**1,572,968**
Public administrations	**83,899,852**	**72,595,598**	**10,983,012**	**26,220**	**295,022**
Central government	70,793,952	60,402,201	10,070,607	26,122	295,022
Other government bodies	13,105,900	12,193,397	912,405	98	0
Other financial corporations and individual entrepreneurs (financial business)	**15,596,770**	**6,428,068**	**8,598,244**	**391,023**	**179,435**
Non-financial corporations and individual entrepreneurs (non-financial business)	**96,802,213**	**75,204,955**	**16,848,514**	**3,437,362**	**1,311,382**
Real estate construction and development (including land)	6,555,214	6,135,558	418,741	20	895
Civil engineering	4,727,172	3,879,783	412,339	416,365	18,685
Other	85,519,827	65,189,614	16,017,434	3,020,977	1,291,802

Large corporations	49,279,778	35,438,561	10,792,947	2,403,742	644,528
SMEs and individual entrepreneurs	36,240,049	29,751,053	5,224,487	617,235	647,274
Other households	**123,132,043**	**110,015,741**	**12,514,815**	**204,505**	**396,982**
Home purchase	97,344,111	86,067,220	10,819,567	133,990	323,334
Consumer	13,861,214	13,104,925	719,060	12,128	25,101
Other	11,926,718	10,843,596	976,188	58,387	48,547
TOTAL	**356,823,208**	**286,044,865**	**62,187,212**	**4,835,342**	**3,755,789**

Loans and advances to customers by activity at 31 December 2017 were as follows:

(Thousands of euros)		***of which:***		**Loans with collateral. Carrying amount based on latest available appraisal (loan to value)**				
	TOTAL	***With mortgage collateral***	***of which: Other collateral***	**≤ 40%**	**> 40% ≤ 60%**	**> 60% ≤ 80%**	**> 80% ≤100%**	**>100%**
Public administrations	**11,745,147**	**668,013**	**284,837**	**153,224**	**258,260**	**377,941**	**88,869**	**74,556**
Other financial corporations and individual entrepreneurs (financial business)	**4,077,535**	**408,601**	**915,013**	**984,376**	**238,547**	**91,099**	**2,093**	**7,499**
Non-financial corporations and individual entrepreneurs (non-financial business)	**78,433,818**	***23,681,280***	***3,911,756***	**9,944,323**	**8,928,733**	**4,504,843**	**1,545,263**	**2,669,874**
Real estate construction and development (including land)	6,222,891	5,348,308	71,609	1,507,556	2,049,286	1,149,276	413,463	300,336
Civil engineering	4,380,676	583,309	89,407	269,297	220,604	95,210	29,023	58,582
Other	67,830,251	*17,749,663*	*3,750,740*	8,167,470	6,658,843	3,260,357	1,102,777	2,310,956
Large corporations	32,694,567	4,139,174	1,604,440	1,740,142	1,695,338	683,497	118,133	1,506,504
SMEs and individual entrepreneurs	35,135,684	13,610,489	2,146,300	6,427,328	4,963,505	2,576,860	984,644	804,452
Other households	**122,598,361**	***106,574,210***	***1,107,742***	**29,762,798**	**38,938,623**	**29,116,519**	**7,292,963**	**2,571,049**
Home purchase	97,344,110	96,074,380	314,281	25,092,544	35,389,374	27,238,630	6,592,871	2,075,242
Consumer	13,852,737	3,816,095	385,859	1,896,057	1,322,352	634,485	237,783	111,277
Other	11,401,514	6,683,735	407,602	2,774,197	2,226,897	1,243,404	462,309	384,530
TOTAL	**216,854,861**	**131,332,104**	**6,219,348**	**40,844,721**	**48,364,163**	**34,090,402**	**8,929,188**	**5,322,978**
MEMORANDUM ITEMS								
Refinancing, refinanced and restructured transactions	9,706,647	7,329,779	324,966	1,286,103	1,894,209	2,323,024	1,214,748	936,660

1.3. Sovereign risk

Using the same methodology as for the private business sector, exposure to the public sector is analysed and monitored on an ongoing basis.

The Group's position in sovereign debt is subject to the Bank's general risk-taking policy, which ensures that all positions taken are aligned with the target risk profile.

The position in public, regional and local debt is subject to the general concentration and country risk limits established. Regular control procedures are in place for both, preventing new positions from being taken that could increase the credit risk on names or countries in which the Bank has a high risk concentration unless express approval is given by the pertinent authority.

For fixed-income securities, a framework is in place regulating the solvency, liquidity and geographical location of all of the Group's fixed income issuances (e.g. bonds, private fixed income, public debt, preference shares) and any similar transaction involving payment in cash for the buyer and the assumption of the issuer's credit risk or related collateral. This control is exercised during the risk acceptance phase and throughout the life of the position in the portfolio.

The carrying amounts of the main items related to sovereign risk exposure at 31 December 2017 are shown below.

CaixaBank Group, excluding the insurance group

(Thousands of euros)

Country	Residual maturity	Financial assets held for trading - debt securities	Financial liabilities held for trading - short positions	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments
Spain	Less than 3 months	128,730	(14,324)	0	655,365	0
	Between 3 months and 1 year	147,971	(102,933)	524,847	3,565,806	0
	Between 1 and 2 years	86,737	(103,751)	4,324,814	709,804	0
	Between 2 and 3 years	63,469	(55,426)	3,329	736,301	2,533,297
	Between 3 and 5 years	80,173	(86,142)	1,382,352	1,474,136	7,163,626
	Between 5 and 10 years	165,316	(211,937)	6,137,810	2,291,480	0
	Over 10 years	33,264	(64,410)	7,773	1,292,539	0
	Total	705,660	(638,923)	12,380,925	10,725,431	9,696,923
Italy	Less than 3 months	1,570	0	0	0	0
	Between 3 months and 1 year	76,165	(6,194)	0	0	0
	Between 1 and 2 years	13,042	0	187,272	0	0
	Between 2 and 3 years	1,122	(9,017)	0	0	0
	Between 3 and 5 years	11,534	0	944,051	0	0
	Between 5 and 10 years	20,750	(15,467)	265,559	0	0
	Over 10 years	72	0	0	0	0
	Total	124,255	(30,678)	1,396,882	0	0
Portugal	Less than 3 months	2	0	895,281	3,197	0
	Between 3 months and 1 year	10,457	0	2,087,321	19,333	0
	Between 1 and 2 years	11,026	0	328,781	15,778	0
	Between 2 and 3 years	34,500	0	80	76,240	0
	Between 3 and 5 years	6,675	(13,481)	0	83,156	0
	Between 5 and 10 years	28,595	(45,462)	0	376,743	0
	Over 10 years	1,431	0	0	479,603	0
	Total	92,686	(58,943)	3,311,463	1,054,050	0
Other	Less than 3 months	0	0	0	307	0
	Between 3 months and 1 year	0	0	693	1,888	0
	Between 1 and 2 years	0	0	0	13,967	0
	Between 2 and 3 years	0	0	0	5,074	0
	Between 3 and 5 years	0	0	0	98,724	0
	Between 5 and 10 years	0	(10,089)	0	111,347	0
	Over 10 years	0	0	0	78,284	0
	Total	0	(10,089)	693	309,591	0
Total		**922,601**	**(738,633)**	**17,089,963**	**12,089,072**	**9,696,923**

Insurance group

(Thousands of euros) Country	Residual maturity	Financial assets held for trading - debt securities	Financial liabilities held for trading - short positions	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments
Spain	Less than 3 months	306,119		123,014		
	Between 3 months and 1 year	301,488		202,109		
	Between 1 and 2 years	0		998,171		
	Between 2 and 3 years	0		923,374		
	Between 3 and 5 years	0		4,196,654		
	Between 5 and 10 years	0		9,330,955		
	Over 10 years	0		26,337,540		
	Total	**607,607**	**0**	**42,111,817**	**0**	**0**
Belgium	Between 3 months and 1 year			0		
	Between 1 and 2 years			652		
	Between 2 and 3 years			0		
	Between 3 and 5 years			10,285		
	Between 5 and 10 years			0		
	Over 10 years			143		
	Total	**0**	**0**	**13,997**	**0**	**0**
Ireland	Between 2 and 3 years			1,722		
	Total	**0**	**0**	**1,722**	**0**	**0**
Italy	Less than 3 months			2,184		
	Between 3 months and 1 year			5,635		
	Between 1 and 2 years			147,492		
	Between 2 and 3 years			0		
	Between 3 and 5 years			588,418		
	Between 5 and 10 years			947,368		
	Over 10 years			2,243,105		
	Total	**0**	**0**	**3,934,202**	**0**	**0**
Portugal	Between 3 months and 1 year	26				
	Between 1 and 2 years	1,098				
	Between 2 and 3 years	1,372				
	Over 10 years	298				
	Total	**2,794**	**0**	**0**	**0**	**0**
Other	Between 3 months and 1 year	113,134		104		
	Between 1 and 2 years	1,605		2,943		
	Between 2 and 3 years	0		3,983		
	Between 3 and 5 years	0		1,061		
	Between 5 and 10 years	0		4,763		
	Over 10 years	0		42,793		
	Total	**341,576**	**0**	**55,647**	**0**	**0**
Total		**951,977**	**0**	**46,117,385**	**0**	**0**
Total Group (CaixaBank + insurance group)		**1,874,578**	**(738,633)**	**63,207,348**	**12,089,072**	**9,696,923**

1.4. Counterparty risk generated by transactions with derivatives, repos and securities lending

For banking counterparties, the maximum authorised exposure to counterparty credit risk for credit approval purposes is determined using a complex calculation, primarily based on ratings for the entities and on analysis of their financial statements. In transactions with other counterparties, including retail customers, derivative transactions relating to loan applications (loan interest rate risk hedging) are approved jointly with the application. All other transactions are approved in accordance with their compliance with the assigned risk limit (and included in the corresponding derivatives risk line) or their individual assessment by the risk areas in charge of analysis and approval.

Virtually all exposures are with European and US counterparties. Additionally, the distribution by ratings of banking counterparties reflects the significance of operations with counterparties assessed as investment grade, meaning those that international ratings agencies have considered to be safe due to their high payment capacity.

The Executive Global Risk Management Division is responsible for integrating these risks within the Bank's overall exposure management framework, although specific responsibility for managing and approving exposure to counterparty risk arising from activity with the financial sector lies with the Executive Risk Analysis and Approval Division, which draws up the proposals for approval of risk lines, and analyses operations.

At the CAIXABANK Group, counterparty risk with credit institutions is controlled through an integrated real-time system that provides information at any given time on the available limit for any counterparty, by product and maturity. For other counterparties, counterparty risk is controlled through corporate applications, which contain both the limits of the lines of derivatives risk (if any) and credit exposure of derivatives and repos. Risk is measured both in terms of current market value and future exposure (the value of risk positions in due consideration of future changes to underlying market factors).

Furthermore, as part of the monitoring process for credit risks assumed through market trading, the Executive Risk Analysis and Approval Division and the Executive Legal Advisory Division actively manage and monitor the adequacy of the related contractual documentation. To mitigate exposure to counterparty risk, CAIXABANK has a solid base of collateral agreements. Virtually all the risks undertaken in connection with derivative instruments are covered by standardised ISDA and/or Spanish CMOF contracts, which provide for the possibility of offsetting the outstanding collection and payment flows between the parties.

Meanwhile, CAIXABANK has signed collateral agreements (CSA or Annex III of the ISDA) with all interbank counterparties to secure the market value of derivative transactions. In addition, CAIXABANK's policy requires collateralisation of repo transactions hedged with GMRAs (Global Master Repurchase Agreements) or similar instruments.

1.5. Risk associated with the investee portfolio

At the CaixaBank Group, equity holdings are subject to monitoring and expert analysis.

The risk relating to the CAIXABANK Group's investee portfolio is the risk associated with the possibility of incurring losses due to changes in market prices and/or losses on the positions composing the investment portfolio at medium to long term.

The Executive Global Risk Management Division measures the risk of these positions and calculates the related capital charge.

For investments not classified as available for sale, i.e. those intended to be held on a long-term basis, the most significant risk is default risk and so the PD/LGD approach is applied where possible. For investments classified as available for sale, the calculation is carried out using the internal Value at Risk model, since the most significant risk is market risk. The Market Risk on the Balance Sheet Department calculates the risk inherent in market price volatility by making a statistical estimate of maximum potential losses based on historical price data. If the requirements for applying the aforementioned methods are not met, the simple risk-weighting method is applied in accordance with current regulations.

The Executive Global Risk Management Division monitors these indicators on an ongoing basis to ensure that the most appropriate decisions are always taken on the basis of the market performance observed and predicted and of the CaixaBank Group's strategy.

The main investees are also subject to ongoing control and financial analysis by a team of specialists responsible exclusively for monitoring changes in economic and financial data and for understanding and issuing alerts in the event of regulatory changes and fluctuations in competition in the countries and sectors in which the investees operate. The investee control departments report to the Head of Financial Accounting, Financial Management and Capital.

As a general rule for the most significant shareholdings, estimates of and actual data on investees' contributions to income and shareholders' equity (where applicable) are updated regularly. During these processes, the outlook for the securities markets and the views of analysts (recommendations, target prices, ratings, etc.) are shared with Senior Management for regular benchmarking with the market.

These financial analysts also liaise with the investor relations departments of listed investees and gather information, including reports from third parties (e.g. investment banks, ratings agencies) as necessary to gain an overview of possible risks to the value of the shareholdings.

The CaixaBank Market Risk on the Balance Sheet Department also studies derivatives and the foreign currency risk and price risk associated with the investee portfolio, and permanently monitors risk in relation to finance markets associated with investees.

All these measures and their implementation are needed to monitor the management of the investee portfolio and enable the CAIXABANK Group's Senior Management to take strategic decisions on portfolio composition.

2. MARKET RISK

The financial activity of credit institutions involves assuming market risk, which includes exposures from various sources: commercial risk in the banking book arising from interest rate and exchange rate fluctuations, the risk of acquiring cash positions, and the risk associated with equity investments that form part of the CAIXABANK Group's diversification business. In all instances, risk refers to the potential loss of profitability or portfolio value as a result of adverse fluctuations in market rates or prices.

There are two concepts that constitute a common denominator and market standard for the measurement of market risk: sensitivity and VaR (Value at Risk).

These sensitivity analyses provide information concerning the impact on the economic value of positions of a rise in interest rates, exchange rates, prices or volatility in the value of positions, but do not provide any assumptions as to the likelihood of such changes.

In order to standardise risk measurement across the entire portfolio, and to produce certain assumptions regarding the extent of changes in market risk factors, the Value at Risk methodology (VaR: statistical estimate of potential losses from historical data on price fluctuations) is used with a one-day time horizon and a statistical confidence interval of 99% (i.e. under normal market conditions 99 times out of 100 the actual daily losses will be less than the losses estimated using the VaR model).

3. RISKS IN THE BANKING BOOK

3.1. Interest rate risk in the banking book

Interest rate risk in the banking book is managed and controlled directly by CAIXABANK's management through the Asset and Liability Committee (ALCO). Under the scope of the Risk Appetite Framework, the competent bodies monitor and ensure that defined interest rate risk metrics are commensurate with established risk tolerance levels.

CaixaBank manages this risk with a two-fold objective:

- Optimising the Bank's net interest income within the volatility limits of the RAF.
- Preserving the economic value of the balance sheet at all times within the range established in the RAF.

To attain these objectives, risk is actively managed by arranging additional hedging transactions on financial markets to supplement the natural hedges generated on its own balance sheet as a result of the complementary nature of the sensitivity to interest rate fluctuations of the deposits and lending transactions arranged with customers or other counterparties.

The Executive Finance Division is responsible for analysing and managing this risk, and proposing hedging transactions, management of the fixed income portfolio or other appropriate actions to the Asset and Liability Committee to achieve this dual objective.

At 31 December 2017, CaixaBank used fair value macro-hedges as a strategy to mitigate its exposure to interest rate risk and to preserve the economic value of its balance sheet. In 2017, CaixaBank arranged hedges for new fixed-rate loans and purchases of the long-term fixed income portfolio.

The table below shows, using a static gap, the breakdown of maturities and interest rate resets at 31 December 2017 of sensitive items on the balance sheet of CaixaBank and Banco BPI.

Matrix of maturities and revaluations of the sensitive balance sheet at 31 December 2017

(Thousands of euros)

	1 year	2 years	3 years	4 years	5 years	> 5 years	TOTAL
ASSETS							
Mortgage collateral	98,283,084	11,391,844	1,445,759	1,273,157	1,166,268	10,072,333	123,632,445
Other guarantees	68,522,431	3,978,533	2,427,353	1,564,458	1,059,001	3,091,619	80,643,395
Debt securities	5,876,783	4,539,468	2,363,001	4,497,000	4,920,713	5,945,082	28,142,047
Total assets	**172,682,297**	**19,909,846**	**6,236,113**	**7,334,615**	**7,145,982**	**19,109,034**	**232,417,887**
LIABILITIES							
Customer funds	119,072,322	19,064,080	9,254,837	7,808,281	7,951,267	35,869,449	199,020,235
Issuances	7,543,419	2,091,872	1,536,046	2,641,300	4,582,499	13,519,015	31,914,151
Money market, net	564,695	256,830	27,798,072	1,045,099	56,256	264,920	29,985,872
Total liabilities	**127,180,436**	**21,412,781**	**38,588,955**	**11,494,680**	**12,590,021**	**49,653,383**	**260,920,257**

Assets less liabilities	**45,501,861**	**(1,502,936)**	**(32,352,842)**	**(4,160,065)**	**(5,444,039)**	**(30,544,350)**	**(28,502,371)**
Hedges	**(6,854,114)**	**5,679,251**	**(507,180)**	**1,316,712**	**1,404,202**	**(1,061,578)**	**(22,708)**

The sensitivity to interest rates – explained by the speed with which market rates are transposed and the expected terms to maturity – has been analysed for items without a contractual maturity date (such as demand accounts) on the basis of past experience of customer behaviour, including the possibility that the customer may withdraw the funds invested in this type of product.

For other products, in order to define the assumptions for early termination, internal models are used which include behavioural variables of customers, products, seasonality and interest rate fluctuations.

Interest rate risk in the banking book is subject to specific control and includes various risk measures, such as analysis of the sensitivity to interest rates of net interest income and the economic value of the balance sheet, and VaR (Value at risk) measurements.

The sensitivity of net interest income shows the impact on the review of balance sheet transactions caused by changes in the interest rate curve. This sensitivity is determined by comparing a net interest income simulation, at one or two years, on the basis of various interest rate scenarios (immediate parallel and progressive movements of different intensities, as well as changes in slope). The most likely scenario, which is obtained using the implicit market rates, is compared with other scenarios of rising or falling interest rates and parallel and non-parallel movements in the slope of the curve. The one-year sensitivity of net interest income to sensitive balance sheet assets and liabilities, taking account of scenarios of rising and falling interest rates of 100 basis points each, is approximately +7.88% on the rising scenario and -1.55% on the falling scenario.

The sensitivity of equity to interest rates measures the effect of interest rate fluctuations on economic value. The one-year sensitivity of equity to sensitive balance sheet assets and liabilities, taking account of scenarios of rising and falling interest rates of 100 basis points each, is approximately +3.48% on the rising scenario and +1.36% on the falling scenario, compared to the economic value in the baseline scenario.

Given current interest rates, it is worth noting that the falling stress scenario of -100 bp includes a floor of 0%, except for interest rates that are already below 0% in the baseline scenario being stressed.

The sensitivities of net interest income and equity are measurements that complement each other and provide an overview of structural risk, which focuses more on the short and medium term, in the case of net interest income, and on the medium and long term in the case of equity.

As a supplement to these measurements of sensitivity of equity, VaR measures are applied in accordance with treasury-specific methodology.

In accordance with current regulations, the CaixaBank Group does not use own funds for the interest rate risk in the banking book undertaken, in view of the low risk profile of its balance sheet. The interest rate risk in the banking book assumed by the CaixaBank Group is below levels considered significant (outliers) under current regulations.

The CaixaBank Group continues to carry out a series of actions designed to strengthen the monitoring and management of balance sheet interest rate risk.

3.2. Exchange rate risk in the banking book

The CaixaBank Group has foreign currency assets and liabilities in its balance sheet as a result of its commercial activity, in addition to the foreign currency assets and liabilities deriving from the Bank's measures to mitigate foreign exchange risk. The equivalent euro value of all foreign currency assets and liabilities in the CaixaBank Group's balance sheet at 31 December 2017 and 2016 is as follows:

(Thousands of euros)	**31-12-2017**	**31-12-2016**

Foreign currency assets		
Cash and cash balances at central banks and other demand deposits	1,148,537	1,244,140
Financial assets held for trading	1,123,809	1,797,646
Loans and receivables	7,126,396	6,262,541
Investments (1)	668,424	17,741
Other assets	173,588	56,385
Total foreign currency assets	**10,240,754**	**9,378,453**
Foreign currency liabilities		
Financial liabilities measured at amortised cost	6,737,266	5,560,452
Deposits	*5,872,869*	*5,256,794*
Central banks	*2,388,808*	*2,608,793*
Credit institutions	*1,033,623*	*272,257*
Customers	*2,450,438*	*2,375,744*
Debt securities issued	*807,379*	*241,092*
Other financial liabilities	*57,018*	*62,566*
Other liabilities	1,121,230	1,898,906
Total foreign currency liabilities	**7,858,496**	**7,459,358**

(1) Includes Banco BPI's stakes in associates.

4. ACTUARIAL RISK

Actuarial risk is the risk associated with the various insurance business arms and types. It is managed in accordance with Spanish insurance law and regulations, specifically Act 20/2015, of 14 July, on the regulation, supervision and solvency of insurance and reinsurance entities (“LOSSEAR” for its initials in Spanish) and Royal Decree-Law 1060/2015, of 20 November, on the regulation, supervision and solvency of insurance and reinsurance entities (“ROSSEAR” for its initials in Spanish) and other rules and regulations emanating from the Directorate General of Insurance and Pension Funds (“DGSFP” for its initials in Spanish).

Actuarial risk is defined as the risk of an increase in the value of commitments assumed for benefits under insurance contracts with customers and employee pension plans, due to differences between estimates for claims and management costs used in determining the price of the insurance (the premium) and the actual performance of these.

According to the EC Solvency II Directive, underwriting or actuarial risk reflects the risk relating to underwriting life and non-life insurance contracts, attending to claims covered and the processes deployed in the exercise of this activity, with the following breakdown:

- Mortality risk: the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of mortality rates, where an increase in the mortality rate leads to an increase in the value of insurance liabilities.
- Longevity risk: the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of mortality rates, where a decrease in the mortality rate leads to an increase in the value of insurance liabilities.
- Disability or morbidity risk: the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of disability, sickness and morbidity rates.
- Lapse risk: the risk of loss, or of adverse change in the value of benefits (reduction) or future expected losses (increase) of insurance liabilities, resulting from changes in the level or volatility of the rates of policy lapses, terminations, renewals and surrenders.

- Expense risk: the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of the expenses incurred in servicing insurance and reinsurance contracts.
- Catastrophe risk: the risk of loss, or of adverse change in the value of insurance liabilities, resulting from the significant uncertainty of pricing and provisioning assumptions related to extreme or irregular events.

Therefore, in the life insurance business, the main variables determining actuarial risk are mortality, survival, disability, lapse and expense rates, while the key variable in the other business lines is the loss ratio.

II. BUSINESS MODEL RISKS AT CAIXABANK

5. CAPITAL ADEQUACY RISK

Solvency risk arises when the CAIXABANK Group encounters difficulties in bringing its level of equity in line with regulatory requirements or in changing its risk profile.

The Group's ability to operate and its business strategy are affected by its ability to effectively manage capital. In this regard, management of the Bank's capital is heavily shaped by the prevailing legislative framework.

The CAIXABANK Group has set an objective of maintaining a medium-low risk profile and a comfortable level of capital to strengthen its position as one of the most robust entities in the European banking market.

Capital adequacy to cover eventual unexpected losses is measured from two different perspectives and using different methodologies: regulatory capital and economic capital.

The banking sector mainly uses regulatory capital (increasingly during the financial crisis of the past few years) as this is the metric required by regulators and that which investors and analysts can use to compare financial entities. However, the CAIXABANK Group has developed and uses economic capital as an additional benchmark, as it provides a more accurate view of its risk aggregation and diversification policy.

Regulatory capital

Since 1 January 2014, the capital adequacy of financial corporations has been regulated by Regulation (EU) 575/2013 (CRR) and Directive 2013/36/EU of the European Parliament and of the Council, both dated 26 June 2013, which implement the Basel III regulatory framework (BIS III) in the European Union, and by national laws and Bank of Spain circulars implementing and developing these regulations in Spain.

Additionally, following the transposition of European legislation, the Basel Committee and other relevant bodies published a series of additional rules and documents containing new specifications on how to calculate capital. This means that procedures are constantly being updated, and therefore CAIXABANK continuously adapts its processes and systems to ensure the calculation of the capital charge, calculation of own funds and direct deductions from capital are fully aligned with the new requirements. Significantly, on 23 November 2016 the European Commission released a set of proposed amendments to the CRR and CRD IV. These changes have yet to be finalised and are not therefore mandatory.

In the fourth quarter of 2017, CaixaBank received the updated decision of Bank of Spain in relation to the capital buffer required of it due to its status as an Other Systemically Significant Institutions (O-SII). This buffer remains at 0.25%, the same as the previous year. The buffer is to be phased in over four years, commencing 1 January 2016, meaning that in 2018 it will apply a requirement of 0.1875% in regulatory capital adequacy.

In the fourth quarter of 2017, the European Central Bank (ECB) handed Criteria the minimum regulatory capital requirements after analysing the results of the supervisory review and evaluation process (SREP), requiring the

CaixaBank Group to maintain a regulatory Common Equity Tier 1 (CET1) ratio of 8.063% in 2018, which includes: the minimum Pillar 1 requirement (4.5%); the Pillar 2R requirement of the ECB (1.5%); the capital conservation buffer (1.875%); and the O-SII buffer (0.1875%). The countercyclical buffer is 0% since its entry into force for exposures located in Spain and Portugal (this buffer is reviewed quarterly by the national authorities). On a fully-loaded basis, the minimum CET1 requirement would therefore be 8.75%. Similarly, and based on the Pillar 1 requirements of 8%, the minimum Tier 1 and Total Capital requirements would be 9.563% and 11.563%, respectively, in regulatory terms, and 10.25% and 12.25% fully loaded, respectively.

The ECB's decision means that the regulatory CET1 level below which the CaixaBank Group would be obliged in 2018 to limit distributions in the form of dividends, variable remuneration and interest payments to holders of additional Tier 1 capital instruments - commonly referred to as the maximum distributable amount (MDA) trigger - would be 8.063%, to which we would eventually have to add potential shortfalls in additional Tier 1 or Tier 2 capital compared to the implied Pillar 1 minimums of 1.5% and 2%, respectively (CaixaBank currently has a Tier 1 and Tier 2 capital surplus above and beyond those implied minimum levels).

In addition to the regulations governing the capital adequacy of financial institutions, in 2014 Directive 2014/59/EU –otherwise known as the BRRD (Bank Recovery and Resolution Directive)– was approved, establishing a framework for the restructuring and resolution of credit institutions. The BRRD, together with Directive 2014/49, on the Deposit Guarantee System, enhances the capacity of the banking sector to absorb the impact of economic and financial crises, and the capacity of entities to wind up their business in an orderly fashion, while maintaining financial stability, protecting depositors and avoiding the need for public bail-outs.

The BRRD ushers in the Single Resolution Mechanism (SRM) and both the BRRD and Spanish Royal Decree 1012/2015, implementing Act 11 of 18 June 2015, on the recovery and resolution of credit institutions and investment firms ("Act 11/2015") require banks to maintain, at all times, adequate level of own funds and eligible liabilities (from among those eligible for bail-in purposes), known as the minimum requirement for own funds and eligible liabilities ("MREL").

The aim is for this minimum amount to be commensurate with each category of bank, based on its risks and the composition or structure of its sources of funding. The MREL requirement took effect on 1 January 2016. Commission Delegated Regulation (EU) 2016/1450 of 23 May 2016 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities was approved to provide resolution authorities with detailed guidance on establishing MREL requirements for banks, granting them discretionary powers to set the right minimum level and composition of MREL for each bank. Since the resolution authority has yet to announce the formal requirements, details of the quantity and category of eligible liabilities and calendar for compliance are not available.

The BRRD has also been under review since 23 November 2016. This package of reforms to the solvency framework (CRR and CRD IV) and to the BRRD, which was announced in 2016, will be laid before the European Parliament and the Council for their scrutiny and possible adoption. The objective of these reforms is to supplement the current prudential and resolution framework for the banking sector through a series of measures to reduce the risks to entities in the event of shocks, in accordance with the conclusions of the ECOFIN meeting in June 2016 and G-20 international standards. The reform package envisions a harmonised framework for calculating minimum own funds and eligible liabilities for certain debt instruments that meet a set of requirements, proposing the creation of a new class of simple or ordinary non-preferred debt that would come first in a bail-in ahead of other simple or ordinary debt. In Spain, this new category (known as non-preferred senior debt) has been introduced by Royal Decree-Law 11/2017, of 23 June, on urgent financial measures and amending Act 11/2015.

The following table shows the CAIXABANK Group's eligible own funds. Figures later than February 2017 reflect the impact of the integration of Banco BPI, which was -115 bp on the CET1 ratio.

Eligible own funds

(Thousands of euros)	31/12/2017		31/12/2016		31/12/2015	
	Amount	**(%)**	**Amount**	**(%)**	**Amount**	**(%)**

Equity	**24,683,281**		**23,555,562**		**25,187,948**	
Shareholders' equity	24,203,895		23,399,819		23,688,634	
Capital	5,981,438		5,981,438		5,823,990	
Profit	1,684,167		1,047,004		814,460	
Reserves and other	16,538,290		16,371,377		17,050,183	
Minority interests and unrealised gains/losses	479,386		155,742		1,499,314	
Other CET1 instruments	**(755,785)**		**(632,187)**		**(1,203,504)**	
Adjustments of comput. of minority int. and unrealised g/l	(147,896)		(111,629)		(916,652)	
Other adjustments (1)	(607,889)		(520,557)		(286,853)	
CET1 instruments	**23,927,496**		**22,923,375**		**23,984,443**	
Deductions from CET1	**(4,961,008)**		**(5,134,157)**		**(5,499,031)**	
Intangible assets	(3,364,813)		(2,415,643)		(1,962,074)	
Financial investments	0		0		(238,215)	
Deferred tax assets	(1,125,674)		(685,185)		(210,748)	
Other CET1 deductions	(470,521)		(337,822)		(42,791)	
AT1 deductions covered with CET1	0		(1,695,507)		(3,045,204)	
CET1	**18,966,488**	**12.7%**	**17,789,218**	**13.2%**	**18,485,412**	**12.9%**
AT1 instruments	**999,000**		**0**		**0**	
Deductions from AT1	**(891,300)**		**0**		**0**	
Intangible assets	(841,203)		(1,610,428)		(2,943,112)	
Other AT1 deductions	(50,097)		(85,079)		(102,092)	
AT1 deductions to be covered with CET1			1,695,507		3,045,204	
TIER 1	**19,074,188**	**12.8%**	**17,789,218**	**13.2%**	**18,485,412**	**12.9%**
T2 instruments	**5,023,123**		**4,087,736**		**4,444,175**	
Financing of subordinated issues	4,571,891		4,087,736		4,147,222	
Generic allowances and excess IRB provisions	451,232		0		296,953	
T2 deductions	**(50,097)**		**(85,079)**		**(102,092)**	
TIER 2	**4,973,026**	**3.3%**	**4,002,657**	**3.0%**	**4,342,083**	**3.0%**
TOTAL CAPITAL	**24,047,214**	**16.1%**	**21,791,875**	**16.2%**	**22,827,495**	**15.9%**
Memorandum items: Risk-weighted assets	**148,940,259**		**134,863,962**		**143,311,653**	
Credit risk	110,818,912		98,190,228		99,295,288	
Shareholder risk	22,860,407		23,703,136		28,559,485	
Operational risk	12,982,647		11,281,707		11,330,963	
Market risk	2,278,293		1,688,891		4,125,916	

(*) Mainly forecast of outstanding dividends.

(Millions of euros)	**March 2018**	**December 2017**	**Change**
Common Equity Tier 1 (CET1)	17,520	18,966	-1,446
Tier 1	19,751	19,074	677
Total capital	24,223	24,047	176
CET1 ratio	11.8%	12.7%	-0.94%
Tier 1 ratio	13.3%	12.8%	0.49%
Total capital ratio	16.3%	16.1%	0.17%
MDA buffer (*)	5,549	5,856	-307
MDA buffer to RWAs	3.74%	3.93%	-0.19%
Risk-weighted assets (APR)	148,472	148,940	-468
Leverage ratio	5.8%	5.5%	0.27%
CET1 ratio *fully loaded*	11.6%	11.7%	-0.08%

(*) The applicable MDA buffer is the lowest of the non-consolidated or consolidated figure.

Information on capital requirements at December 2017 by type of risk and calculation method is presented below:

Detail of risk-weighted assets

	Risk-weighted assets	**Capital requirements**	**Weight to total (%)**
	110,818,912	**8,865,513**	**74.40%**
Standardised approach	*64,171,518*	*5,133,721*	*43.09%*
IRB approach	*46,647,394*	*3,731,792*	*31.32%*
	22,860,407	**1,828,833**	**15.35%**
PD/LGD method	*10,040,278*	*803,222*	*6.74%*
Simple method	*12,559,782*	*1,004,783*	*8.43%*
VaR method	*260,347*	*20,828*	*0.17%*
	2,278,293	**182,263**	**1.53%**
Standardised approach	*1,227,668*	*98,213*	*0.82%*
Internal models (IMs)	*1,050,625*	*84,050*	*0.71%*
	12,982,647	**1,038,612**	**8.72%**
Standardised approach	*12,982,647*	*1,038,612*	*8.72%*
	148,940,259	**11,915,221**	**100.00%**

Economic capital

The CaixaBank Group has developed an economic capital model that uses its own set of criteria to measure available own funds and the capital requirements for all risks to which the Group's business is exposed.

The economic capital model forms the basis of the internal estimate of capital requirements and supplements the regulatory view of capital adequacy. This is an internal estimate the Bank adjusts according to its level of tolerance to risk, volume, and type of business activity.

CAIXABANK's Board of Directors and Management are responsible for ensuring that it has sufficient capital at all times to respond to any incident, with a high level of confidence.

With this objective, CAIXABANK uses the same level of confidence as that used in the Pillar I calculations, i.e. 99.9% of Basel II, which allows it to maintain its desired target rating in alignment with best sector practices.

Hence, economic capital is not a substitute for regulatory capital, but a supplement which is used to better offset the actual risk assumed by the CAIXABANK Group and it includes risks that have not been factored in at all or only partially, by the regulatory measures.

In addition to the risks referred to in Pillar 1 (credit, market and operational risk), it includes interest rate risk in the banking book, liquidity risk and other risks (business, reputational, concentration and actuarial).

- **Risk of a credit rating downgrade**

Any downgrading of CAIXABANK's credit rating could increase its borrowing costs, restrict access to the capital markets, and negatively affect the sale or marketing of products and involvement in transactions, especially those involving longer terms and derivatives.

This could reduce the Group's liquidity and have an adverse effect on its operating profit and financial position.

At the date of this Registration Document, CAIXABANK has been assigned the following credit ratings:

Agency	Review date	Short-term rating	Long-term rating[1]	Outlook
S&P Global	06/04/2018	A-2	BBB+	Stable
Moody's	17/04/2018	P-2	Baa2	Positive
Fitch	03/07/2018	F2	BBB	Positive
DBRS	12/04/2018	R-1 (low)	A	Stable

(1) Relates to the rating assigned to the preferred senior debt of CaixaBank.

Credit rating agencies are registered with the European Securities and Markets Authority (ESMA) pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council, of 16 September 2009, on credit rating agencies.

6. LIQUIDITY RISK

The CAIXABANK Group manages liquidity to maintain sufficient levels so that it can comfortably meet all its payment obligations on time and to prevent its investment activities from being affected by a lack of lendable funds, at all times within the Risk Appetite Framework.

The elements used to achieve these objectives are:

- Having a decentralised liquidity management system across two units (the CaixaBank subgroup and the BPI subgroup) that includes a segregation of duties to ensure optimal management, control and monitoring of risks.

- Maintaining an efficient level of liquid funds to meet obligations assumed, fund business plans and comply with regulatory requirements.
- Actively manages liquidity; this entails continuous monitoring of liquid assets and the balance sheet structure.
- Considers sustainability and stability as core principles of its funding sources strategy, based on:
    - A fund structure that entails mainly customer deposits
    - Funding in capital markets to complement the funding structure

The CaixaBank Group's ALCO is in charge of managing, monitoring and controlling liquidity risk. To do so, it monitors, on a monthly basis, compliance with the Risk Appetite Framework (RAF), the Entity's long-term funding plan, trends in liquidity, expected gaps in the balance sheet structure, indicators and alerts to anticipate a liquidity crisis so that it can take corrective measures in accordance with the Liquidity Contingency Plan. It also analyses the potential liquidity levels under each of the hypothetical crisis scenarios, with different stress models integrated into management.

The ALM (Asset and Liability Management) Division, which reports to the Executive Finance Division, is responsible for managing liquidity risk, ensuring that liquid assets are permanently available in the balance sheet, i.e. minimising the liquidity risk in the banking book inherent to banking business under the guidelines established by the ALCO.

The Balance Sheet Analysis and Monitoring Division, which reports to the Executive Finance Division, oversees the analysis and monitoring of liquidity risk. The analysis is performed under both normal and business-as-usual market situations and under stress situations.

On the basis of the analyses, a Contingency Plan has been drawn up and approved by the CaixaBank Board of Directors, defining an action plan for each of the crisis scenarios (systemic, specific and combined), with the measures to be taken on the commercial, institutional and disclosure level to deal with this kind of situation, including the possibility of using a number of stand-by reserves or extraordinary sources of finance. Banco BPI has its own contingency plan.

Available liquid assets are under the operational control of the liquidity management function, which is the responsibility of the ALM area. These include the liquid assets that ALM manages as part of its responsibility for managing balance sheet portfolios, and those managed by the Markets area, which oversees investment in fixed income portfolios arising from the market making and trading activities.

In the event of a stress scenario, the liquid asset buffer will be managed with the sole objective of minimising liquidity risk.

The detail, by contractual term to maturity of the balances of certain items on the CaixaBank and Banco BPI balance sheets at 31 December 2017, in a scenario of normal market conditions, is as follows:

Residual term of transactions at 31 December 2017

(Millions of euros)	Demand	< 1 month	1-3 months	3-12 months	1-5 years	> 5 years	Total
Assets							
Cash and cash balances at central banks and other demand deposits	19,891	0	0	0	0	0	19,891
Financial assets held for trading – Derivatives	0	1,847	1,114	2,012	4,006	11,802	20,781
Financial assets held for trading – Debt securities	0	58	83	268	392	275	1,076
Available-for-sale financial assets – Debt securities	0	522	427	2,618	7,222	6,439	17,228
Loans and receivables	4,597	10,553	8,094	14,882	45,365	152,211	235,702
Loans and advances	*4,087*	*10,372*	*7,934*	*14,756*	*44,906*	*151,248*	*233,303*

Debt securities	*510*	*181*	*160*	*126*	*459*	*963*	*2,399*
Held-to-maturity investments	0	0	0	1,373	9,697	0	11,070
Derivatives – Hedge accounting	5	743	1,727	4,521	1,195	1,360	9,551
Total assets	**24,493**	**13,723**	**11,445**	**25,674**	**67,877**	**172,087**	**315,299**
Liabilities							
Financial liabilities held for trading – Derivatives	16	1,891	1,120	2,004	3,625	11,798	20,454
Financial liabilities measured at amortised cost	169,492	18,712	10,990	23,696	46,810	18,002	287,702
Deposits	166,290	17,062	9,512	21,655	37,896	2,777	255,192
Central banks	*0*	*1,015*	*1,257*	*1,391*	*28,023*	*0*	*31,686*
Credit institutions	*1,913*	*5,452*	*480*	*40*	*1,684*	*1,377*	*10,946*
Customers	*164,377*	*10,595*	*7,775*	*20,224*	*8,189*	*1,400*	*212,560*
Debt securities issued	420	1,209	1,024	1,955	8,748	15,044	28,400
Other financial liabilities	2,782	441	454	86	166	181	4,110
Derivatives – Hedge accounting	5	756	1,724	4,269	450	449	7,653
Total liabilities	**169,513**	**21,359**	**13,834**	**29,969**	**50,885**	**30,249**	**315,809**
Assets less liabilities	**(145,020)**	**(7,636)**	**(2,389)**	**(4,295)**	**16,992**	**141,838**	**(510)**

It is to be borne in mind that the calculation of the gap in the total balance included in the previous table projects transaction maturities according to their contractual and residual maturity, irrespective of any assumption that the assets and/or liabilities will be renewed. At a financial entity with a high degree of retail financing, assets have a longer average maturity than liabilities, which produces a negative gap in the short term. The tables also indicate a high degree of stability in customers' demand accounts. Meanwhile, given the current liquidity climate, the analysis must keep in mind the influence exerted on this calculation by maturities of repurchase agreements and of deposits obtained through guarantees pledged on the loan with the European Central Bank. In conclusion, a large portion of the liabilities is stable and others are very likely to be renewed, while additional guarantees are available at the European Central Bank, and there is the capacity to generate new deposits through asset securitisation and the issuance of mortgage- and/or public sector-covered bonds. In addition, the Group has access to liquid assets allowing it to immediately obtain liquidity. Also worth noting is the fact that the calculation does not consider growth assumptions, and consequently disregards internal strategies for raising net liquidity, which are especially important in the retail market.

For the insurance business, liquidity that emerges from commitments (liabilities) arising from insurance contracts, mainly life savings insurance, sold by the CaixaBank Group through VidaCaixa, is managed through the actuarial financial estimate of cash flows arising from the aforementioned contracts. Financial immunisation techniques are also applied based on estimated actuarial financial maturity, i.e. not necessarily contractual, and the financial assets affected.

In this regard, it should be noted that the liquidity of the consolidated balance sheet is managed separately for the insurance business and other businesses, mainly banking, and for this reason the maturities of the insurance group's portfolio of financial assets, mainly classified as held for sale, are not presented in the matrix of maturities.

The following table presents a breakdown of the CaixaBank Group's liquid assets at 31 December 2017 and 2016 based on the criteria established for determining high quality liquid assets (HQLA) to calculate the LCR:

Liquid assets (*)

(Thousands of euros)	2017		2016	
	Market value	**Applicable weighted amount**	**Market value**	**Applicable weighted amount**
Level 1 assets	51,722,969	51,722,969	34,231,671	34,231,671
Level 2A assets	332,627	282,733	80,962	68,818
Level 2B assets	2,858,172	1,554,070	4,629,488	2,669,560
Total liquid assets	**54,963,768**	**53,609,772**	**38,942,122**	**36,970,049**

(*) Criteria established to determine the LCR (liquidity coverage ratio)

Banking liquidity, as shown by high quality liquid assets (HQLAs) used to calculate the LCR, plus the balance that can be drawn on the credit facility with the European Central Bank that does not comprise the aforementioned assets, amounted to EUR 72,775 million and EUR 50,408 million at 31 December 2017 and 2016, respectively (EUR 73,216 million at 31 March 2018).

CAIXABANK meets the minimum LCR ratio requirement, which means ensuring that an adequate level of high-quality liquid assets (HQLA) remains available to meet liquidity needs for a 30 calendar day stress scenario which considers a combined financial sector-wide and entity-specific crisis. The applicable regulatory limit is 70% from 1 January 2016, 80% from 1 January 2017 and 100% from 1 January 2018. The LCR ratio has remained above 130% since 2016%, in line with the objective envisioned in the Strategic Plan and therefore well clear of the regulatory minimum. Key figures for the CAIXABANK Group in relation to this ratio are:

LCR (*)

(Thousands of euros)	**2017**	**2016**
High quality liquid assets (numerator)	53,609,772	36,970,049
Total net cash outflows (denominator)	26,570,899	23,116,298
Cash outflows	31,633,523	28,322,907
Cash inflows	5,062,624	5,206,609
LCR ratio (%)	**202%**	**160%**

(*) According to Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to liquidity coverage requirement for credit institutions.

The Group's average LCR (during the previous 12 months) at 31 March 2018 was 194% (185% at 31 December 2017).

Turning to the NSFR (Net Stable Funding Ratio), the large weight of customer deposits within CAIXABANK's funding structure and the Group's limited reliance on wholesale markets for short-term funding has allowed it to maintain a well-balanced funding structure. Indeed, the NSFR ratio remained above 100% in 2017, even though this is not required until January 2019.

Meanwhile, the Group has a solid retail financing structure, as shown by its loan-to-deposits ratio of 108 % at 31 December 2017 (107% at 31 March 2018).

As part of this approach to managing liquidity risk and to allow it to anticipate potential needs for lendable funds, the CAIXABANK Group has various mechanisms in place to afford it access to the market and expedite the financing process.

Financing obtained from the European Central Bank through various monetary policy instruments was EUR 28,820 million at 31 December 2017, compared to EUR 26,819 million at 31 December 2016. The difference is due to the incorporation of BPI (EUR 2,001 million). The amount at 31 December 2017 relates to the extraordinary liquidity auctions, known as TLTRO I (Targeted Longer-Term Refinancing Operations I) maturing in 2018 (EUR 637 million, and the remainder to the TLTRO II extraordinary auctions (EUR 28,183 million) maturing in 2020 (balance of EUR 24,729 million in June and EUR 2,500 million in December) and in 2021 (a balance of EUR 954 million at March).

The scope of the CaixaBank Group's issuance programme at 31 December 2017 is shown below.

Debt issuance capacity

(Thousands of euros)	**Total issuance capacity**	**Nominal used at 31-12-2017**
Promissory notes programme (1)	3,000,000	1,494
Fixed income programme (2)	15,000,000	7,860,813
EMTN (Euro Medium Term Note) programme (3)	10,000,000	5,000,000
EMTN (Euro Medium Term Note) programme, BPI (4)	7,000,000	339,525
BPI mortgage covered bonds programme (5)	7,000,000	6,150,000
Public sector covered bonds programme (Portugal) (6)	2,000,000	600,000

(1) Promissory notes programme registered with the CNMV on 18/07/2017.
(2) Base prospectus for non-participating securities registered with the CNMV on 20/07/2017.
(3) Registered with the Irish Stock Exchange on 20/06/2017.
(4) Registered with the Commission de surveillance du secteur financier (the "CSSF") in Luxembourg on 17 February 2017.
(5) Registered with the CMVM (Comissão do Mercado de Valores Mobiliários) on 16 February 2017.
(6) Programme registered with the CNVM (Comissão do Mercado de Valores Mobiliários) on 12 October 2017.

Covered bond issuance capacity

(Thousands of euros)	**2017**	**2016**
Mortgage covered bond issuance capacity	2,804,590	4,000,171
Public sector covered bond issuance capacity	355,016	1,493,769

At 31 March 2018, CAIXABANK had an unused (available) mortgage and public sector covered bond issuance capacity of EUR 3,991 million.

Wholesale financing maturities (net of own securities acquired) are as follows:

Wholesale funding maturities (net of own securities acquired) (*)

(Thousands of euros)	Up to 1 month	1-3 months	3-12 months	1-5 years	>5 years	Total
Bonds covered by all the mortgage receivables of the issuer (*cédulas hipotecarias*)	1,000,000	1,053,100	1,928,723	7,530,939	9,858,592	21,371,353
Public sector covered bonds	0	0	87,800	0	0	87,800
Bonds covered by the mortgage receivables included in the issue (*obligaciones hipotecarias*)	200,000	0	0	0	0	200,000
Senior debt	0	0	709,282	76,861	1,062,247	1,848,390
Subordinated debt and preference shares	0	0	0	0	3,933,056	3,933,056
Senior non-preferred	0	0	0	0	1,250,000	1,250,000
Total wholesale issuance maturities	**1,200,000**	**1,053,100**	**2,725,805**	**7,607,800**	**16,103,895**	**28,690,599**

(*) Includes issuances placed with the Insurance Group

The Group's financing policies are there to ensure a balanced distribution of issuance maturities, preventing concentrations and diversifying financing instruments. In addition, the Group's reliance on wholesale markets is relatively low.

The following issuances have been placed with institutional investors in 2017 and through to the date of this Registration Document:

Two issuances of contingent convertibles ("Additional Tier 1 Preferred Securities") - Additional Tier 1 (AT1) capital

- In June 2017, AT1 issuance worth EUR 1,000 million, redeemable from year seven onward and paying a discretionary annual coupon of 6.75% over the first seven years. Thereafter, it will be revised to equal the applicable five-year mid swap rate plus 649.8 basis points.
- In March 2018, AT1 issuance worth EUR 1,250 million, redeemable from year eight onward and paying a discretionary annual coupon of 5.25% over the first eight years. Thereafter, it will be revised to equal the applicable five-year mid swap rate plus 450.4 basis points.

Four issuances of subordinated debt / Tier 2 capital

- In February 2017, issuance of EUR 1,000 million at ten years, redeemable from year five onward and paying an annual coupon of 3.5%. From year five onward, the bonds will pay an annual fixed coupon equal to the five-year mid-swap rate plus a spread of 3.35%.
- In July 2017, issuance of EUR 1,000 million at eleven years, redeemable from year six onward and paying an annual coupon of 2.75%. From year six onward, the bonds will pay an annual fixed coupon equal to the five-year mid-swap rate plus a spread of 2.35%.
- In July 2017, private placement of EUR 150 million at 25 years, redeemable from year twenty onward and paying a coupon of 4%.
- In April 2018, issuance of EUR 1,000 million at twelve years, redeemable from year seven onward and paying an annual coupon of 2.25%. From year six onward, the bonds will pay an annual coupon equal to the applicable five-year mid-swap rate plus a spread of 1.68%.

One issuance of simple non-preferred debt eligible as MREL

- In August 2017, inaugural issuance of simple non-preferred debt worth EUR 1,250 million at five years and four months and paying a coupon of 1.125% (equivalent to the mid-swap plus 0.95%).

Two issuances of ordinary debt

- In May 2017, EUR 1,000 million at seven years, paying a coupon of 1.125% (equivalent to the mid-swap plus 0.68%).
- In January 2018, EUR 1,000 million at five years and three months (April 2023), paying a coupon of 0.75% (equivalent to the mid-swap plus 0.48%).

Issuances of mortgage covered bonds (*cédulas hipotecarias*):

- In January 2017, issuance of EUR 1,500 million at ten years, paying a coupon of 1.25% (cost equivalent to the mid-swap plus 0.60%).
- In July 2017, private placement of EUR 375 million in mortgage-covered bonds at 15 years, paying a coupon of 1.625% (equivalent to the mid-swap plus 0.33%).
- In October 2017, issuance of USD 711.2 million in mortgage-covered bonds at eight years subscribed by the EIB (equivalent to EUR 588 million) and paying a variable coupon (6-month USD Libor plus 0.59%).
- On 3 January 2018, a total of EUR 1,000 million was issued at 10 years, paying a coupon of 1% (at a cost equivalent to the mid-swap rate plus 0.22%) and, in tandem, the July 2017 fifteen-year issuance was increased by a further EUR 375 million (at a cost of the mid-swap rate plus 0.32%).
- In February 2018, a further EUR 250 million was added via several private placements to the mortgage-covered bond issuance at 15 years. The cost of this increase was the mid-swap rate plus 0.307%.

Meanwhile, BPI issued subordinated debt worth EUR 300 million in the first quarter of 2017, which was fully subscribed by CaixaBank (having no impact on a consolidated level).

RISKS AFFECTING BUSINESS CONTINUITY

7. LEGAL/REGULATORY RISK

Legal and regulatory risk is associated with a loss or decrease in profitability as a result of changes to the regulatory framework or court rulings that go against the issuer.

It includes two risks:

(i) risks arising from legislative or regulatory changes; i.e. from amendments to the general legal framework or to specific sector regulations (banking, insurance, and asset management) that cause a loss or decrease in the Group's profitability; and

(ii) risk arising from judicial or administrative claims; i.e. claims by public administrations, customers, investors, suppliers or employees alleging non-compliance or illegal actions, violation of contractual clauses, or a lack of transparency in the products marketed by the Group.

The regulatory landscape toughened considerably in 2017, not only in relation to the prudential framework and developments in crisis management, but also in terms of customer and investor protection and digital and technological aspects.

Aware of the impact that the regulatory framework can have on the Bank's activities and its potential impact on its long-term sustainability, the CaixaBank Group continuously monitors all regulatory changes. Senior management, especially through the Regulation Committee set up as an offshoot of the Management Committee, carefully considers the transcendence and scope of any new regulatory measures.

The Regulation Division, which belongs to the Legal Advisory Area, is tasked with continuously monitoring regulatory changes and handling regulatory alerts while coordinating accordingly with the different areas and departments.

Legal Advisory also manages this risk by continuously monitoring and tracking regulatory changes, defending the Bank's interests and analysing and adapting to regulations, identifying risks, implementing procedures, and defending the Bank's interests in legal proceedings.

Claims and lawsuits are brought against CaixaBank and the other Group companies. Therefore, they are party to legal proceedings arising from the normal course of their business, including claims in connection with lending activities, relationships with employees and other commercial or tax matters. The outcome of court proceedings is inherently uncertain.

Based on available information, the CaixaBank Group considers that at 31 December 2017 it had reliably estimated the obligations arising from each proceeding and had recognised, where appropriate, sufficient provisions to reasonably cover the liabilities that may arise as a result of these tax and legal situations. It also considers that any liability arising from these proceedings will not, as a whole, have a material adverse effect on the Group's businesses, financial position or operating results.

A class action is under way in which the claimants are seeking to disapply the use of floor causes in certain mortgage loans in the Bank's portfolio.

A judgment was delivered on 7 April 2016 rendering null and void the floor clauses in the general terms and conditions of the mortgage loan agreements entered into with consumers that were identical to those affected by the class action, due to a lack of transparency, with banks having to: eliminate said clauses from loan agreements; (ii) stop using them in an non-transparent manner; and (iii) repay to affected consumers the amounts unduly charged as a result of applying the null and void clauses as from the date of the Supreme Court judgment of 9 May 2013, plus any applicable interest payable by law. The Group eliminated these floor clauses in 2015, with an annual impact on net interest income of EUR -220 million.

This judgment is not final and has therefore been appealed by several parties, including CaixaBank. In its appeal, the ADICAE consumer association called for reimbursements not to be limited to the amounts collected since 9 May 2013 but to include, in each case, all amounts collected since each mortgage loan was arranged. The Public Prosecutor has opposed this request (unless the European Court of Justice rules otherwise). For the CaixaBank Group this means a maximum exposure of approximately EUR 1,250 million.

On 13 July 2016, the Advocate General of the European Union, which issued his opinion prior to the decision delivered by the Court of Justice of the European Union (CJEU), decided in favour of the Spanish Supreme Court's decision to limit repayments back to May 2013 (this being the doctrine applied by Commercial Court 11). However, on 21 December 2016 the judgment handed down by the CJEU failed to heed the reports issued by the Advocate General and upheld full retroactive reimbursement in relation to the abusive floor clauses.

Given the circumstances, in 2015 and 2016 the Group posted total provisions of EUR 625 million (EUR 515 and EUR 110 million, respectively) to cover the best estimated value of disbursements that it was expected could derive from these proceedings, based on: (i) what the Bank deemed to be the most probable outcome; (ii) how the case was unfolding; and (iii) the uncertainty surrounding the outcome, so as to cover any reasonably expected payouts based on best estimates. This amount is also sufficient for the scenario envisioned in Royal Decree Law 1 of 20 January 2017, on urgent measures to protect consumers in relation to floor clauses ("RDL 1/2017").

The best estimate on which this provision was calculated is based on an external report prepared by an independent expert (Ernst & Young), which contains experience-based analyses, projections and calculations that are useful here and that also address the impact of RDL 1/2017.

Although this new enhanced provision is based on best estimates, the Bank continues to closely monitor and analyse its sufficiency every three months while drawing on its experience and the lessons learned, and will increase and/or enhance the provision accordingly as and when needed. In accordance with RDL 1/2017, CaixaBank implemented a code of best practices in 2017, creating a specialised department or service to swiftly handle claims filed in relation to this Royal Decree-Law, and thereby attend and provide responses to its customers within three months. The established procedure has now been activated. Claims are still being reviewed and customers are being informed of the decisions made and disbursements are made when applicable. Total “Use of funds” includes, among others, EUR 241 million in returns relating to claims made under RDL 1/2017 at 31 December 2017.

Last but not least, certain annual periods are open to inspection by the tax authorities and tax proceedings under way for which the relevant provisions have been duly allocated (for more information, see section 20.1 – *Legal and arbitration proceedings*).

8. CONDUCT AND COMPLIANCE RISK

Conduct and compliance risk is defined as risk arising from the application of conduct criteria that run contrary to the interests of customers and stakeholders, along with deficient procedures resulting in acts or omissions that are not compliant with the legal or regulatory framework, or with internal codes and rules, and which could result in administrative sanctions or reputational damage.

The CAIXABANK Group’s objective is to minimise the probability of occurrence of this risk and, if it occurs, to detect, report and address the weaknesses promptly.

In order to manage compliance and conduct risk, management and governance bodies encourage the dissemination and promotion of the values and principles set out in the Code of Business Conduct and Ethics, and its members and other employees and Senior Management must ensure that they are compliant as a core criterion guiding their day-to-day activities. Therefore, as the first line of defence, the areas whose business is subject to compliance and conduct risk implement and manage a first level of indicators and controls to detect potential sources of risk and act effectively to mitigate them. As a second line of defence, the Assistant Deputy General Manager of Control and Compliance, who oversees the Corporate Regulatory Compliance Division, reviews internal procedures to verify that they are up-to-date and, as appropriate, to identify situations of risk, in which case the affected areas are called upon to develop and implement the improvement actions necessary.

9. OPERATIONAL RISK

Operational risk is defined as: “The risk of loss arising from inadequate or failed internal processes, people and systems or from external events”.

The overall objective is to improve the quality of business management, supplying information on operational risks to allow decisions to be made that ensure long-term continuity within the organisation, improvements to its processes and the quality of both internal and external customer service, in accordance with the regulatory framework established, and the optimisation of capital consumption.

Although the method used to calculate regulatory capital is the standardised method, the operational risk measurement and management model used by the Group is designed to support management with risk-sensitive approaches, in line with market best practices. It aims to establish an operational risk model based on policies, processes, tools and methodologies that improve operational risk management at the companies and ultimately help reduce operational risk and the associated future losses.

The CAIXABANK Group has arranged corporate insurance policies to cover the main risks to which its business activities are exposed.

The Group’s Business Continuity Plan is part of the Business Continuity Management System. Its aim is to protect the business and therefore the company from disasters and/or unforeseen events and resume or continue its operations. Business continuity at the Group is structured through the Business Continuity Management System, which is ISO 22301:2012 certified.[1]

10. REPUTATIONAL RISK

Reputational risk is the risk of loss of competitiveness due to a loss of trust in the CAIXABANK Group by one or more of its stakeholders, based on their appraisal of the acts or omissions, real or purported, of the Bank, its Senior Management and governance bodies.

The Executive Division for Communication, Institutional Relations, Brand and Corporate Social Responsibility of CAIXABANK, in accordance with the Bank's Corporate Responsibility and Reputation Committee, is entrusted with monitoring the overall reputation of CAIXABANK and any other risks which, should they arise, could adversely affect the Bank's image.

The responsibilities of the Group's Corporate Responsibility and Reputation Committee, composed of areas whose management has the greatest impact on reputation, include the task of analysing CAIXABANK's reputation at all times, periodically monitoring any risks that may impact the Bank's reputation and proposing actions and contingency plans to minimise the risks detected.

One of the main tools used to manage and mitigate risks that may potentially affect the Group's reputation is the Reputational Risk Map, which identifies the risks with the greatest potential impact on its reputation and ranks them by criticality based on the potential damage to reputation and the degree of coverage of preventative policies. Indicators have been established for the most significant risks so that they can be monitored accordingly. The Group's reputation is measured using the Reputation Scorecard, which includes various internal and external indicators on the Bank's reputation. The scorecard sets out who CAIXABANK's stakeholders are and key reputational values, weighting them according to their importance to the Bank. This provides a Global Reputation Index: a global metric enabling data to be compared over time and benchmarked against peers.

[1] International Organization for Standardization. ISO 22301:2012 Societal Security – Business Continuity Management Systems – Requirements.

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II. INFORMATION ON THE ISSUER (ANNEX I OF COMMISSION REGULATION (EC) NO 809/2004 OF 29 APRIL 2004)

1. PERSONS RESPONSIBLE

1.1. Identification of the persons responsible for the share registration document

Matthias Bulach, Head of Financing Accounting, Control and Capital, for and on behalf of CAIXABANK, S.A., ("**CAIXABANK**", the "**Company**" or the "**Issuer**"), by virtue of the resolution adopted by the Board of Directors on 24 May 2018, assumes responsibility for the content of this registration document (the "**Registration Document**"), the content of which is in line with Annex I of Commission Regulation (EC) No 809/2004 of 29 April 2004.

1.2. Declaration by the persons responsible for the share registration document

Matthias Bulach, for and on behalf of CAIXABANK, declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of his knowledge, accurate and truthful and does not omit anything likely to affect its import.

2. STATUTORY AUDITORS

2.1. Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body)

The individual and consolidated financial statements for 2015, 2016 and 2017 were audited by Deloitte, S.L., with registered address at Plaza de Pablo Ruiz Picasso, número 1, Torre Picasso, Madrid, and have been filed in the corresponding public registers of the CNMV.

Deloitte, S.L. is filed with the Companies Registry of Madrid at sheet M-54,414, folio 188, volume 13,650, section 8, and with the Official Registry of Auditors (ROAC) under registration number S0692.

2.2. If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material

Deloitte, S.L. has not resigned or been removed as auditor of CAIXABANK over the last three years.

Shareholders voted to re-elect Deloitte, S.L. as auditor for 2016 and 2017 at the Annual General Meetings held on 23 April 2015 and 28 April 2016, respectively.

A resolution was carried at the Annual General Meeting held on 6 April 2017 to ratify the appointment of PricewaterhouseCoopers Auditores, S.L. as financial auditor of CAIXABANK and its consolidated group for 2018 through to 2020, following the reasoned recommendation and preference issued by the Audit and Control Committee, after completing the selection process carried out in accordance with the criteria set out in Regulation (EU) 537/2014 of 16 April on specific requirements regarding statutory audit of public-interest entities.

PricewaterhouseCoopers Auditores, S.L., with registered office at Paseo de la Castellana 259 B, Torre PWC, 28046 Madrid, is filed with the Companies Registry of Madrid at sheet number M-87250-1, folio 75, volume 9,267, section 3, and with the Official Registry of Account Auditors (ROAC) under number S0242.

3. SELECTED FINANCIAL INFORMATION

3.1 Selected historical financial information regarding the issuer, presented for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information

The CAIXABANK Group's key management indicators at 31 December 2017, 2016 and 2015 are provided below. The CAIXABANK Group's financial information for 2017 is based on audited accounting records. Financial information for 2016 and 2015 is presented for comparison purposes only.

The information taken from the consolidated income statement and balance sheet has been prepared in accordance with the regulatory financial reporting framework applicable to the Group, which is set forth in the International Financial Reporting Standards ("IFRS"), as adopted by the European Union through EU Regulations, in accordance with Regulation No 1606/2002 of the European Parliament and of the Council of 19 July 2002, and subsequent amendments. It has also been prepared with due regard to Bank of Spain Circular 4/2004 of 22 December ("the Circular"), on public financial and inside information and standard formats for presenting the financial statements of credit institutions, showing how Spain has adapted the IFRS adopted by the European Union to Spanish credit institutions, and subsequent amendments.

The accounting policies, principles and criteria specified in Note 2 to the 2017 consolidated financial statements have all been applied.

On 7 February 2017, the CaixaBank Group took control of Banco BPI, SA (Banco BPI, or BPI). Since February 2017, the Group's total interest in BPI (84.5% at that date) has been fully consolidated. In prior reporting periods, the financial information on BPI contained in this document was presented using the equity method.

The basis of presentation for the balance sheet and income statement has been established in accordance with Circular 5/2015 of the Spanish securities market regulator (CNMV). Therefore, figures for 2015 have been restated accordingly.

Following the entry into force of Bank of Spain Circular 5/2014 and so as to allow the 2015 income statement to be compared with the financial information relating to 2016, the proceeds obtained from the purchase and sale of currencies in customer transactions have been reclassified and are therefore no longer presented under "Exchange differences (net)" and "Gains/(losses) on financial assets and liabilities held for trading (net)" and are presented instead under "Fee and commission income".

Moreover, proceeds from sales of strategic investments were also not presented under "Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" and were presented instead under "Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net" in trading income.

In accordance with the Guidelines on Alternative Performance Measures (APMs) published by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057), shown below and also in the accompanying annex are the definitions of certain alternative financial measures and, where appropriate, the reconciliation with the items contained on the financial statements for the period in question.

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€ million	January - December				
	2017	Year on year %	2016	Year on year %	2015
INCOME STATEMENT					
Net interest income	4.746	14,2%	4.157	(4,5%)	4.353
Net fee and commission income	2.499	19,5%	2.090	(1,2%)	2.115
Gross income	8.222	5,1%	7.827		7.824
Recurring administrative expenses, depreciation and amortisation	(4.467)	11,8%	(3.995)	(1,7%)	(4.063)
Pre-impairment income stripping out extraordinary expenses	3.755	(2,0%)	3.832	1,9%	3.761
Pre-impairment income	3.645	(1,8%)	3.711	15,3%	3.218
Profit/(loss) before tax	2.098	36,4%	1.538		638
Profit/(loss) attributable to the Group	1.684	60,9%	1.047	28,6%	814

	December 2017	Year on year	December 2016	Year on year	December 2015
BALANCE SHEET					
Total assets	383.186	10,1%	347.927	1,1%	344.255
Equity	24.683	4,8%	23.556	(6,5%)	25.205
Customer funds	349.458	15,0%	303.895	2,5%	296.599
Loans and advances to customers, gross	223.951	9,3%	204.857	(0,8%)	206.437
EFFICIENCY AND PROFITABILITY (last 12 months)					
Cost-to-income ratio [1]	55,7%	3,1	52,6%	(6,3)	58,9%
Cost-to-income ratio stripping out extraordinary expenses [1/2]	54,3%	3,3	51,0%	(0,9)	51,9%
ROE[1]	6,9%	2,4	4,5%	1,1	3,4%
ROTE[1]	8,4%	2,8	5,6%	1,3	4,3%
ROA[1]	0,5%	0,2	0,3%	0,1	0,2%
RORWA[1]	1,1%	0,3	0,8%	0,2	0,6%
RISK MANAGEMENT					
Non-performing loans (NPL)	14.305	(449)	14.754	(2.346)	17.100
Non-performing loan ratio[1]	6,0%	(0,9)	6,9%	(1,0)	7,9%
Cost of risk (last 12 months)[1/3]	0,34%	(0,12)	0,46%	(0,3)	0,73%
Provisions for non-performing loans	7.135	255	6.880	(2.632)	9.512
NPL coverage ratio[1]	50%	3	47%	(9)	56%
Net foreclosed available for sale real estate assets[4]	5.878	(378)	6.256	(1.003)	7.259
Foreclosed available for sale real estate assets coverage ratio[1]	58%	(2)	60%	5	55%
LIQUIDITY					
Total Liquid Assets	72.775	22.367	50.408	(12.299)	62.707
Loan to deposits [1]	108%	(3)	111%	4,8	106%
Liquidity Coverage Ratio	202%	42	160%	(12)	172%
CAPITAL ADEQUACY					
Fully-loaded Common Equity Tier 1 (CET1)	11,7%	(0,7)	12,4%	0,8	11,6%
Fully-loaded Tier 1	12,3%	(0,1)	12,4%	0,8	11,6%
Fully-loaded total capital	15,7%	0,3	15,4%	0,8	14,6%
Fully-loaded Risk-Weighted Assets (RWAs)	148.626	14.241	134.385	(9.190)	143.575
Fully-loaded leverage ratio	5,3%	(0,1)	5,4%	0,2	5,2%
Common Equity Tier 1 (CET1)	12,7%	(0,5)	13,2%	0,3	12,9%
SHARE INFORMATION					
Share price (€/share)	3,889	0,749	3,140	(0,074)	3,214
Market capitalization	23.248	4.480	18.768	66	18.702
Book value per share (€/share)	4,06	0,12	3,94	(0,39)	4,33
Tangible book value per share (€/share)	3,35	0,09	3,26	(0,21)	3,47
Number of outstanding shares excluding treasury stock (millions)	5.978	1	5.977	158	5.819
Net income attributable per share (€/share) (12 months)	0,28	0,10	0,18	0,04	0,14
Average number of shares excluding treasury stock (millions) (12 months)	5.978	136	5.842	22	5.820
PER (Price/Profit)	14,02	(3,50)	17,52	(5,45)	22,97
Tangible PBV (Market value/ book value of tangible assets)	1,16	0,20	0,96	0,03	0,93
OTHER DATA (units)					
CaixaBank Group Employees	36.972	4.569	32.403	161	32.242
Branches[5]	5.379	352	5.027	(184)	5.211

(1) Unaudited APMs. See the accompanying annex for a list of definitions and a reconciliation with the audited consolidated financial statements.
(2) 2017: does not include EUR 110 million in extraordinary expenses associated with BPI. 2016: does not include EUR 121 in extraordinary expenses in connection with the labour agreement. 2015: does not include EUR 543 million in extraordinary expenses associated with the integration of Barclays Bank, SAU and the labour agreement.
(3) The December 2016 ratio excludes the release of EUR 676 million in provisions carried out in the fourth quarter of 2016.
(4) Exposure in Spain.

(5) Does not include branches outside Spain and Portugal or representative offices.

Clarifications for a number of business indicators (loans and funds) shown in the above table and prepared using management criteria, are provided below. See also *Annex – Alternative Performance Measures*.

Reconciliation with the consolidated balance sheet included in the consolidated financial statements as per IFRS in relation to customer loans and funds, gross.

Loans and advances to customers, gross

December 2017 € million	Group
Loans and advances to customers (Public Balance Sheet)	**226.272**
Credit institutions (Public Balance Sheet)	(7.378)
NPL provisions	6.832
Other, non-retail, financial assets (asset under the asset protection scheme and others)	(768)
Reverse repurchase agreements (public and private sector)	(912)
Fixed income bonds not considered as retail financing[1]	(95)
Loans and advances to customers, gross	**223.951**

(1) Recognised under "Securities representative of debt under section loans and receivables" in the public balance sheet

Customer funds

December 2017 € million	Group
Financial liabilities at amortised cost - Customers (Public Balance Sheet)	**203.608**
Non-retail financial liabilities (registered under Financial liabilities at amortised cost - Customers)	**(8.565)**
Multi-issuer covered bonds and subordinated deposits	(3.932)
Counterparties and other	(4.633)
Retail financial liabilities (registered under Debt securities)	**2.536**
Retail issues and other	2.536
Liabilities under insurance contracts, using management criteria[2]	**49.965**
Total on-balance sheet customer funds	**247.544**
Assets under management	**96.551**
Other accounts[3]	**5.363**
Total customer funds	**349.458**

(2) See details in the following chart

(3) Includes, among others, transitory funds associated to transfers and collections as well as other customer funds distributed by CaixaBank Group

Liabilities under insurance contracts

December 2017 € million	Group
Liabilities araising from insurance contracts (Public Balance Sheet)	**49.750**
Capital gains/(losses) on insurance assets available for sale	(8.026)
Unit-links[4]	8.241
Liabilities araising from insurance contracts, under management criteria	**49.965**

(4) Recognised under Financial liabilities designated at fair value through profit or loss in the public balance sheet

3.2 If selected financial information is provided for interim periods, comparative data for the same period of the previous year must also be provided, unless the comparative information requirement is satisfied by presenting the year-end balance sheet information

This Registration Document includes interim consolidated financial information for the Group at 31 March 2018 and 31 March 2017, prepared using the Company's internal accounting records and those of the other Group companies. The information contained in this section must be read alongside the consolidated financial information included in section 20.6 of this Registration Document.

CAIXABANK's quarterly consolidated financial information has not been audited by the Company's auditors.

The basis of presentation for the balance sheet and income statement has been established in accordance with Circular 5/2015 of the Spanish securities market regulator (CNMV).

The table below shows the headline figures appearing on the Bank's consolidated income statement and other business and management information for the period from 1 January to 31 March 2018, as well as a comparison with earnings income reported in the same period a year earlier and with the balance sheet figures at the reporting close of the previous year (see section *5.1.5 Important events in the development of the Issuer's business*, which describes the takeover of BPI in February of 2017. Accordingly, BPI has been consolidated using the full consolidation method since 1 February 2017, while for earlier periods it was reported using the equity method).

It should also be noted IFRS 9 took effect on 1 January 2018, thus affecting the comparability of the figures shown below, mainly due to the increase of EUR 758 million in credit loss provisions (generating an increase in NPL coverage of some 5 percentage points) and the impact on reserves of EUR -564 million. Meanwhile, it is estimated that the new standard will have an impact of -15 points on the fully-loaded CET1 ratio.

€ million	January - March		Change
	2018	2017	
INCOME STATEMENT			
Net interest income	1.203	1.153	4,3%
Net fee and commission income	625	588	6,4%
Gross income	2.262	1.893	19,5%
Recurring administrative expenses, depreciation and amortisation	(1.149)	(1.091)	5,4%
Pre-impairment income stripping out extraordinary expenses	1.113	802	38,7%
Pre-impairment income	1.110	792	40,1%
Profit/(loss) before tax	919	451	104,1%
Profit/(loss) attributable to the Group	704	403	74,7%

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	March 2018	December 2017	Change
BALANCE SHEET			
Total assets	384.420	383.186	0,3%
Equity	24.644	24.683	(0,2%)
Customer funds	351.420	349.458	0,6%
Loans and advances to customers, gross	223.249	223.951	(0,3%)
EFFICIENCY AND PROFITABILITY (last 12 months)			
Cost-to-income ratio	53,9%	55,7%	(1,8)
Cost-to-income ratio stripping out extraordinary expenses	52,7%	54,3%	(1,6)
ROE	8,1%	6,9%	1,2
ROTE	9,8%	8,4%	1,4
ROA	0,5%	0,5%	
RORWA	1,3%	1,1%	0,2
RISK MANAGEMENT			
Non-performing loans (NPL)	13.695	14.305	(610)
Non-performing loan ratio	5,8%	6,0%	(0,2)
Cost of risk (last 12 months)	0,29%	0,34%	(0,05)
Provisions for non-performing loans	7.597	7.135	462
NPL coverage ratio	55%	50%	5
Net foreclosed available for sale real estate assets[1]	5.810	5.878	(68)
Foreclosed available for sale real estate assets coverage ratio	58%	58%	
LIQUIDITY			
Total Liquid Assets	73.216	72.775	441
Loan to deposits	107%	108%	(1)
Liquidity Coverage Ratio (last 12 months)	194%	185%	9
CAPITAL ADEQUACY			
Fully-loaded Common Equity Tier 1 (CET1)	11,6%	11,7%	(0,1)
Fully-loaded Tier 1	13,1%	12,3%	0,8
Fully-loaded total capital	16,1%	15,7%	0,4
Fully-loaded Risk-Weighted Assets (RWAs)	148.328	148.626	(298)
Fully-loaded leverage ratio	5,7%	5,3%	0,4
SHARE INFORMATION			
Share price (€/share)	3,872	3,889	(0,017)
Market capitalization	23.150	23.248	(98)
Book value per share (€/share)	4,05	4,06	(0,01)
Tangible book value per share (€/share)	3,34	3,35	(0,01)
Number of outstanding shares excluding treasury stock (millions)	5.979	5.978	1
Net income attributable per share (€/share) (12 months)	0,33	0,28	0,05
Average number of shares excluding treasury stock (millions) (12 months)	5.978	5.978	
PER (Price/Profit)	11,89	14,02	(2,13)
Tangible PBV (Market value/ book value of tangible assets)	1,16	1,16	
OTHER DATA (units)			
Employees	37.107	36.972	135
Branches[2]	5.318	5.379	(61)

(1) Exposure in Spain.

(2) Does not include branches outside Spain and Portugal or representative offices.

Reconciliation with the consolidated balance sheet as per IFRS of loans and advances to customers, gross.

Loans and advances to customers, gross	
March 2018	
€ million	
Loans and advances to customers at amortised cost (Public Balance Sheet)	**214.485**
Reverse repurchase agreements (public and private sector)	(740)
Allowance for impairment losses	7.299
Other, non-retail, financial assets	(317)
Loans and advances to customers at fair value through profit or loss (Public Balance Sheet)	**405**
Other, non-retail, financial assets	(351)
Fixed income bonds considered retail financing (Financial assets at amortised cost - Public debt securities, Balance Sheet)	**2.468**
Loans and advances to customers, gross, using management criteria	**223.249**

Customer funds	
March 2018	
€ million	
Financial liabilities at amortised cost - Customers deposits (Public Balance Sheet)	**203.882**
Non-retail financial liabilities (registered under Financial liabilities at amortised cost - Customers deposits)	**(7.089)**
Multi-issuer covered bonds and subordinated deposits	(3.857)
Counterparties and other	(3.232)
Retail financial liabilities (registered under Financial liabilities at amortised cost - Debt securities)	**2.574**
Retail issues and other	2.574
Liabilities under insurance contracts, using management criteria[1]	**50.633**
Total on-balance sheet customer funds	**250.000**
Assets under management	**97.171**
Other accounts[2]	**4.249**
Total customer funds	**351.420**

Liabilities under insurance contacts	
March 2018	
€ million	
Liabilities under insurance contracts (Public Balance Sheet)	**61.419**
Capital gains/(losses) on insurance assets available for sale	(10.786)
Liabilities under insurance contracts, using management criteria	**50.633**

4. RISK FACTORS

See section I (Risk Factors) of this Registration Document.

5. INFORMATION ABOUT THE ISSUER

5.1 History and development of the issuer

5.1.1 Legal and commercial name of the issuer

The complete corporate name of the Issuer is “CAIXABANK, SA”, as per Article 1 of its Bylaws.

5.1.2 Place of registration of the issuer and its registration number

The Company is filed with the Barcelona Companies Registry at volume 42,657, folio 33, sheet B-41232, entry 109, with tax number A-08663619. It is also entered on the Special Administrative Register of the Bank of Spain under number 2100.

5.1.3 Date of incorporation and length of life of the issuer, except where indefinite

The Company was incorporated under the name Grupo de Servicios, S.A. for an indefinite period of time through a public instrument executed on 12 December 1980 before Barcelona notary, Eduardo Blat Gimeno, under number 2,375 of his protocol. It subsequently changed its name to GDS-Grupo de Servicios, SA in a public instrument executed on 22 December 1983 before Barcelona notary public, Antonio-Carmelo Agustín Torres.

The Company amended its Bylaws to comply with the Public Limited Companies Act then in force in a public instrument executed on 1 June 1992 before Barcelona notary public, Ladislao Narváez Acero, under number 1,124 of his protocol.

On 1 June 2000, GDS-Grupo de Servicios, S.A. absorbed CaixaHolding, SAU, a dormant company, and acquired the latter's corporate name. The merger was executed through a public instrument executed on 11 July 2000 before Barcelona notary, Tomás Giménez Duart, under number 4,011 of his protocol, giving rise to entry number 35 on the sheet open in the Company's name at the Companies Registry of Barcelona. In July 2000, Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" contributed almost all its portfolio of investees to the Company so as to streamline its control and management.

The Company then changed its corporate name of "CaixaHolding" to "CriteriaCaixaCorp, S.A.," as decided by its sole shareholder on 19 July 2007. The sole shareholder's decision was executed in public instrument on 2 August 2007 before Barcelona notary public, Tomás Giménez Duart, under number 3,511 of his protocol, registered as entry 56 on the sheet open in the Company's name at the Barcelona Companies Registry.

In October 2007, the Company's shares were admitted to trading on the Spanish stock exchanges following an initial public offering.

On 27 January 2011, "la Caixa", the Company (then called Criteria CaixaCorp, S.A.) and Microbank de "la Caixa", S.A.U. signed a framework agreement governing the reorganisation of the "la Caixa" Group, which involved the following actions to restructure the "la Caixa" Group: (i) by virtue of deed of transfer executed on 27 June 2011 before Barcelona notary public, Tomás Giménez Duart, under number 2,617 of his protocol, "la Caixa" transferred to Microbank de "la Caixa", S.A.U. all the assets and liabilities comprising its financial activity; (ii) under a swap arrangement, "la Caixa" transferred to Criteria all Microbank shares post-split, while Criteria transferred to "la Caixa" a series of equity interests, giving Criteria full ownership of Microbank's entire share capital; (iii) by virtue of public instrument executed before the aforesaid Barcelona notary public on 30 June 2011 under number 2,685 of his protocol, the Company and Microbank de "la Caixa", S.A.U. merged with the former absorbing the latter. The legal entity Microbank de "la Caixa", S.A.U. was wound up without liquidation and all its assets and liabilities were transferred en bloc to the Company, which adopted its current name of CAIXABANK, S.A. This business was registered as entry 109 on the sheet open in the Company's name at the Barcelona Companies Registry.

As a result of this restructuring activity, the Company became a listed bank through which "la Caixa" indirectly carried on its financial activity.

However, in compliance with Transitional Provision One of Act 26/2013, of 27 December, on savings banks and banking foundations, "la Caixa'', as a savings bank indirectly carrying on its activity as a credit institution through a bank and given its characteristics, had to become a banking foundation before 29 December 2014. Until that time, applicable law took the form of Act 31/1985, of 2 August, regulating the basic rules of the governing bodies of savings banks and its implementing regulations, as well as the applicable provisions of

Royal Legislative Decree 11/2010, of 9 July, on the governing bodies and other matters concerning the legal regime of savings banks, including their tax regime, and article 8.3.d) of Act 13/1985, of 25 May, on investment ratios, capital and reporting obligations for financial intermediaries.

To comply with this legal requirement, the “la Caixa” General Assembly held on 22 May 2014 approved the conversion of “la Caixa” into a banking foundation. The deed of conversion of “la Caixa” into a banking foundation was entered on the Foundations Register on 16 June 2014, resulting in the conversion of the entity and, therefore, “la Caixa” ceasing to indirectly carry on its activity as a credit institution through CAIXABANK.

The task of transforming “la Caixa” into a Banking Foundation was carried out through a restructuring of the “la Caixa” Group, a process that involved: firstly, the split and transfer to Criteria CaixaHolding –a wholly owned subsidiary of the current “la Caixa” Banking Foundation– of the stake previously held by the current “la Caixa” Banking Foundation in CAIXABANK. As a result, and as of 14 October 2014, the banking foundation’s stake in CAIXABANK is held through Criteria, along with the debt instruments issued by “la Caixa”; and secondly the dissolution and liquidation of the former “la Caixa” Foundation through the en bloc transfer of its assets and liabilities to the current “la Caixa” Banking Foundation (this liquidation was recorded in the Catalonian Foundations Register on 16 October 2014).

The resolution carried by the Board of Trustees of Fundación Bancaria Caixa d’Estalvis i Pensions de Barcelona, “la Caixa”, changing the corporate name from Criteria CaixaHolding, S.A.U. to Criteria Caixa, S.A.U. (“Criteria” or “CriteriaCaixa”), was notarised in public instrument before notary on 7 October 2015.

With the reorganisation now completed, the “la Caixa” Banking Foundation performs the following main activities: direct management of Welfare Projects through CriteriaCaixa and management of both its stake in CAIXABANK (40.0% at 31 March 2017) and the investments in various sectors.

This reorganisation means that “la Caixa” is no longer a credit institution (savings bank), although as a banking foundation it is now supervised by the Bank of Spain with regard to its stake in CAIXABANK, as set forth in Act 26/2013.

On 26 May 2016, CriteriaCaixa and “la Caixa” Banking Foundation announced their intention to begin proceedings to fulfil the conditions laid down by the European Central Bank to deconsolidate CAIXABANK from CriteriaCaixa for prudential purposes before the end of 2017 .

On 26 September 2017, the ECB Governing Council announced that since the terms and conditions established in Article 26.8 of EU Regulation 1024/2013, of the Council, have been met, CriteriaCaixa no longer has control or exercises a significant dominant influence over CaixaBank and, consequently, is no longer the parent of the financial conglomerate. This ruling came into force that same day. Therefore, CaixaBank has become the parent company of the financial conglomerate formed by the Group’s entities that are considered regulated, recognising CaixaBank as a significant supervised entity, whereby CaixaBank comprises, together with the credit institutions of its Group, a significant supervised group of which CaixaBank is the entity at the highest level of prudential consolidation.

5.1.4 Domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation and the address and telephone number of its registered office (or principal place of business if different from its registered office)

5.1.4.1 Domicile and legal form

CAIXABANK, S.A., the parent of the CAIXABANK Group, with LEI code 7CUNS533WID6K7DGFI87, is domiciled for corporate and tax purposes in the city of Valencia, at calle Pintor Sorolla 2-4, 46002 (contact telephone numbers: 902 223 223 or 0034 93 404 60 00). It is a Spanish commercial enterprise structured as a public limited company and is therefore subject to the revised text of the Spanish Corporate Enterprises Act ("Corporate Enterprises Act"), enacted by Royal Legislative Decree 1/2010 of 2 July.

Since 2007 the shares representing the whole of CAIXABANK's share capital have been admitted to trading on the electronic stock market of the Madrid, Barcelona, Valencia and Bilbao stock exchanges. As a listed company, it is subject to Royal Legislative Decree 4/2015, of 23 October, enacting the consolidated text of the Securities Market Act ("Securities Market Act") and its implementing regulations.

Caixa d'Estalvis i Pensions de Barcelona ("la Caixa") held a 40% stake in the share capital of CAIXABANK at 31 December 2017 and 31 March 2018, respectively (*see Section 18.1 of this document*).

5.1.4.2 Regulatory framework affecting CAIXABANK's banking business

CAIXABANK is a listed financial institution subject to special legislation governing credit institutions in general, and to the supervision, control and regulations of the European Central Bank, the Bank of Spain and the Spanish securities market regulator (CNMV) in particular.

5.1.5 Important events in the development of the issuer's business

From CAIXABANK's incorporation to date

CAIXABANK resulted from the conversion of Criteria CaixaCorp, S.A. as part of the reorganisation of the "la Caixa" Group's activities, which culminated on 30 June 2011 with CAIXABANK being entered in the Bank of Spain's Registry of Banks and Bankers and its listing on the Spanish stock markets –as a financial institution– on the following day, 1 July 2011.

Key events in CAIXABANK's life over the last three years

2015:

- ***2015-2018 Strategic Plan***

CaixaBank continues to base its actions on its 2015-2018 Strategic Plan, "Committed to trustworthy and profitable banking", as it seeks to consolidate its leadership in Spain and be recognised for its quality of service, social responsibility, financial robustness and capacity to innovate.

As planned from the outset, the plan was reviewed at the end of 2016, having reached its halfway point. While certain objectives and courses of action have been recalibrated as a result of the process, the five strategic lines remain the same:

- Customer focus: being the best bank for quality and reputation
- Attaining recurring returns above the cost of capital
- Active capital management
- Leading the digitalisation of the banking world
- Having the best-prepared and most-dynamic team possible

CaixaBank aims to accomplish the following financial and operational objectives in 2018, among others, following the review process completed in late 2016: (i) ROTE of between 9% and 11%; (ii) recurring cost-to-income of around 55%; (iii) average annual core income growth for the 2016-18 horizon of 4% (excluding Banco BPI); (iv) stable recurring operating expenses (excluding Banco BPI) in respect of those reported in 2014 (pro-forma with Barclays España); (v) reducing the cost of risk to below 40 bp; (vi) maintaining a fully loaded CET1 ratio of between 11% and 12%; (vii) maintaining a Total Capital ratio in excess of 14.5%; (viii) maintaining a cash dividend payout ratio of 50% or more; and (ix) possibility of paying out a special dividend and/or buying back shares if the CET1 ratio fully loaded exceeds 12%.

- ***Acquisition of Barclays Bank, SAU***

On 31 August 2014, CAIXABANK announced an agreement with Barclays Bank PLC to acquire Barclays Bank, SAU.

On 2 January 2015, CAIXABANK acquired the entire capital of Barclays Bank, SAU, after securing the necessary clearance from the regulatory authorities.

The arrangement embraces the retail banking, wealth management and corporate banking arms of Barclays Bank in Spain, but excludes the investment banking and card businesses.

CAIXABANK paid Barclays Bank PLC a final price of EUR 815.7 million.

Value of Barclays Bank, SAU's assets and liabilities

Following the acquisition and provisional allocation of the purchase price, certain adjustments were made to the equity of Barclays Bank, SAU so as to ensure that its assets and liabilities were measured at fair value at 31 December 2014

With these adjustments to Barclays Bank, SAU's equity now completed (EUR -249 million, net), negative goodwill in respect of the price actually paid stands at EUR 602 million, net.

Inclusion of the assets and liabilities of Barclays Bank, SAU's business since 1 January 2015 has led to growth of approximately 5-6% in CAIXABANK's total pre-integration assets, affecting all balance sheet headings. The integration of Barclays Bank, SAU led to increases of 4-8% across the various headings of the Group's income statement.

Approval of the take-over merger

On 30 March 2015, the Boards of Directors of CAIXABANK and Barclays Bank, SAU approved the provisional terms of the merger between CAIXABANK (absorbing company) and Barclays Bank (absorbed company).

This merger entailed: (i) dissolving Barclays Bank; and (ii) the transfer en bloc of its assets and liabilities to CAIXABANK, which acquired, by universal succession, all the former's rights and obligations. The public instrument formalising the takeover merger of Barclays Bank, S.A.U. (absorbed company) by CAIXABANK (absorbing company) was placed on record in the Barcelona Companies Register on 14 May 2015.

- ***Agreement to sell the stake in Boursorama and Self Trade Bank***

On 18 June 2015, CAIXABANK announced the sale of its entire stake in Boursorama to the Société Générale Group in a deal worth EUR 218.5 million. The stake accounted for 20.5% of the company's share capital and voting rights. The price paid by Société Générale was the same as that offered to the non-controlling shareholders during the simplified takeover bid and squeeze-out procedure of 2014, i.e. EUR 12 per share.

The sale marked an end to the alliance between Société Générale and CAIXABANK, which began in 2006 following the sale of CaixaBank France to Boursorama. As a result, the shareholders agreement signed in May 2006 and renegotiated by both companies in March 2014 is also considered terminated.

CAIXABANK also announced the sale to Boursorama of its entire stake in Self Trade Bank, the joint venture that both entities held in Spain. The stake represented 49% of the bank's share capital. The transaction signalled the end of the joint venture and of the agreements signed by Boursorama and CAIXABANK in July 2008.

Consolidated after-tax gains from both deals totalled approximately EUR 38 million and had an impact of roughly 19 basis points on *CAIXABANK's* fully loaded CET1 ratio. The transactions formed part of the 2015-2018 Strategic Plan to cut the capital charge on the investee portfolio.

- ***Stake in The Bank of East Asia, LTD (BEA)***

Change in the stake in The Bank of East Asia from 18.68% to 17.24% at 31 December 2014 and 2015, respectively, as a result of the net impact of an increase on deciding to receive shares by way of two scrip dividends, totalling EUR 53,995 thousand, and the dilution stemming from the private placement of shares by The Bank of East Asia for Sumitomo Bank.

2016:

- ***Tender offer for BPI***

On 18 April 2016, CaixaBank announced that its Board of Directors had decided to launch a non-hostile takeover bid to acquire Banco BPI (BPI). The offered price was set at EUR 1.113 per share and was subject to: (i) the Portuguese bank lifting its voting cap; (ii) CaixaBank eventually obtaining more than 50% of BPI's share capital; and (iii) securing regulatory clearance. This price was equivalent to the weighted average of the quoted price of BPI shares over the six-month period leading up to the announcement of the tender offer.

The General Shareholders' Meeting of BPI agreed to lift the cap on voting rights at a meeting held on 21 September 2016. Following the decision to lift the cap and because at that time CaixaBank's equity interest exceeded 33.3% in the share capital of BPI, the Portuguese Comissão do Mercado de Valores Mobiliários (stock market commission) decided to end the exemption previously granted to CaixaBank in 2012 (temporarily releasing it from its obligation to launch a mandatory bid for the shares in BPI), thus requiring CaixaBank to effectively launch the takeover bid. This means that the planned takeover of BPI, which was initially envisaged as a voluntary move, became compulsory and the share price was raised to EUR 1.134, equivalent to the weighted average of the quoted price of BPI shares over the six-month period leading up to 21 September 2016.

On 5 January 2017, BPI completed the sale of 2% of its stake in BFA to the company Unitel, SA, whose stake in BFA therefore climbed to 51.9% while BPI's interest dropped to 48.1%. The parties also entered into a new shareholder agreement in respect of BFA. This deal had been previously approved at the extraordinary General Shareholders' Meeting of BPI on 13 December 2016. The arrangement has allowed for the deconsolidation of BFA from BPI's consolidated balance sheet, thus allowing BPI to resolve its risk exposure breach due to its controlling stake in BFA.

On 16 January 2017, the Portuguese securities market regulator (CMVM) filed the prospectus for the mandatory takeover bid for BPI, with the acceptance period ending on 7 February 2017.

CaixaBank's stake in BPI amounted to 84.5% following completion, on 7 February 2017, of the acceptance period for the mandatory takeover bid filed by the Portuguese CMVM on 16 January 2017. The offered price for the bid was EUR 1.134 per share and with demand totalling 39.01% of BPI's share capital, the total payout was therefore EUR 644.5 million.

In accordance with applicable accounting law, 7 February 2017 was set as the effective assumption of control date and the total stake in BPI (84.5% at that date) has been reported under the full consolidation method since 1 February, having been previously reported under the equity method.

The Group's 2017 consolidated income statement includes a positive net impact in the quarter of EUR 159 million, resulting from:

- On 5 January 2017, BPI completed the sale of 2% of its stake in BFA to the company Unitel, SA, whose stake in BFA therefore climbed to 51.9% while BPI's interest dropped to 48.1%. The parties also entered into a new shareholder agreement in respect of BFA.

  The arrangement allows for the deconsolidation of BFA from BPI's consolidated balance sheet, thus allowing BPI to resolve its risk exposure breach due to its controlling stake in BFA. The transaction generated a negative attributable impact of EUR 97 million for CaixaBank, which was recognised under the equity method.

- The net result of measuring BPI's assets and liabilities at fair value as of the effective takeover date, as a result of the business combination, was EUR 256 million.

- ***Stake in Repsol, SA and early full redemption of bonds exchangeable for Repsol shares***

On 28 January 2016, CaixaBank's Board of Directors resolved to fully call the bond issue exchangeable for Repsol shares titled "Unsecured Mandatory Exchangeable Bonds due 2016" ("Exchangeable Bonds").

The Exchangeable Bonds were redeemed by delivering the underlying Repsol shares to the bondholders. The redemption date of the Exchangeable Bonds was 3 March 2016, and the underlying shares were delivered on 10 March 2016. Approximately 5,479.45 Repsol shares were delivered for each Exchangeable Bond, plus a cash amount of EUR 1,340.16 for interest accrued, and a further cash amount of EUR 3,048.90 as a make-whole fee, all in accordance with the terms and conditions of the Exchangeable Bonds.

Accordingly, and after deducting the Exchangeable Bonds held by the Bank itself, CaixaBank delivered a total of 29,824,636 shares representing 2.069% of Repsol's share capital and paid out a total cash sum of EUR 23,889,653.58.

- ***Swap with CriteriaCaixa of stakes in The Bank of East Asia and Grupo Financiero Inbursa in exchange for treasury shares and cash***

On 3 December 2015, the Board of Trustees of the "la Caixa" Banking Foundation and the boards of directors of both CaixaBank and CriteriaCaixa, S.A.U. (Criteria or CriteriaCaixa) agreed to sign a swap agreement whereby CaixaBank would transfer to CriteriaCaixa its stake in The Bank of East Asia and in Grupo Financiero Inbursa in exchange for a mix of CaixaBank shares and cash (the "Swap Agreement").

On 30 May 2016, this asset swap arrangement was successfully completed, having previously secured all necessary administrative authorisations and having satisfied the terms of the swap agreement.

As a result, CaixaBank transferred to Criteria its stake in The Bank of East Asia, Limited (BEA), representing approximately 17.3% of its share capital, and its stake in Grupo Financiero Inbursa, S.A.B. de C.V. (GFI), representing approximately 9.01% of its share capital. In exchange, Criteria transferred to CaixaBank a number of CaixaBank shares representing approximately 9.89% of its share capital, plus a cash sum of EUR 678 million.

As a result of the transfers envisaged under the swap agreement, the agreements with BEA and GFI have since been amended to allow Criteria to take over from CaixaBank as their new shareholder. CaixaBank will remain as a banking partner to both banks so as to continue cooperating with them in commercial activities. When making strategic investments in banks that operate on the American continent and in the Asia-Pacific, CaixaBank will honour its commitment to making those investments through GFI and BEA respectively, unless, in the case of GFI, that bank decides not to take part in the investment.

The transfers following the swap agreement had a net negative impact of EUR 14 million on CaixaBank's consolidated earnings at the close of the operation, and an impact on the Tier 1 regulatory capital (CET1) ratio of roughly -0.3% and +0.2% (fully loaded).

The swap allowed CaixaBank to accomplish the objective set out in the 2015-2018 Strategic Plan, which calls for a one-third reduction in the weight of the capital charge of the investee portfolio to bring it from 16%

at year-end 2014 to below 10% before the end of 2016. Thanks to the deal, the weight of the capital charge of minority holdings at year-end 2016 fell below 7%.

- ***Sale of treasury shares to qualified investors***

On 22 September 2016, CaixaBank decided to make use of the power conferred on the Board of Directors by the General Shareholders' Meeting on 28 April 2016, thus proceeding to sell a package of treasury shares through a private placement among qualified investors. Most of these shares had recently been acquired from its shareholder CriteriaCaixa under the terms of the swap agreement discussed previously.

A total of 585,000,000 treasury shares were successfully sold, representing 9.9% of CaixaBank's share capital (including treasury shares worth EUR 380 million transferred to two institutional investors committed to remaining with the Bank). The price per treasury share was set at EUR 2.26, thus offering investors a 3.67% discount on the quoted price of the CaixaBank share on the transaction date.

CaixaBank obtained a total of EUR 1,322 million in proceeds from the sale.

The placement allowed CaixaBank to strengthen its regulatory capital ratio in view of the tender offer for BPI shares described previously, thus allowing it to meet the objective under its strategic plan of maintaining a fully-loaded Common Equity Tier 1 (CET1) ratio of 11-12%.

- ***Stake in Visa Europe Ltd.***

Visa Inc.'s acquisition of Visa Europe Ltd was completed on 21 June 2016. Given the CAIXABANK Group's stake in Visa Europe Ltd., classified as available-for-sale, this transaction involved recognising a gross gain of approximately EUR 165 million (EUR 115 million, net) in the Group's consolidated income statement for the second quarter of 2016.

- ***Outcome of the stress test coordinated by the European Banking Authority (EBA)***

In 2016, the European Banking Authority (EBA) conducted a stress test on the banking sector. The test covered 70% of the European banking sector's assets and assessed the ability of the main European banks, including CaixaBank through the CriteriaCaixa Group, to withstand an adverse macroeconomic scenario during the period 2016 to 2018. The EBA required no common equity threshold for passing the test and the projection was crucial to the ECB's decisions on capital requirements in the context of the Supervisory Review and Evaluation Process (SREP).

CaixaBank, as part of the CriteriaCaixa Group, which took part in the stress test coordinated by the European Banking Authority (EBCA), would show a comfortable capital position under the two proposed scenarios.

Applying the same methodology and adverse macroeconomic scenario to CaixaBank on its own via an internal exercise, the Bank's Common Equity Tier 1 (CET1) ratio would be 9.8% at December 2018 (regulatory view) and 8.5% fully loaded, applying the capital regulations envisioned for 2023.

The European authorities conducted the exercise for the entire CriteriaCaixa Group, which included, in addition to the CaixaBank Group, the industrial holdings and real estate assets of Criteria, as per the maximum level of prudential consolidation at 31 December 2015. Under this perimeter, the CriteriaCaixa Group obtained a regulatory CET1 ratio of 9.0% at the end of the adverse scenario (2018) and a fully-loaded ratio of 7.8%.

In line with the plan announced by Criteria in the first half of the year to relinquish control of CaixaBank in order to de-consolidate both groups for prudential purposes, CaixaBank has estimated the specific impacts of this exercise on the listed bank.

The fact that CaixaBank's capital ratios exceed those of the CriteriaCaixa Group is largely due to the contribution made by the Bank's non-controlling shareholders and the impact on capital of Criteria's non-financial stakes.

Taking into account the swap agreement between CaixaBank and Criteria completed in the first half of 2016, CaixaBank's CET1 ratio at the end of the adverse scenario (2018) would have strengthened to 10.1% (regulatory view) and 9.1% (fully loaded) due to the release of deductions deriving from the financial investments transferred to Criteria.

This excellent result was also reflected in CaixaBank's sound solvency position at the close of the second quarter of 2016, with a CET1 regulatory capital ratio of 12.3% and a fully-loaded ratio of 11.5%.

In 2017, and in addition to the transparency exercise conducted by the EBA, the ECB conducted an interest rate risk sensitivity analysis of the investment portfolio to determine the sensitivity of banks' portfolio assets and liabilities and net interest income to changes in interest rates. The result is shown in the 2017 SREP.

The ABE launched its 2018 Stress Test in January 2018, targeting all portfolios. This year, CaixaBank will take part directly as parent of the CaixaBank Group for prudential effects following the deconsolidation of Criteria in September 2017. The results will be published in November 2018.

- ***Prudential deconsolidation of CriteriaCaixa from CaixaBank***

On 26 May 2016, CriteriaCaixa announced through a significant event filing, with the following key aspects, that the European Central Bank (ECB) had responded to its request for information, indicating the threshold below which it would consider that CriteriaCaixa no longer exerts control over CaixaBank for prudential purposes.

For CriteriaCaixa, the relevant deconsolidation conditions established by the ECB that the market should rely on are, among others, that CriteriaCaixa's voting and dividend rights in CaixaBank no longer exceed 40% of the total rights; that CriteriaCaixa's proprietary board members at CaixaBank no longer exceed 40% of the total number of board members, plus a number of other corporate governance requirements; and lastly that CaixaBank will no longer be permitted to grant loans or financing to CriteriaCaixa and/or "la Caixa" Banking Foundation once twelve months have elapsed from the deconsolidation date.

On 26 September 2017, the Governing Council of the European Central Bank, acting on a proposal from the Supervisory Board, confirmed that CriteriaCaixa no longer exercises control or dominant influence over CaixaBank and is therefore is no longer its parent company, on the understanding that the conditions announced on 26 May 2016 for the prudential deconsolidation of CaixaBank from CriteriaCaixa had been met.

As a result, CaixaBank is now the parent company of the financial conglomerate comprising all regulated group entities. CaixaBank is now classified as a significant supervised entity and forms, together with the credit institutions belonging to its group, a significant supervised group at which CaixaBank is the entity to have undergone the greatest prudential consolidation.

2017:

- ***Subordinated notes issue***

CaixaBank announced that on 7 February 2017 it had established the financial terms of a subordinated notes issue (Fixed Rate Reset Subordinated Notes) totalling EUR 1,000 million (the "Issue" and the "Subordinated Notes") under the terms of its "EURO 10,000,000,000 Euro Medium Term Note Programme", the base prospectus of which, dated 13 June 2016 (supplements added on 1 September 2016, 26 September 2016, 1 November 2016, 12 December 2016 and 3 February 2017), has been approved by the competent supervisory authority, namely the Central Bank of Ireland.

The Subordinated Notes were issued on 15 February 2017, coinciding with the payment date and closure of the Issue. A request was promptly made to include the Notes on the official list and for the instruments to be admitted for trading on the regulated market of the Irish Stock Exchange.

CaixaBank requested that the Subordinated Notes qualify as Tier 2 capital under the terms of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June. The was subsequently approved by the European Central Bank on 10 May 2017.

The Subordinated Notes have a nominal unit value of EUR 100,000 and an issue price of 99.973%. They will pay interest from the issue date (inclusive) through to 15 February 2022 (exclusive) at an annual rate of 3.50%. From that date (inclusive), the Subordinated Notes will pay a fixed annual coupon equal to the five-year EUR mid-swap rate plus a margin of 3.35%.

The final maturity date of the Issue falls on 15 February 2027. CaixaBank may redeem the Subordinated Notes on 15 February 2022 after obtaining permission to do so from the competent authority. The Subordinated Notes can also be redeemed at any time following a change in the way they are taxed, provided it can be shown -to the satisfaction of the competent authority- that redemption is necessary and was not reasonably foreseeable at the time the notes were issued; or following a capital event (i.e. where a change in the regulatory classification of the Subordinated Notes means that the notes no longer qualify as Tier 2 capital instruments) after obtaining permission from the competent authority.

- ***Paid early retirements and resignations***

On 10 January 2017, a paid early retirement scheme was launched for Group employees born between 1 March 1953 and 31 December 1959. A total of 350 people accepted the plan, with the associated impact on the income statement amounting to some EUR 152 million.

On 19 May 2017 it was announced that under the terms of the agreement reached with the workers' representatives, a total of 610 employees have voluntarily adhered to the paid early retirement and resignation plan for employees born before 1 January 1962, with the workers in question to leave the company at the end of the second and third quarters of 2017. The approximate impact of this agreement is EUR 303 million, gross.

- ***Issue of preference shares (Additional Tier 1)***

On 1 June, CaixaBank announced the approval of an issue of contingent convertibles (convertible into new-issue shares) (Additional Tier 1) worth EUR 1,000 million, with the pre-emptive subscription right disapplied. The terms of the placement were decided that same day.

The Issue, available only to qualified investors, was made at par value and the coupon on the CoCos, payment of which is subject to certain conditions and is also discretionary, was set at 6.75% per year for the first seven years. Thereafter, it will be revised to equal the applicable five-year EUR mid swap rate plus 649.8 basis points. Payment of the coupon (where payable) will be quarterly in arrears.

While the CoCos are perpetual, they may be redeemed under specific circumstances at the option of CaixaBank. They will be converted into new-issue common shares of the Bank if CaixaBank or the CaixaBank Group reports a Common Equity Tier 1 ratio (CET1) of less than 5.125%, calculated in accordance with Regulation 575/2013 (EU) of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms.

The conversion price of the CoCos will be the highest of: (i) the volume-weighted daily average price of the CaixaBank share in the five trading days prior to the day the corresponding conversion is announced; (ii) EUR 2.803 (Floor Price); and (iii) the par value of the CaixaBank shares at the time of conversion (on today's date, the par value of the share is one euro (EUR 1)).

- ***Cecabank***

On 28 June 2017, CaixaBank announced that through its mediation CaixaBank Asset Management SGIIC, SAU and VidaCaixa, SAU de Seguros y Reaseguros had reached an agreement with Cecabank, SA whereby the latter will continue to act though to 31 March 2027 as exclusive depository of 80% of the assets held in investment funds, securities investment companies (SICAVs) and individual system pension funds managed by CaixaBank AM and VidaCaixa, respectively. Meanwhile, Cecabank will act as the exclusive custodian of the remaining 20% until 31 March 2022, except for a small percentage, for which the exclusive arrangement will be phased out between 31 March 2025 and 31 March 2027. This new arrangement is effectively a continuation of the original agreement reached in 2012, when Cecabank began acting as depository for the two CaixaBank subsidiaries.

Under the agreement, CaixaBank received payment of EUR 115 million and over the next ten years, based on the performance of Cecabank's depository business, CaixaBank could receive further variable payments for a total amount of up to EUR 85 million.

- ***Subordinated notes issue***

On 5 July 2017, CaixaBank announced the financial terms of an issue of subordinated notes worth EUR 1,000 million (the "Issue" and the "Subordinated Notes") under its "EURO 10,000,000,000 Euro Medium Term Note Programme", the base prospectus of which, dated 20 June 2017, has been approved by the competent supervisory authority, namely the Central Bank of Ireland.

The Subordinated Notes have a nominal unit value of EUR 100,000 and an issue price of 99.973%. They will pay a coupon from the issue date (inclusive) through to 14 July 2023 (exclusive) at an annual rate of 2.75%. From that date on (inclusive), the Subordinated Notes will pay a fixed annual coupon equal to the applicable five-year EUR mid-swap rate plus a margin of 2.35%.

The final maturity date of the Issue will be 14 July 2028. CaixaBank may redeem the Subordinated Notes on 14 July 2023 after obtaining permission to do so from the competent authority. The Subordinated Notes can also be redeemed at any time after obtaining permission from the competent authority in response to any of the following events: a) following a change in the way the Subordinated Notes are taxed; or b) following a capital event, in both cases in accordance with the requirements laid down in Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 ("CRR").

CaixaBank has requested that the Subordinated Notes be counted as Tier 2 capital under the terms of the CRR.

- ***Issuance of ordinary non-preferred debt***

On 12 September 2017, CaixaBank completed an issuance of EUR 1,250 million in ordinary non-preferred debt maturing in six years under its "EURO 10,000,000,000 Euro Medium Term Note Programme" debt issuance programme. The placement was approved by the Central Bank of Ireland on 20 June 2017 and admitted for trading on the regulated market of the Irish Stock Exchange. It pays an annual coupon of 1.125%.

- ***Change of corporate headquarters***

On 6 October 2017, CaixaBank's Board of Directors unanimously agreed to move the Bank's registered office to calle Pintor Sorolla, 2-4 in Valencia.

- ***Minimum prudential capital requirements for 2018***

On 13 December 2017, CaixaBank, S.A. received the decision of the European Central Bank (BCE) on the minimum prudential capital requirements after hearing the results of the Supervisory Review and Evaluation Process (SREP). CaixaBank also received a decision from the Bank of Spain on the capital buffer required of it due to its status as an Other Systematically Important Institution (O-SII).

These decisions show no change on the previous year in fully-loaded terms (remaining at 1.5% and 0.25%, respectively) and mean that the CaixaBank Group must maintain in 2018 a phase-in Common Equity Tier 1 (CET1) ratio of 8.063%, which includes: the Pillar 1 regulatory minimum (4.5%); the ECB's Pillar 2 requirement (1.5%); the capital conservation buffer (1.875%); and the O-SII buffer (0.187%). On a fully loaded basis, the minimum CET1 level would be 8.75%. Similarly, taking minimum applicable Pillar 1 requirements for Tier 1 (6%) and for total capital (8%), capital requirements would be 9.563% phase-in / 10.25% fully loaded for Tier 1 and 11.563% phase-in / 12.25% fully loaded for total capital.

The ECB's decision means that the phase-in CET1 level below which the CaixaBank Group would be obliged in 2018 to limit distributions in the form of dividends, variable remuneration and interest payments to holders of additional tier 1 capital instruments - commonly referred to as the maximum distributable amount (MDA) trigger - would be 8.063%, to which we would have to add potential shortfalls in additional Tier 1 or Tier 2 capital compared to the implied Pillar 1 minimums of 1.5% and 2%, respectively.

- ***Agreements regarding transactions relating to BPI***

On 23 November 2017, CaixaBank announced the signing of a number of contracts regarding certain transactions and arrangements relating to Banco BPI, specifically:

- CaixaBank Asset Management SGIIC, SAU is to acquire from BPI all the share capital of the companies BPI Gestão de Activos, SGFI, SA and BPI Global Investment Fund Management Company SA at a cost of EUR 75 million and EUR 8 million, respectively. Meanwhile, VidaCaixa SAU de Seguros y Reaseguros will acquire from BPI all of the share capital of BPI Vida e Pensoes, Companhia de Seguros, SA for the price of EUR 135 million. In both instances, BPI will continue to distribute the mutual funds and pension and life insurance products of the companies acquired.
- Last but not least, CaixaBank is to acquire from Banco Português de Investimento, SA (a BPI subsidiary) its brokerage, research and corporate finance businesses. The cost of the deal will be equivalent to the carrying amount of the net operating assets transferred at the reporting close, which is expected to total approximately EUR 4 million.

On 21 December 2017, CaixaBank announced the signing of the memorandums of understanding in relation to the transactions relating to Banco BPI, SA, whereby:

- CaixaBank Payments will acquire from Banco BPI its card issuance business for a price of EUR 53 million. Meanwhile, Comercia Global Payments, EP, SL is set to acquire the payments business from Banco BPI in a deal worth EUR 60 million.
- CaixaBank Payments and Comercia will appoint Banco BPI as their exclusive marketing agent for the products included in the businesses acquired.

2018:

Issuance of preference shares (Additional Tier 1)

On 13 March 2018, CaixaBank announced the approval of an issue of contingent convertibles (convertible into new-issue shares of CaixaBank) (AT1) worth EUR 1,250 million, with the pre-emptive subscription right disapplied.

The issuance was made at par and remuneration for the preference shares, where payment is subject to conditions and is also discretionary, was set at 5.25% per year for the first eight years. Thereafter, it will be revised to equal the applicable five-year mid swap rate plus 450.4 basis points. Payment of the coupon (where payable) will be quarterly in arrears.

The preference shares are perpetual, although they may be redeemed under specific circumstances at the option of CaixaBank. In all cases, they may be converted into ordinary newly-issued shares of the entity if CaixaBank or the CaixaBank Group report an ordinary Common Equity Tier 1 ratio of less than 5.125%.

The issuance was placed exclusively among qualified investors and eligible counterparties, expressly excluding non-controlling interests.

- ***Subordinated notes issue***

On 10 April 2018, CaixaBank announced the financial terms of an issuance of subordinated notes worth EUR 1,000 million.

With a nominal unit value of EUR 100,000, the bonds have an issue price of 99.533% and will pay interest from the date of issue through to 17 April 2025 an annual rate of 2.250%. Thereafter, they will pay fixed annual interest equal to the applicable five-year mid-swap rate at that date plus 1.68%.

The final maturity date of the issuance will be 17 April 2030. CaixaBank may redeem the notes on 17 April 2025 after obtaining permission to do so from the competent authority.

CaixaBank has received authorisation to count the subordinated bonds towards Tier 2 capital under the terms of the CRR and this amount will therefore be added to the capital calculations at June 2018.

- ***Acquisition of an additional stake in BPI***

On 6 May 2018, CaixaBank announced an agreement reached with the Allianz Group to acquire shares representing 8.425% of the share capital of Banco BPI, S.A. The total purchase price was EUR 177,979 thousand, giving a price per share of EUR 1.45. CaixaBank became the owner of 92.935% of Banco BPI's share capital following the deal. The resulting impact on capital will be shown in the relevant figures for the end of June 2018.

Having now exceeded a 90% stake in the Portuguese bank, CaixaBank called on the Chairman of BPI's annual general meeting to call an extraordinary meeting of shareholders to approve BPI's delisting in accordance with article 27.1.b) of the Portuguese Securities Market Code. The extraordinary general meeting was duly held on 29 June 2018, at which a sizeable majority of shareholders approved the delisting of BPI.

As provided for in article 27.3 of the Portuguese Securities Market Code, once the Portuguese securities market regulator (CMVM) clears the delisting for administrative purposes, CaixaBank intends to offer all BPI shareholders the option to purchase their shares at a price of EUR 1.45 per share by keeping a purchase order on the market for three (3) months. Once that period ends, CaixaBank intends to enforce the hostile purchase of all remaining shares at the same price of EUR 1.45 per share, all the foregoing in accordance with article 490 of the Portuguese Securities Market Code. The price of EUR 1.45 per share represents a premium of 22.67% on the listed price on the last day of trading immediately preceding the announcement just mentioned above, and a premium of 22.16% on the weighted average price of the trading volume in the share over the six months leading up to that announcement.

Since the announcement to purchase the Allianz's stake in BPI, CaixaBank has continued to buy shares on the market at a maximum price of EUR 1.45 per share. At 6 July 2018, it held 94.51% of the share capital of Banco BPI.

- ***Total early redemption of subordinated bonds***

On 4 June 2018, CaixaBank announced its intention to redeem ahead of maturity the outstanding nominal balance of its "Series I/2012 Subordinated Bond Issue", amounting to EUR 2,072,363,300 million. The redemption date was 8 June 2018, with a redemption price equivalent to 100% of the outstanding nominal balance, plus any outstanding coupon payments.

- ***Agreement to acquire 51% of the share capital of Servihabitat Servicios Inmobiliarios, S.L.***

On 8 June 2018, CaixaBank reached an agreement with the company SH Findel, S.A.R.L. (controlled by TPG Sixth Street Partners) to acquire a 51% stake in Servihabitat Servicios Inmobiliarios, S.L. for the price of EUR 176.5 million. The deal is awaiting clearance from the competition authorities.

The deal will allow CaixaBank to regain control over the servicer of its real estate assets, making it more flexible and efficient when managing, marketing and selling those assets and also lowering its costs.

The repurchase of 51% of Servihabitat is expected to have a negative impact of roughly 15 basis points on the fully-loaded CET1 ratio and of approximately EUR -200 million on the 2018 income statement. This impact will be reflected in the statements at the end of June 2018.

Over the coming years, the deal is expected to generate a positive impact on earnings of some EUR 45 million a year.

- ***Agreement to sell 80% of the real estate business***

On 28 June 2018, CaixaBank arranged to sell 80% of its real estate business to a company owned by Lone Star Fund X and Lone Star Real Estate Fund V.

The real estate business to be sold to Lone Star under the arrangement includes mainly the portfolio of available-for-sale real estate assets at 31 October 2017, along with 100% of the share capital of Servihabitat Servicios Inmobiliarios, S.L. The gross value of the real estate assets at 31 October 2017 was roughly EUR 12,800 million (with a net carrying amount of approximately EUR 6,700 million).

Once CaixaBank completes the buyback of 51% of Servihabitat as described, CaixaBank will convey its real estate business to a newco, 80% of which it will then sell to Lone Star while retaining a 20% stake. Under the arrangement, the entire real estate business has been initially valued at roughly EUR 7,000 million.

The selling price for 80% of the company will be equivalent to 80% of the final value assigned to the real estate business at the date of completion. This price will largely depend on the number of real estate assets that remain with the company at that date.

Under the deal, Servihabitat will continue to service the real estate assets of the CaixaBank Group for a five-year term under a new agreement that will allow CaixaBank to become more flexible and efficient, including the cost reductions and savings announced on 8 June 2018 in relation to the repurchase of 51% of Servihabitat.

Completion of the deal will mark the deconsolidation of the real estate business, which is estimated at the date of this report to have a neutral impact on the income statement, and a positive impact of 30 basis points on the fully-loaded CET1 ratio. The deal with Lone Star and the repurchase of 51% of Servihabitat are expected to have a combined impact on the fully-loaded CET1 ratio of +15 basis points.

The arrangement is also expected to generate cost savings of some EUR 550 million before tax over the following three years (2019-2021), including the new servicing agreement with Servihabitat.

Translation for information purposes only, in case of discrepancy between this English version and the original Spanish version of the Registration Document, the Spanish version shall prevail.

5.2 Investments

5.2.1 Description (including the amount) of the issuer's principal investments for each financial year for the period covered by the historical financial information up to the date of the Registration Document

The CAIXABANK Group's most significant equity investments and divestments in 2017, 2016 and 2015, including stakes, are as follows:

(in € million)	31.12.17		31.12.16		31.12.15		TOTAL 2015-2016-2017	
	Acquisitons	**Disposals**	**Acquisitons**	**Disposals**	**Acquisitons**	**Disposals**	**Acquisitons**	**Disposals**
The Bank of East Asia			26	1.526	54		80	1.526
Repsol			62	576	101		163	576
GF Inbursa				561				561
Telefónica	1		80		569	470	650	470
Banco BPI	645		22				667	
BPI associated companies (business combination)	675							
Treasury shares		3	2.009	2.014	39	30	2.048	2.047
Total quoted	**1.321**	**3**	**2.200**	**4.677**	**763**	**500**	**3.609**	**5.180**
Boursorama, SA						179		179
Self Trade Bank SA						39		39
Brilliance-Bea Auto Finance					23		23	
Multigroup BPI entities (business combination)	35						35	
Others	7		7	14	6	15	20	29
Total non-quoted	**42**		**7**	**14**	**29**	**233**	**133**	**276**
Total investments	**1.363**	**3**	**2.207**	**4.691**	**792**	**733**	**4.362**	**5.427**
Own usage	244	140	226	129	254	230	724	499
Real estate investments	1	56	2	37	206	206	209	299
Total tangible assets	**245**	**196**	**228**	**166**	**460**	**436**	**933**	**798**
Total non-tangible assets	**130**	**62**	**109**	**33**	**179**	**1**	**418**	**96**
Total assets	**1.738**	**261**	**2.544**	**4.890**	**1.431**	**1.170**	**5.713**	**6.321**

Changes in the goodwill relating to the associated investments is shown in the following table.

(in € million)	31.12.17	31.12.16	31.12.15
The Bank of East Asia		(712)	
GF Inbursa		(273)	
Boursorama			(66)
Otros		7	(4)
BPI associated entities (business combination)	37		
Total associated investmen	**37**	**(977)**	**(70)**

Pre-tax gains or losses from the most significant divestments are as follows:

(In € million)	31.12.17	31.12.16	31.12.15
GF Inbursa		113	
Boursorama, SA y Self Trade Bank, SA (*)			38
Telefónica			99
The Bank of East Asia		(124)	
Repsol		(147)	
Visa Europe		165	
Total		**7**	**137**

(*) Pre-tax gains

At 31 December 2017, goodwill stood at EUR 362 million (EUR 668 million and EUR 1,680 million at 31 December 2016 and 31 December 2015, respectively).

The takeover of Banco BPI was effectively completed on 7 February 2017 (*see section 5.1.5 Important events in the development of the issuer's business*).

5.2.2 Description of the issuer's principal investments that are in progress, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external)

At the date of this Registration Document, there are no potentially significant investments in progress at CAIXABANK.

5.2.3 Information concerning the issuer's principal future investments on which its management bodies have already made firm commitments

At the date of this Registration Document, CAIXABANK has no future investments in mind.

6. BUSINESS OVERVIEW

6.1 Principal activities

6.1.1 Description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information

General considerations on the main activities and businesses of CAIXABANK.

CAIXABANK's businesses at 31 December 2017 were as follows:

Banking and insurance business: includes all revenues from banking, insurance and asset management, liquidity management, ALCO, income from financing the other businesses and the Group-wide corporate centre.

Following the takeover bid and the acquisition of control over Banco BPI, this segment also includes the result of the business combination, as it derived from a corporate operation.

Non-core real estate business: includes the results, net of financing costs, of real estate assets in Spain defined as non-core, which include:

- Non-core lending to real estate developers.
- Foreclosed real estate assets (available for sale and rental) mainly owned by the real estate subsidiary BuildingCenter.
- Other real estate assets and interests.

Equity investments business: includes essentially the dividend income and/or earnings from stakes in Erste Group Bank (9.92%), Repsol (9.64%) and Telefónica (5.00%) at 31 December 2017.

This business includes the contribution of the attributable earnings on the stakes in BEA and GFI through to May 2016, which saw the effective completion of the asset swap agreement with Criteria, whereby CAIXABANK transferred to Criteria its stakes in BEA and GFI. *See section 5.1.5 of this Registration Document for further information.*

In 2017, it includes BPI's results through to and including January. With the takeover now complete, as of February BPI's results have been reported as a new business within the consolidated results under the full consolidation method.

BPI: shows the results brought to the consolidated statements by BPI from February 2017 onward under the full consolidation of assets and liabilities method (considering the adjustments made in the business combination). The income statement includes the reversal of the adjustments deriving from the measurement at fair value of the assets and liabilities under the business combination.

Quantitative information by business segment is provided in section 6.2 of this document.

The relative weight of the different business segments in terms of net interest income and gross income at 31 December 2017 was as follows:

BUSINESS	**Net interest income**	**Gross income**
Banking and insurance	96.9%	93.8%
Non-core real estate	(1.5)%	(4.5%)
Equity investments	(3.4%)	1.3%
BPI	8%	9.4%

BANKING AND INSURANCE BUSINESS

Banking and insurance is the CaixaBank Group's core business and includes the entire banking business (retail banking, corporate and institutional, cash management and markets), together with the insurance business and asset management, primarily carried out in Spain through the branch network and the other complementary channels. It embraces the activity and earnings generated from the Group's customers, whether individuals, companies or institutions. It also includes liquidity management and ALCO (Assets and Liabilities Committee) and income from the financing of other businesses and corporate activities.

The CaixaBank Group rounds out its catalogue of banking products and services with a specialized offer of life insurance, pension plans and general insurance products, primarily instrumented through VidaCaixa, and also asset management through CaixaBank Asset Management.

a. Individual and Business Banking

Targeted at individuals with up to EUR 60,000 in assets under management and at businesses (retail establishments, freelance workers, self-employed professionals, micro-companies and farmers) with annual turnover of up to EUR 2 million. Individual banking has a premium multi-channel platform staffed by teams focused on increasing customer interaction opportunities and boosting sales effectiveness.

Its market share for customers at 31 December 2017 was 30.0%, of whom 26.7% consider CAIXABANK their preferred bank (source: FRS Inmark).

The market share for direct salary deposits –a key customer engagement indicator– came to 26.3% at 31 December 2017 (source: prepared in-house based on Social Security figures).

b. Premier Banking

This division offers made-to-measure solutions for customers with assets under management of between EUR 60,000 and EUR 500,000, with a highly specialised team focused on solving customer needs.

c. Private Banking

CAIXABANK's specialist arm managing wealth of customers with over EUR 500,000 under management through one of the country's most accomplished teams in private banking.

d. Business Banking

Offers expert service to companies that invoice between EUR 2 million and EUR 200 million. As well as being served by business managers, companies are supported by CAIXABANK specialists in finance and services, cash management and foreign trade.

e. Corporate and Institutional Banking

Business division geared towards large corporations and public bodies. The division is the product of the decision to merge Corporate Banking, Institutional Banking and other areas that provide service to customers, such as Treasury and Capital Markets.

CIB serves over 500 groups of companies with turnovers upwards of EUR 200 million, providing them with a highly specialised, tailor-made service as its seeks to anticipate their needs and in the process become their preferred bank.

f. Insurance and asset management business

CAIXABANK rounds out its catalogue of banking products and services with a specialised offering of life insurance, pension plans and general insurance products.

The insurance business is run through VidaCaixa, a wholly-owned subsidiary of CAIXABANK. The company offers a wide range of solutions when it comes to life insurance and pensions.

It forges relations with its customers through CAIXABANK's branches and other face-to-face channels (brokers and consultants), and through direct, telephone and online communication channels.

VidaCaixa operates in the life business and is a leading shareholder of SegurCaixa Adeslas, which focuses on the non-life business, holding a 49.92% stake (Mutua Madrileña is SegurCaixa Adeslas' controlling shareholder with a 50% stake).

The VidaCaixa Group posted an after-tax profit of EUR 634 million in 2017 (EUR 492 million in 2016). The insurance group also generated EUR 9,666 million of accrued premiums in 2017 (EUR 9,492 million in 2016).

At year-end 2017, VidaCaixa held significant market shares in Spain: 18.7% in life insurance, 23.5% in pension plans and 26.4% and 26.4% in savings insurance (source: ICEA *(Investigación Cooperativa entre Entidades Aseguradoras)* and INVERCO (*Asociación de Instituciones de Inversión Colectiva y Fondos de Pensiones)*).

In the retail segment, VidaCaixa sells risk-life insurance linked and not linked to bank loans. It also has a wide range of complementary savings products featuring various types of life insurance and a broad spectrum of pension plans. Life insurance products include: life annuities, individual systematic savings plans ("PIAS" for their initials in Spanish), individual long-term savings insurance ("SIALP" for its initials in Spanish), and guaranteed pension plans ("PPA" for their initials in Spanish).

VidaCaixa has a specific offering of pension plan and life insurance products for SMEs and self-employed professionals, all specifically tailored to their insurance and pension requirements. Last but not least, VidaCaixa serves large companies and groups under the VidaCaixa Previsión Social brand, offering a plethora of made-to-measure risk-life insurance, savings-life insurance and pension plans, in accordance with the specific characteristics of each large group.

CaixaBank Asset Management (100% at 31 December 2017) is the leading manager of investment funds in Spain when it comes to both investor numbers and assets under management. Its share in the investment fund market at year-end 2017 stood at 16.70% (source: INVERCO).

International Business

CAIXABANK supports its customers outside Spain and collaborates with businesses through a direct presence in the form of operational branches and representative offices; and through banking investees and long-term relationships with multilateral bodies and central banks.

- **Operational branches**

CAIXABANK has operational branches in Germany, Poland, Morocco and the United Kingdom, offering financing and financial services to Spanish companies with interests and activities in those countries and to local businesses that have commercial ties with Spain.

- **Representative offices**

The representative offices in Europe, located in Italy (Milan) and France (Paris), provide advisory services to multinationals with subsidiaries in Spain, in relation to the products and services CAIXABANK can offer them to meet their financing needs in Spain.

Outside the European Union, CAIXABANK has representative offices in China (Beijing and Shanghai), Turkey (Istanbul), Singapore, United Arab Emirates (Dubai), India (Delhi), Egypt (Cairo), Chile (Santiago), Colombia (Bogota), the US (New York), South Africa (Johannesburg), Brazil (São Paulo), Algeria (Algiers), Hong Kong and Peru (Lima).

The representative offices advise Spanish companies with projects abroad and provide them with information on tender processes and how to take part. They also serve as a link with local financial institutions and guide customers in their local banking arrangements.

In those countries where CaixaBank has no direct presence or indirect presence (through its associate banks), CAIXABANK has a **network of correspondent banks,** which help its customers with their business operations abroad.

To help it expand and become more competitive on a global scale, CAIXABANK **enters into strategic long-term alliances with multinational institutions** whose areas of influence coincide with its priority growth markets.

g. Business support: Group investees

CAIXABANK's subsidiaries provide operational support to the banking activity, thus helping to achieve the Bank's commercial targets and ensuring excellent levels of customer service. The main subsidiaries and investees –split into two groups: those offering specialised financial services and those offering real estate and other service subsidiaries– are listed below, along with details of their business activity and the ownership interest held at 31 December 2017.

Name	Participation	Activity
CaixaBank Consumer Finance	100%	Consumer finance
Nuevo MicroBank , SAU	100%	Financing on micro-credits
CaixaBank Payments EFC EP, SA	100%	Cards business
CaixaBank Titulización, SGFT, SA	100%	Management of securitisation funds
Comercia Global Payments EDP, SL	49%	Management of payment processess in businesses via credit cards and TPV
CaixaBank Electronic Money, EDE, SL	88,45%	Payment entity

Others

Name	Participation	Activity
Silk Aplicaciones, SL	100%	Technological architecture of the Group management
CaixaBank Digital Business, SA	100%	Electronic channel management
GDS-CUSA, SA	100%	Late payment and other legal services management

NON-CORE REAL ESTATE BUSINESS

Includes the results, net of the related financing charge, of non-core real estate assets.

The main subsidiaries and investees offering real estate services at 31 December 2017 were as follows:

Name	Participation	Activity
BuildingCenter, SAU	100%	Holding and management of real estate proceding from the credit activity
Servihabitat Servicios Inmobiliarios, SL	49%	Management and commercialization of real estate

Meanwhile, at 31 December 2017 CAIXABANK held a 12.24% stake in SAREB.

EQUITY INVESTMENTS BUSINESS

CAIXABANK held the following stakes at 31 December 2017:

- **Erste Group Bank AG (9.92% at 31/12/17 and 31/03/18)**

Erste Group Bank AG is one of the largest banks in Austria and in central and East Europe when it comes to total assets. It operates in Austria, the Czech Republic, Romania, Slovakia, Hungary, Croatia and Serbia, serving over 16 million customers. It has 2,565 branches and total assets of around EUR 220,659 million *(source: 2017 financial statements of Erste Group Bank)*.

- **Repsol (9.64% at 31/12/17; 9.46% at 31/03/18)**

Repsol is an international vertically integrated (exploration & production, refining & marketing) oil and gas company with a presence in more than 40 countries. It has total assets of approximately EUR 59,857 million *(source: Repsol 2017 financial statements and website).*

– **Telefónica (5.00% at 31/12/17 and 31/03/18)**

Telefónica is a digital telecommunications operator, with a presence in 17 countries in Europe and Latin America, where it is mainly focusing its growth. It generates over 75% of its revenue outside Spain, and is the benchmark carrier in the Spanish- and Portuguese-speaking markets.

With income exceeding EUR 52,000 million and upwards of 343 million total connections, Telefónica guarantees a full range of products and unrivalled connectivity services in the fixed network, mobile and broadband segments *(source: 2017 financial statements and annual report of Telefónica and website).*

Further information on equity investments

The following section provides additional information on the Group's investments and recognition and valuation criteria.

- Investments accounted for using the equity method are measured on the basis of the best available estimate of their underlying carrying amount at the date of preparation of the financial statements.

- For listed companies, the latest public figures are used.

- For other stakes, the Group uses the latest actual or estimated data available at the date of preparation of the CAIXABANK Group's annual report.

Associated investments and multigroup

(in € million)	31.12.2017	31.12.2016	31.12.2015
Associated investments	6.050.050	6.830.391	9.151.876
Joint Businesses investments	187.144	141.331	1.142.809
Subtotal	**6.237.194**	**6.971.722**	**10.294.685**
Save for:			
Impairment fund	(12.769)	(551.012)	(620.991)
Total	**6.224.425**	**6.420.710**	**9.673.694**

The CaixaBank Group has a methodology in place for performing a quarterly assessment of potential indicators of impairment in the carrying amount of these investments. Specifically, it assesses non-listed investees' business performance and, where applicable, the companies' share prices throughout the period and the target prices published by reputable independent analysts. The Group uses this data to determine the fair value of the investment. If this is found to exceed the carrying amount, then it considers that there are no indications of impairment.

The CaixaBank Group carried out impairment tests to assess the recoverable amount of its investments and verify the valuation adjustments recognised.

The tests carried out at 31 December 2017 did not reveal the need to recognise any significant impairment losses.

Provisions for equity investments at 31 December 2017 amounted to EUR 13 million (EUR 551 million at 31 December 2016), as shown below.

Thousands of euros	2017	2016	2015

Opening balance	**551,012**	**620,991**	**674,441**
Net provisions recognised in profit or loss	(5,278)	3,986	65
Transfers and others [1]	(532,965)	45,862	91,004
Funds available in prior years			(132,787)
Amounts used		(119,827)	(11,732)
Closing balance	**12,769**	**551,012**	**620,991**

(1) The transfer in 2017 relates to the impairment allowances held at BPI, which following the takeover have been reported using the full consolidation method.

The following table presents the main listed companies at 31 December 2017, 2016 and 2015 classified under "Investments – Associates":

Associated investments and multigroup

(in € million)	**31.12.2017**	**31.12.2016**	**31.12.2015**
Investments in associates	6.050.050	6.830.391	9.151.876
Inestments in Joint Ventures	187.144	141.331	1.142.809
Subtotal	**6.237.194**	**6.971.722**	**10.294.685**
Less:			
Impairment allowances	(12.769)	(551.012)	(620.991)
Total	**6.224.425**	**6.420.710**	**9.673.694**

(1) On 30 May 2016, the Group completed the swap with CriteriaCaixa announced on 3 December 2015, with the ensuing transfer of stakes to CriteriaCaixa.
(2) The effective takeover date for control purposes was set at 7 February 2017, whereupon the company was incorporated under the full consolidation method.

The table below presents a breakdown of the percentage of ownership interests and market value of the investments in the main listed companies classified as available-for-sale equity instruments, as it is considered that the CAIXABANK Group does not exercise significant influence at those companies.

(in € million)	**31.12.2017**		**31.12.2016**		**31.12.2015**	
Companies	% Part.	Market value	% Part.	Market value	% Part.	Market value
Telefónica, SA	5,00%	2.109.346	5,15%	2.288.453	5,01%	2.553.453
Total regular revenues		**2.109.346**		**2.288.453**		**2.553.453**

SEGMENT REPORTING

Information on the CAIXABANK Group's consolidated income statement by business segment is provided below.

CAIXABANK Group consolidated income statement by business segment

€ million	Banking & insurance business[1] January - December 2017	2016	2015	Non-core real estate business January - December 2017	2016	2015
Net interest income	**4.603**	**4.387**	**4.658**	**(71)**	**(66)**	**(89)**
Dividends and share of profit / (loss) of entities accounted for using the equity method	191	159	122	32	18	21
Net fee and commission income	2.222	2.089	2.113	1	1	2
Gaing / (losses) on financial assets and liabilities and others	303	846	742			5
Income and expense under insurance or reinsurance contracts	472	311	214			
Other operating income and expense	(80)	(156)	(81)	(332)	(251)	(218)
Gross income	**7.711**	**7.636**	**7.768**	**(370)**	**(298)**	**(279)**
Recurring administrative expenses, depreciation and amortisation	(3.926)	(3.875)	(3.954)	(105)	(116)	(105)
Extraordinary expenses	(4)	(121)	(543)			
Pre-impairment income	**3.781**	**3.640**	**3.271**	**(475)**	**(414)**	**(384)**
Pre-impairment income stripping out extraordinary expenses	**3.785**	**3.761**	**3.814**	**(475)**	**(414)**	**(384)**
Allowances for insolvency risk	(865)	(244)	(1.698)	34	(70)	(655)
Other charges to provisions	(741)	(525)		(172)	(66)	
Gain/(losses) on disposal of assets and others	154	21	446	6	(1.034)	(680)
Profit / (loss) before tax	**2.329**	**2.892**	**2.019**	**(607)**	**(1.584)**	**(1.719)**
Income tax expense	(575)	(904)	(408)	194	459	521
Profit /(loss) after tax	**1.754**	**1.988**	**1.611**	**(413)**	**(1.125)**	**(1.198)**
Profit /(loss) attributable to minority interest and others	6	9	5			
Profit / (loss) attributable to the Group	**1.748**	**1.979**	**1.606**	**(413)**	**(1.125)**	**(1.198)**

€ million	Equity investments[2] January - December 2017	2016	2015	BPI[3] January - December 2017	Group January - December 2017	2016	2015
Net interest income	**(163)**	**(164)**	**(216)**	**377**	**4.746**	**4.157**	**4.353**
Dividends and share of profit / (loss) of entities accounted for using the equity method	318	651	435	112	653	828	578
Net fee and commission income				276	2.499	2.090	2.115
Gaing / (losses) on financial assets and liabilities and others	(44)	2	116	23	282	848	863
Income and expense under insurance or reinsurance contracts					472	311	214
Other operating income and expense				(18)	(430)	(407)	(299)
Gross income	**111**	**489**	**335**	**770**	**8.222**	**7.827**	**7.824**
Recurring administrative expenses, depreciation and amortisation	(4)	(4)	(4)	(432)	(4.467)	(3.995)	(4.063)
Extraordinary expenses				(106)	(110)	(121)	(543)
Pre-impairment income	**107**	**485**	**331**	**232**	**3.645**	**3.711**	**3.218**
Pre-impairment income stripping out extraordinary expenses	**107**	**485**	**331**	**338**	**3.755**	**3.832**	**3.761**
Allowances for insolvency risk				32	(799)	(314)	(2.516)
Other charges to provisions	4	(164)	(163)	(3)	(912)	(755)	
Gain/(losses) on disposal of assets and others	5	(91)	170	(1)	164	(1.104)	(64)
Profit / (loss) before tax	**116**	**230**	**338**	**260**	**2.098**	**1.538**	**638**
Income tax expense	57	(37)	68	(54)	(378)	(482)	181
Profit /(loss) after tax	**173**	**193**	**406**	**206**	**1.720**	**1.056**	**819**
Profit /(loss) attributable to minority interest and others				30	36	9	5
Profit / (loss) attributable to the Group	**173**	**193**	**406**	**176**	**1.684**	**1.047**	**814**

(1) This segment includes the impact of the business combination resulting from the acquisition of Banco BPI (EUR 256 million), as it derived from a corporate operation.

(2) The equity investment business shows earnings at Banco BPI up until its effective takeover in February in February 2017.

(3) BPI shows the results brought to the consolidated statements by BPI from February 2017 onward under the full consolidation of assets and liabilities method (considering the adjustments made in the business combination).

Capital is assigned to the Non-Core Real Estate and Equity Investment businesses to pursue the corporate target of maintaining a fully-loaded regulatory Common Equity Tier 1 (CET1) ratio of between 11% and 12%. The capital assigned to these businesses takes into account both the consumption of capital for risk-weighted assets at 11% and all applicable deductions. Capital is assigned to BPI on a sub-consolidated basis, meaning in view of the subsidiary's resources.

The difference between the Group's total own funds and the capital assigned to the other businesses is included in the banking and insurance business, which includes the Group's corporate centre.

Operating expenses for each business segment include both direct and indirect costs, which are assigned according to internal distribution methods.

a. Banking and insurance business

Profit at 31 December 2017 totalled EUR 1,748 million (-11.8%).

Gross income came to EUR 7,711 million (+1.0%).

Recurring administrative expenses, depreciation and amortisation were up 1.3% year on year to EUR 3,926 million. Extraordinary costs of EUR 121 million were reported in 2016 in connection with the labour agreement.

Pre-impairment income was up 3.9% year on year to reach EUR 3,781 million (+0.6% excluding extraordinary expenses).

The cost-to-come ratio stripping out extraordinary expenses was 50.9%.

Impairment losses on financial assets totalled EUR -865 in 2017. The previous year included the impact of EUR 244 million due to the release of EUR 618 million following the development of internal models in the fourth quarter. Without this effect, the heading remained stable (+0.3%).

Other charges to provisions included EUR 455 million to cover early retirements in 2017 (EUR 160 million in 2016). Additionally, figures for 2016 include EUR 110 million to cover contingencies relating to floor clauses.

Gains/(losses) on disposal of assets and others included, among other items, the result of the business combination with BPI (EUR 256 million) since it derived from a corporate transaction.

NPL ratio of 5.5% and coverage ratio of 47%.

ROTE came to 11.2%, stripping out non-recurring impacts (early retirements completed in the second quarter of 2017, the results of the business combination with BPI extraordinary expenses).

b. Non-core real estate business

The non-core real estate business generated losses of EUR 413 million in 2017 (versus EUR 1,125 million in losses in 2016) in response to provisioning efforts and sound management of non-performing assets, which led to a 11.0% reduction in the balance of this business in 2017.

Results for 2016 included, among others, the impact of the additional provisions posted in the fourth quarter of the year, largely in relation to foreclosed real estate assets available for sale following the use of internal models.

They also reflect the positive proceeds on sales of real estate assets, as well as the significant reduction in impairment losses on financial assets.

Net loans under management amounted to EUR 1,154 million, down 39.5% in the year.

Net foreclosed real estate assets available for sale totalled EUR 5,878 million, net (EUR -378 million in 2017), while those held for rent amounted to EUR 3,030 million, net.

Real estate sales totalled EUR 1,610 million in 2017, with positive proceeds on sales of property.

c. Equity investments business

Profit attributable to the Group at 31 December 2017 was EUR 173 million (-9.9%). The year-on-year change can be explained by a number of one-off aspects, notably:

- Reduction in dividend income from Telefónica in 2017.
- The change in share of profit/(loss) at entities accounted for using the equity method was partly the result of perimeter changes following the agreement reached with CaixaBank in May 2016 to swap Bank of East Asia and GF Inbursa, as well as BPI's departure in February 2017 and the attributable loss of EUR 97 million following the sale of 2% in BFA.
- Recognition in 2016 of expenses relating to extraordinary write-downs on a number of unlisted stakes and the negative impact stemming from the early redemption of Repsol bonds exchangeable for shares (essentially the impact of delivering the shares and of cancelling the embedded derivative on the instrument, which was recognised in equity due to its consideration as cash flow hedge).
- Impact in the fourth quarter of 2016 of the tax reform ushered in by Royal Decree-Law 3 of 2 December 2016.

ROTE for this business stands at 14.8%.

d. BPI

The BPI Group –the parent of which is Banco BPI (BPI)– operates mainly in Portugal, offering retail banking, asset management, insurance, investment banking and private equity services to companies, public institutions and individuals. BPI offers its services through an extensive multi-channel distribution network featuring a total of 505 branches to cover business in the bank's home country.

CaixaBank held a stake of 84.51% at 31 December 2017 and 31 March 2018. Meanwhile, BPI holds interests in various financial institutions in Angola (BFA, with a stake of 48.1% at 31 December 2017 and 31 March 2018) and in Mozambique (Banco Comercial e de Investimentos, with a stake of 35.67% at 31 December 2017 and 31 March 2018).

See section 5.1.5 for further information on CAIXABANK's stake in BPI following completion of the takeover process and on the reduction of the stake in BFA in January 2017 to 48.1%. Important events in the development of the issuer's business.

6.1.2 An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of development

The main new products and services sold by CAIXABANK are as follows:

- **SmartMoney**. Online-only service that uses an "optimiser" to manage the customer's portfolio (programmed with algorithms and inputs such as expected return in each case and variance and covariance matrixes), based on the individual profile of each customer which is drawn up in response to the questions contained in the portfolio suitability test. The relative weightings of each fund in the portfolio may change as the days pass due to market conditions. Any such change is monitored and the optimiser can rebalance accordingly to return to the desired weights. Meanwhile, the manager periodically monitors the inputs used to feed the optimiser.

  The funds into which the Smart Money portfolios are invested are specifically flagged so they can only these portfolios can acquire positions. Minimum investment of EUR 1,000; maximum of EUR 60,000.

- **Caixabank Target 2021**. Investment fund diversified between fixed income assets and equities, mainly in medium- and high-cap securities, without restriction as to issuer, sector or market, and including emerging markets subject to a maximum of 30%.

  The maximum exposure to equities is 30%, which will steadily reduce as time passes to possibly reach 0% exposure at 31/12/2021. A majority of the fund's fixed income assets (both public and private) will have a medium minimum credit quality (minimum BBB-), while no more than 25% of the portfolio will have a rating below BBB-. Most of the issues will mature in the year leading up to or following December 2021.

- **Caixabank Evolución**. New fund to have originated from the transformation of the Caixabank Equilibrio fund. Certain aspects of the preceding investment policy have been modified to allow for more flexible management and with the biggest possible return given the fund's risk levels (the risk level is unchanged: 3 out of 7). The most significant aspects to have been modified are: unlimited investment in other financial UCITs and investment in convertible bonds subject to a maximum of 10%.

  Under this investment policy, a optimum combination of fixed-income securities, equities and funds will be picked to reflect prevailing market conditions at all times, though subject to a maximum of 30% in equities. The fund may invest up to 15% in emerging markets. It may invest directly in assets or in the funds of leading international fund managers. No more than 25% of the fund's fixed income assets (both public and private) may possess a credit quality of below BBB-), while the other assets shall have an average or higher credit rating (minimum BBB-). The fund can invest up to 10% in convertible bonds.

- **Loan to real estate developer with flexible term and value for the discount clause**: mortgage loan granted to subrogate an existing developer loan wherein the subrogated party (end customer) may choose between a floating rate pegged to the Euribor or a fixed rate (modal interest rate published quarterly in Annex 1 of the Bank of Spain plus a value equal to the agreed discount percentage) with discretion also to pick the term (120 months, 144 months, 180 months, 240 months, 300 months, or 359 months). The collateral is the primary residence or second home. A maximum interest rate discount of 1.20% is offered in exchange for arranging various products and services.

- **Hipoteca Francia (France Mortgage)**: mortgage loan to acquire property located in France. It can be used to finance the acquisition of a primary home for own use. The customer can choose to arrange the product at a floating or fixed rate of interest. A maximum interest rate discount of 1.20% is offered in exchange for arranging various products and services. Maximum term: 20 years

- **Premier Banking and Mixed Private Mortgage**: mortgage loan to finance the acquisition of a primary residence and second home. The maximum term is 30 years. Over the first 20 years, a fixed rate of 2.35% will apply and thereafter for the remaining 10 years the borrower will pay a floating rate pegged to the Euribor plus one point. The collateral is the primary residence or second home. A maximum interest rate discount of 1.20% is offered in exchange for arranging various products and services.

6.2 <u>Main markets</u>

Geographical diversification

The income of the CAIXABANK Group for 2017, 2016 and 2015 by segment and geographical area is as follows:

Translation for information purposes only, in case of discrepancy between this English version and the original Spanish version of the Registration Document, the Spanish version shall prevail.

Geographical information:distribution of ordinary income (*)													
(in € million)	Banking and insurance			Non-core real estate			Equity investments			BPI	Total Group		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2017	2016	2015
Spain	10.704	11.093	12.363	259	289	321	240	385	166	9	11.212	11.767	12.850
Other countries (**)	23	21	17				34	267	385	843	900	288	402
Total ordinary income	**10.727**	**11.114**	**12.380**	**259**	**289**	**321**	**274**	**652**	**551**	**852**	**12.112**	**12.055**	**13.252**

(*) Corresponds to the following headings of the CaixaBank Group's public income statement, calculated pursuant to Bank of Spain Circular 5/2014: interest income, dividend income, share of profit/(loss) of entities accounted for using the equity method, fee and commission income, gains/(losses) on financial assets/liabilities, gains/(losses) from hedge accounting, other operating income and income on assets under insurance and reinsurance contracts.

(**) Includes share of profit/(loss) of international associates accounted for using the equity method, primarily Erste Group Bank (Austria) and Banco BPI (Portugal) until control was taken in February 2017. GF Inbursa (Mexico) and The Bank of East Asia (Hong Kong) were also included in 2016 until their sale in May of that year.

The distribution of CAIXABANK's operational branch network (excluding BPI) was as follows in 2017, 2016 and 2015:

	31.12.2017	31.12.2016	31.12.2015
Autonomues communities and cities	Number of branches		
Catalonia	1.239	1.315	1.380
Andalusia	878	897	917
Madrid	542	580	637
Valencia	427	438	443
Canary Islands	248	253	258
Castile-Leaon	250	246	250
Balearic Islands	184	197	207
Galicia	195	196	199
Basque Country	185	187	188
Navarre	152	149	157
Castila-la-Mancha	154	149	153
Murcia	121	124	122
Aragón	91	88	87
Asturias	61	64	70
Extremadura	68	67	64
Cantabria	45	45	47
La Rioja	28	26	26
Ceuta	4	4	4
Melilla	2	2	2
Total branches in Spain	**4.874**	**5.027**	**5.211**
Representative offices	17	14	14
Foreign branches	6	4	3
Total international branches(1)	**23**	**18**	**17**
Total branches	**4.897**	**5.045**	**5.228**

(1) See information on the International Business under section 6.1.1.

The Group actively manages the branch network through openings and mergers, always with the aim of ensuring the best possible service for CAIXABANK customers. Case-by-case analyses are conducted to ensure the best regional coverage and proximity to customers.

CAIXABANK serves 94% of towns and cities with more than 5,000 inhabitants.

6.3 Where the information given pursuant to items 6.1. and 6.2. has been influenced by exceptional factors, mention that fact

The information given in sections 6.1. and 6.2. has been influenced by:

- The integration of BPI from February 2017 onward, which has generated growth of approximately 10% in CAIXABANK's total pre-integration assets, affecting all balance sheet headings. Meanwhile, BPI's integration has led to growth of 6-14% across the various headings of the Group's income statement. Moreover, a total of EUR 110 million in extraordinary expenses was recognised in 2017 in connection with BPI and a further EUR 256 million as a result of the business combination generated from the acquisition of BPI.
- The CAIXABANK Group views cost-to-income as a key strategic target. In pursuit of this objective to streamline and contain costs, the Group posted EUR 455 million in 2017 in connection with early retirements

(EUR 152 million and EUR 303 million in the first and second quarter of the year, respectively). A total of EUR 121 million was recognised in 2016 in relation to the labour agreement and EUR 160 million to cover the early retirement agreement. In 2015, extraordinary expenses of EUR 259 million were posted in relation to the integration of Barclays Bank, SAU, along with EUR 284 million in connection with the labour agreement, for the voluntary termination of 700 employment contracts in regions with an oversupply of personnel.

- In 2016, the CAIXABANK Group furthered its use of internal models for the collective estimation of allowances and to determine the adjustments to be applied on the main valuations given in full individual real estate valuations or on the results generated by automatic valuation methods for foreclosed assets. These internal models, which are compliant with Bank of Spain Circular 4/2016, were used to re-estimate the losses incurred from credit risk and the impairment of foreclosed assets at 31 December 2016. The new estimation of loan-loss allowances at 31 December 2016 has reduced the provisioning requirements for the loan portfolio by EUR 676 million and has prompted the recognition of EUR 656 million in provisions for real estate assets.
- The non-exceptional aspects described in sections 5.1.5 and 20.1 of this Registration Document.

6.4 If material to the issuer's business or profitability, give summary information regarding the extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes

The CAIXABANK Group's activities are not dependent on or significantly influenced by patents or licences, industrial contracts, new manufacturing processes or special commercial or financial contracts beyond those disclosed in section 11 of this Registration Document.

6.5 The basis for any statements made by the issuer regarding its competitive position

The Issuer always cites the source of any data on its competitive position included in this Registration Document.

7. ORGANISATIONAL STRUCTURE

7.1 If the issuer is part of a group, a brief description of the group and the issuer's position within it

CAIXABANK, SA and its subsidiaries compose the CAIXABANK Group (hereinafter "the CAIXABANK Group" or "the Group").

CAIXABANK is a public limited company (*sociedad anónima*) whose shares are admitted to trading on the Barcelona, Madrid, Valencia and Bilbao stock exchanges and on the continuous market. It has been listed on the IBEX 35 index since 4 February 2008.

CAIXABANK's main investees at 31 March 2018 were as follows:

31 March 2018	
CAIXABANK	
Main listed investments	
Erste Group Bank	9.92%
Repsol	9.46%
Telefónica	5.00%
Real estate	
BuildingCenter	100%
ServiHabitat Servicios Inmobiliarios	49.00%
Sareb	12.24%
Insurance	

VidaCaixa	100%
SegurCaixa Adeslas	49.92%
BPI Vida e Pensoes	100%
Financial services	
Comercia Global Payments	49.00%
CaixaBank Consumer Finance	100%
CaixaBank Asset Management	100%
Nuevo MicroBank	100%
Credifimo	100%
CaixaBank Payments	100%
CaixaBank Titulización	100%
CaixaBank Electronic Money	88.45%
CaixaBank Equipment Finance	100%
Other support activities	
SILK Aplicaciones	100%
CaixaBank Digital Business	100%
GDS-Cusa	100%

Banco BPI	**84.51**
BFA(1)	48.10
Banco Comercial e de Investimentos(1)	35.67

(1) The percentage of ownership attributed to CaixaBank at 31 March 2018 was 40.65% at BFA and 30.15% at Banco Comercial e de Investimentos.

7.2 A list of the issuer's significant subsidiaries, including name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held

A list of the subsidiaries and jointly controlled entities of the CAIXABANK Group at 31 December 2016 is provided below.

Investments in subsidiaries of the CAIXABANK Group

(Thousands of euros)

Company name and line of business	Registered office	% interest		Share capital	Reserves	Profit/(loss)	Cost of direct ownership interest
		Direct	Total				(net)
Aris Rosen, SAU Services	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	60	(4,685)	1,784	3,999
Arquitrabe activos, SL Holder of real estate assets	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	98,431	34,321	916	87,757
Banco BPI Cayman, Ltd Banking	103, South Church Street - L-1855 Cayman Islands	0.00	84.51	150,000	9,594	9,301	-
Banco BPI, SA (C) Banking	Rua Tenente Valadim, 284 4100-476 Porto Portugal	84.51	84.51	1,293,06	609,587	232,774	1,731,501

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Investments in subsidiaries of the CAIXABANK Group

(Thousands of euros) Company name and line of business	Registered office	% interest		Share capital	Reserves	Profit/(loss)	Cost of direct ownership interest
		Direct	Total				(net)
Banco Português de Investimento, Capital de Risco	Rua Tenente Valadim, 284 L-1855 Luxembourg Luxembourg	-	84.51	17,500	9,352	(3,431)	-
Biodiesel Processing, SL Research, creation, development and sale of biofuel manufacturing projects.	Av. Diagonal, 621-629 08028 Barcelona	-	100.00	100	(4,613)	1	-
Bodega Sarría, SA Wine production	Señorío de Sarría, s/n 31008 Puente la Reina Navarra	-	100.00	5,745	13,850	1,109	-
BPI (Suisse), SA (2) Management of collective investment schemes	1, etienne dumont 1204 Geneva Switzerland	-	84.51	3,000	9,935	4,605	-
BPI - Global Investment Fund Management Company, SA Management of collective investment schemes	60, Avenue John F. Kennedy L-1855 Luxembourg Luxembourg	-	84.51	150	451	1,958	-
BPI Capital Africa (Proprietary) Limited (3) Finance	20th Floor, Metropolitan Life Centre, 7 Walter Sisulu 8001 Cape Town South Africa	-	84.51	1	21,531	(19,807)	-
BPI Gestão de Activos - Sociedade Gestora de Fundos de Investimento Management of collective investment schemes	Largo Jean Monnet, 1 – 5º 1269-067 Lisbon Portugal	-	84.51	2,500	6,371	7,329	-
BPI Madeira, SGPS, Unipessoal Financial stakes	R. da Alfândega, 18 - 3º 9000-059 Funchal Portugal	-	84.51	150,000	2,028	(609)	-
BPI Private Equity - Sociedade de Capital de Risco, SA Venture capital company	Rua Tenente Valadim, 284 4100-476 Porto Portugal	-	84.51	28,895	3,903	31	-
BPI Vida e Pensões - Companhia de Life insurance and pension fund management	R. Braamcamp, 11 - 6º 1250-049 Lisbon Portugal	-	100.00	76,000	34,413	13,475	-
BPI, Incorpored (4) Other	92, Ferry Street 2nd floor - 7105 New Jersey US	-	84.51	5	845	(7)	-
BuildingCenter, SAU Real estate services	Paseo de Recoletos.37 28004 Madrid	100.00	100.00	2,000,06	697,483	(419,299)	3,272,969

Investments in subsidiaries of the CAIXABANK Group

(Thousands of euros) Company name and line of business	Registered office	% interest Direct	Total	Share capital	Reserves	Profit/(loss)	Cost of direct ownership interest (net)
Caixa Capital Biomed, SCR SA Venture capital company	Av. Diagonal, 621 Torre II 08028 Barcelona	90.91	90.91	1,200	7,570	(1,455)	6,674
Caixa Capital Fondos, SCR SAU Venture capital company	Pº de la Castellana, 51 28046 Madrid	100.00	100.00	1,200	59,437	(3,478)	58,889
Caixa Capital Micro, SCR SAU Venture capital company	Pº de la Castellana, 51 28046 Madrid	100.00	100.00	1,200	2,443	(402)	3,404
Caixa Capital TIC SCR SA Venture capital company	Av. Diagonal, 621 Torre II 08028 Barcelona	80.65	80.65	1,209	9,520	(661)	8,478
Caixa Corp, SA Holding company	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	361	342	(6)	585
Caixa Emprendedor XXI, SA Development of business and entrepreneurial initiatives	Av. Diagonal, 621 Torre II 08028 Barcelona	0.00	100.00	1,007	23,131	(177)	-
CaixaBank Asset Management, Management of collective investment schemes	Paseo de la Castellana, 51 28046 Madrid	100.00	100.00	81,910	(9,328)	58,695	89,350
CaixaBank Brasil Escritório de representaçao, LTDS (1) Representative office	Av. Presidente Juscelino Kubitschek, 1327 18º 04543-011 Sao Paulo Brazil	100.00	100.00	1,200	(50)	540	345
CaixaBank Business Intelligence, Development of digital projects	Av. Diagonal, 613, Planta 3ª 08028 Barcelona	100.00	100.00	100	1,098	267	1,200
CaixaBank Consumer Finance, EFC, Consumer finance	Caleruega,102 planta 9 28033 Madrid	100.00	100.00	135,156	53,400	29,989	236,216
CaixaBank Digital Business, SA Electronic channel management	Provençals, 35 08019 Barcelona	100.00	100.00	13,670	9,764	334	21,144
CaixaBank Electronic Money, EDE, SL Payment entity	Calle Caleruega 102, Planta 9 28033 Madrid	-	88.45	350	2,713	1,186	-
CaixaBank Equipment Finance, SAU Vehicle and equipment leasing	Caleruega,102 28033 Madrid	-	100.00	10,518	31,644	8,907	-
CaixaBank Facilities Management, Project management, maintenance, logistics and procurement, and office supplies	Provençals, 39 (Torre 08019 Barcelona	100.00	100.00	1,803	1,871	2,398	2,053
CaixaBank Payments EFC EP, SAU	Caleruega,102	100.00	100.00	261,803	53,528	274,338	261,980

Translation for information purposes only, in case of discrepancy between this English version and the original Spanish version of the Registration Document, the Spanish version shall prevail.

Investments in subsidiaries of the CAIXABANK Group

(Thousands of euros) Company name and line of business	Registered office	% interest		Share capital	Reserves	Profit/(loss)	Cost of direct ownership interest
		Direct	Total				(net)
Finance	28033 Madrid						
CaixaBank Titulizacion, SGFT, SA Securitisation fund management	Paseo de la Castellana, 51 28046 Madrid	91.00	100.00	1,503	1,495	2,240	4,723
Caja San Fernando Finance, SA Finance	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	60	987	5	18,397
Cestainmob, SL Property management	Av. Diagonal, 621-629 08028 Barcelona	-	100.00	120	520	(3)	-
Corporación Hipotecaria Mutual, Mortgage lending	Pº de la Castellana, 51 28046 Madrid	100.00	100.00	3,005	81,610	543	80,666
Credifimo - Unión de crédito para la financiación mobiliaria e immobiliaria, EFC, SA Mortgage lending	Goya, 77, esc. Izquierda, 1º 28001 Madrid	100.00	100.00	70,415	(10,789)	(10,747)	41,122
Estugest, SA Administrative activities and services	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	661	1,734	8	2,381
GDS-CUSA, SAU Specialised back office administration services	Provençals, 39 (Torre 08019 Barcelona	100.00	100.00	1,803	15,341	1,466	9,579
Grupo Aluminios de Precisión, SL * Smelting of other non-ferrous metals	Merindad de Cuesta Urria, 09001 Burgos	100.00	100.00	7,500	19,320	(23)	3,360
Grupo Riberebro Integral, SL * Production and marketing of agricultural products	P.I. la Llanada, parcela 31397 26540 Alfaro La Rioja	-	60.00	6,940	1,675	(466)	-
HipoteCaixa 2, SL Mortgage loan management company	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	3	96,695	(962)	97,518
Hiscan Patrimonio, SA Holding company	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	46,867	207,251	1,713	220,416
Holret, SAU Real estate services	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	156,433	33,497	(125)	189,939
Inter Caixa, SA	Av. Diagonal, 621-629	99.99	100.00	16	-	-	17

Investments in subsidiaries of the CAIXABANK Group

(Thousands of euros) Company name and line of business	Registered office	% interest Direct	% interest Total	Share capital	Reserves	Profit/(loss)	Cost of direct ownership interest (net)
Services	08028 Barcelona						
Inversiones corporativas digitales, SL Holding company	Av. Diagonal, 621-629 08028 Barcelona	-	100.00	3	(3,066)	1	-
Inversiones Inmobiliarias Teguise Resort, SL Hotels and similar accommodation	Av. Del Jablillo, 1 Hotel Teguise Playa 35508 Teguise-Lanzarote Las Palmas	60.00	60.00	7,898	8,081	3,043	11,218
Inversiones Valencia Capital, SA Holding company	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	10,557	(3,402)	409	2,105
Inversiones vitivinícolas, SL Wine production	Av. Carlos III, 8 31002 Pamplona Navarra	-	100.00	3	(466)	(29)	-
Líderes de empresa Siglo XXI, SL Private security for goods and people	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	378	403	216	753
Negocio de Finanzas e Inversiones II, Finance	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	6	8,547	(4)	8,169
Nuevo MicroBank, SAU Financing of microcredits	Alcalá, 27 28014 Madrid	100.00	100.00	90,186	153,167	42,034	90,186
PromoCaixa, SA Product marketing	Gran Via Carles III, 105 1ª pl. 08028 Barcelona	99.99	100.00	60	1,894	13,231	1,644
Puerto Triana, SA Real estate developer specialised in shopping centres	Gonzalo Jiménez de Quesada, 2 41092 Seville	100.00	100.00	140,000	39,605	(9,164)	168,385
Sercapgu, SL Holding company	Av. Diagonal, 621-629 08028 Barcelona	100.00	100.00	4,230	(110)	(299)	632
Silc Immobles, SA Real estate management and administration	Pº de la Castellana, 51 28046 Madrid	0.00	100.00	40,070	106,599	220	0
Silk Aplicaciones, SL Provision of IT services	Sabino Arana, 54 08028 Barcelona	100.00	100.00	15,003	100,370	815	176,211
Sociedad de gestión hotelera de Barcelona, SL Real-estate operations	Av. Diagonal, 621-629 08028 Barcelona	-	100.00	8,144	8,938	547	-

Investments in subsidiaries of the CAIXABANK Group

(Thousands of euros) Company name and line of business	Registered office	% interest		Share capital	Reserves	Profit/(loss)	Cost of direct ownership interest (net)
		Direct	Total				
Telefónica Consumer Finance, EFC, SA Consumer financing and financing for commercial transactions	Caleruega,102 planta 9 28033 Madrid	-	50.00	5,000	30,725	7,264	-
VidaCaixa Mediació, Sociedad de Agencia de Seguros Vinculada, SAU Insurance agency	Paseo de Recoletos 37, 3ª 28004 Madrid	-	100.00	60	4,232	380	-
VidaCaixa, SA de Seguros y Reaseguros Sociedad Unipersonal Direct life insurance, reinsurance and pension fund management	Paseo de Recoletos 37, 3ª 28004 Madrid	100.00	100.00	1,347,462	635,556	527,692	2,251,712

(*) Companies classified as non-current assets held for sale
(C) Listed companies. Latest publicly-available data at the date of authorisation for issue of the notes to the financial statements.
Note: the information corresponding to non-listed companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to the financial statements.
Data relating to paid up capital, reserves and profit/(loss) have been standardised in the consolidated CaixaBank financial statements in accordance with IFRS.
(1) All data except cost are in local currency: Brazilian real (thousand).
(2) All data except cost are in local currency: Swiss franc (thousands)
(3) All data except cost are in local currency: South African rand (thousands)
(4) All data except cost are in local currency: US dollar (thousands)

Investments in joint ventures of the CAIXABANK Group

(Thousands of euros)

Company name and line of business	Registered office	% interest Direct	% interest Total	Assets	Liabilities	Ordinary income	Share capital	Reserves	Profit/ (loss)	Total compre-hensive income	Cost of direct ownership interest (net)	Dividends accrued in the year on total ownership interest
Banco europeo de finanzas, SA Activities of a wholesale or investment bank	Bolsa, 4 Planta Baja 29015 Malaga	39.52	39.52	95,347	166	236	60,702	34,303	175	175	32,057	-
Cartera Perseidas, SL Holding company	Paseo Recoletos, 29 28004 Madrid	40.54	40.54	859	606	-	359	(47)	(59)	(59)	0	-
Comercia Global Payments, Entidad de Pago, SL Payment entity	Caleruega,102 28033 Madrid	49.00	49.00	483,993	288,967	148,528	4,425	158,833	31,768	31,768	89,148	8,250
Cosec - Companhia de Seguros de Crédito, SA Credit insurance	Av. República, 58 1069 Lisbon Portugal	-	42.26	114,723	64,089	20,251	7,500	34,855	8,280	10,505	-	2,780
Global Payments South America, Brasil – Serviços de Pagamentos, SA (1) Payment systems	Rua dos Pinheiros, 610 - Cj. 83 05422-001 São Paulo Brazil	50.00	50.00	587,007	572,116	67,889	144,363	(116,527)	(12,945)	(12,945)	8,454	-
Inversiones Alaris, SL (L) Holding company	Av. Carlos III, 8 planta 4ª 31002 Pamplona Navarra	33.33	66.67	16,655	6,884	-	11,879	(1,615)	(493)	(493)	-	-
Knowledge Discovery and Predictions SA Advanced modelling projects in the field of Big Data	Av. Torre Blanca, 57 08172 Sant Cugat del Vallés Barcelona	49.00	49.00	961	1,278	1,415	60	-	(377)	(377)	29	-
Vivienda protegida y suelo de Andalucía, SA Real estate development	Exposición, 14 - 2 Polígono PISA 41927 Mairena del Aljarafe Seville	-	50.00	6,861	8,080	1,978	60	(548)	(731)	(731)	-	-

(L) Companies in liquidation.

(1) All data except cost are in local currency: Brazilian real (thousand).

Note: The information corresponding to non-listed companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to the financial statements. Data relating to paid up capital, reserves and profit/(loss) have been standardised in the consolidated CaixaBank financial statements in accordance with IFRS.

Following 31 December 2017 and through to the date of filing of this document, no other significant change has occurred that might affect the preceding information, aside from the information provided under section *5.1.5 Important events in the development of the issuer's activity,* which explains the process whereby CaixaBank acquired a further stake in Banco BPI in 2018.

8. PROPERTY, PLANT AND EQUIPMENT

Information regarding any existing or planned tangible assets, including leased properties, and any major encumbrances thereon

8.1 Information regarding any existing or planned tangible assets, including leased properties, and any major encumbrances thereon

CAIXABANK property, plant and equipment

- Tangible assets on the CAIXABANK Group's consolidated balance sheet, which included tangible assets for own use and investment property, totalled EUR 6,480,434 thousand in 2017 (EUR 6,436,908 thousand in 2016).

- The properties classified as tangible assets deriving from integrations were recognised at fair value at their respective business combination dates, calculated by updating available appraisal values and in line with movements in the price of premises and offices according to their location and use.

Changes in items of "Tangible assets" and of the related accumulated depreciation in 2017 and 2016 are as follows:

- **Own use and leased out under operating leases**

(Thousands of euros)	31-12-2017			31-12-2016		
	Land and buildings	**Furniture, facilities and other**	**Total**	**Land and buildings**	**Furniture, facilities and other**	**Total**
Cost						
Opening balance	2,619,654	3,568,294	6,187,948	2,805,518	3,514,768	6,320,286
Additions due to business combinations	91,331	340,681	432,012			0
Additions	17,982	258,572	276,554	29,155	224,619	253,774
Disposals	(11,916)	(133,744)	(145,660)	(26,375)	(203,697)	(230,072)
Transfers	(59,944)	10,533	(49,411)	(188,644)	32,604	(156,040)
Closing balance	**2,657,107**	**4,044,336**	**6,701,443**	**2,619,654**	**3,568,294**	**6,187,948**
Accumulated depreciation						
Opening balance	(472,731)	(2,686,934)	(3,159,665)	(499,048)	(2,751,842)	(3,250,890)
Additions due to business combinations	(68,918)	(313,137)	(382,055)			0
Additions	(24,240)	(149,913)	(174,153)	(24,262)	(121,388)	(145,650)
Disposals	11,131	67,369	78,500	21,386	182,916	204,302
Transfers	8,239	36,818	45,057	29,193	3,380	32,573
Closing balance	**(546,519)**	**(3,045,797)**	**(3,592,316)**	**(472,731)**	**(2,686,934)**	**(3,159,665)**

Impairment allowances						
Opening balance	(12,260)	(11,361)	(23,621)	(17,481)	(12,092)	(29,573)
Allowances	(34,837)	(435)	(35,272)	(5,689)	(167)	(5,856)
Allowances	3,276	2,263	5,539	10,150	1,281	11,431
Transfers	24,186	(3,814)	20,372	(52)	(383)	(435)
Amounts used	199	0	199	812		812
Closing balance	**(19,436)**	**(13,347)**	**(32,783)**	**(12,260)**	**(11,361)**	**(23,621)**
Own use, net	**2,091,152**	**985,192**	**3,076,344**	**2,134,663**	**869,999**	**3,004,662**

Property, plant and equipment for own use is allocated to the Banking Business cash generating unit (CGU). At 31 December 2017 and 2016, impairment tests were performed on the net amount of the assets associated with the Banking Business CGU. The results of the tests did not reveal any need to make allowances for the assets included under this heading.

However, the Bank carries out regular valuations of property for own use classified as “Land and buildings”. The market value of these assets at 31 December 2017 did not differ significantly from their carrying amounts.

In 2017, there was no derecognition of property and equipment no longer in use (in 2016, the Group recognised write-offs of EUR 17,903 thousand under “Impairment or reversal of impairment on non-financial assets”).

At 31 December 2017, the Group had fully depreciated items of property, plant and equipment amounting to EUR 2,498 thousand.

The CAIXABANK Group does not have significant commitments to acquire items of property, plant and equipment. Sales made in previous years with sale and leaseback agreements include buy options that may be exercised by CAIXABANK on termination of the lease agreement at the market value of the offices at that date, to be determined where appropriate by independent experts. In such sale and leaseback transactions, prospective monitoring of the transaction takes place, paying special attention to changes in market office rental prices compared to the contractual rents CAIXABANK is required to pay and the condition of the assets sold. The most significant of this type of transaction was in 2012, when 439 branches were sold to Soinmob Inmobiliaria, SAU and simultaneously leased under an operating lease for a mandatory period of 25 years. The lease expense under this agreement is EUR 35.5 million a year.

Of the total number of CAIXABANK offices and branches, 2,976 were owned at 31 March 2018, while 2,342 were leased at an annual cost of EUR 138 million.

- **Investment property**

(Thousands of euros)	31-12-2017			31-12-2016		
	Land and buildings	**Furniture, facilities and other**	**Total**	**Land and buildings**	**Furniture, facilities and other**	**Total**
Cost						
Opening balance	4,626,328	90,006	4,716,334	4,229,060	62,839	4,291,899
Additions	71,274	7,527	78,801	199,622	6,098	205,720
Disposals	(343,177)	(3,951)	(347,128)	(196,756)	(9,684)	(206,440)
Transfers	346,605	11,249	357,854	394,402	30,753	425,155
Closing balance	**4,701,030**	**104,831**	**4,805,861**	**4,626,328**	**90,006**	**4,716,334**
Accumulated depreciation						
Opening balance	(172,036)	(15,244)	(187,280)	(126,104)	(10,078)	(136,182)
Additions	(52,440)	(8,688)	(61,128)	(54,096)	(7,356)	(61,452)
Disposals	20,494	923	21,417	11,945	2,995	14,940
Transfers	4,812	(2,637)	2,175	(3,781)	(805)	(4,586)

Closing balance	**(199,170)**	**(25,646)**	**(224,816)**	**(172,036)**	**(15,244)**	**(187,280)**
Impairment allowances						
Opening balance	(1,096,808)	0	(1,096,808)	(902,221)	0	(902,221)
Allowances **(Note 38)**	(293,569)	0	(293,569)	(248,547)		(248,547)
Allowances **(Note 38)**	270,686	0	270,686	214,175		214,175
Transfers	(142,098)	0	(142,098)	(219,914)		(219,914)
Amounts used	84,834	0	84,834	59,699		59,699
Closing balance	**(1,176,955)**	**0**	**(1,176,955)**	**(1,096,808)**	**0**	**(1,096,808)**
Investment property	**3,324,905**	**79,185**	**3,404,090**	**3,357,484**	**74,762**	**3,432,246**
Total tangible assets	**5,416,057**	**1,064,377**	**6,480,434**	**5,492,147**	**944,761**	**6,436,908**

To determine the fair value of investment property, appraisals were requested at 31 December 2017 in accordance with the criteria established by Ministerial Order ECO/805/2003 when the latest available appraisal was over two years old. Statistical appraisals are used for properties with a gross carrying amount of less than EUR 250 thousand. The appraisal process led to the recognition of an impairment loss on investment property at 31 December 2017 and 2016 of EUR -22,883 thousand and EUR -34,386 thousand, respectively.

In light of the appraisals available at 31 December 2017, the fair value of the portfolio of investment properties was EUR 3,862 million (EUR 4,129 million at 31 December 2016).

Rental income accrued on the operation of investment property is recognised under “Other operating income” on the income statement and amounted to EUR 145 million in 2017 (EUR 149 million in 2016), while operating expenses are reported under “Other operating expenses” and totalled EUR 42 million in 2017 (EUR 42 million in 2016).

Foreclosed real estate assets acquired in lieu of payment of debt and held for rent, recognised on the CAIXABANK Group’s balance sheet as investment property, amounted to EUR 3,030 million at 31 December 2017. Further information on foreclosed assets classified as non-current assets and inventories is provided in section I (Risk factors) of this document.
The carrying amounts of the assets do not differ significantly from their market value.

8.2 Description of any environmental issues that may affect the issuer’s utilisation of the tangible assets

No significant tangible asset items in the Group are affected by environmental issues of any type.

9. OPERATIONAL AND FINANCIAL REVIEW

9.1 Financial condition

See sections 3, 10, 20.1 and 20.6 of this Registration Document.

9.2 Operating results

Information on CAIXABANK’s operating results

The income statement prepared in accordance with applicable International Financial Reporting Standards (IFRS) as per the management format, is shown below.

Income statement

The CAIXABANK Group's income statement using the management format is as follows:

€ million	2017	%	2016	%	2015
Net interest income	**4.746**	**14,2**	**4.157**	**(4,5)**	**4.353**
Dividends	127	(35,9)	199	(2,0)	203
Share of profit / (loss) of entities accounted for using the equity method	526	(16,3)	629	67,5	375
Net fee and commission income	2.499	19,5	2.090	(1,2)	2.115
Gaing / (losses) on financial assets and liabilities and others	282	(66,7)	848	(1,7)	863
Income and expense under insurance or reinsurance contracts	472	51,9	311	44,8	214
Other operating income and expense	(430)	5,6	(407)	36,1	(299)
Gross income	**8.222**	**5,1**	**7.827**		**7.824**
Recurring administrative expenses, depreciation and amortisation	(4.467)	11,8	(3.995)	(1,7)	(4.063)
Extraordinary expenses	(110)	(8,7)	(121)	(77,7)	(543)
Pre-impairment income	**3.645**	**(1,8)**	**3.711**	**15,3**	**3.218**
Pre-impairment income stripping out extraordinary expenses	**3.755**	**(2,0)**	**3.832**	**1,9**	**3.761**
Allowances for insolvency risk	(799)		(314)		(1.593)
Other charges to provisions	(912)	20,8	(755)	(57,5)	(923)
Gain/(losses) on disposal of assets and others	164		(1.104)		(64)
Profit / (loss) before tax	**2.098**	**36,4**	**1.538**	**141,0**	**638**
Income tax expense	(378)	(21,7)	(482)		181
Profit /(loss) after tax	**1.720**	**62,9**	**1.056**	**28,9**	**819**
Profit /(loss) attributable to minority interest and others	36		9	101,6	5
Profit / (loss) attributable to the Group	**1.684**	**60,9**	**1.047**	**28,6**	**814**

The most notable year-on-year changes in 2017 were:

- Net interest income of EUR 4,746 million (+14.2% year on year) in response to the integration of the business of BPI, which contributed 9.1% of growth. At CaixaBank, net interest income gained 5.1%, largely on the back of:

  - Active management of retail financing, especially maturity deposits, the cost of which has fallen from 0.53% in 2016 to 0.07% in 2017 (-46bp), and of demand deposits, where the interest rate fell by 5 basis points (from 0.08% in 2016 to 0.03% in 2017). Plus the lower cost of institutional financing due to lower volumes and rates.

  - Negative income performance due to falling returns on the loan portfolio and the fixed income portfolio prompted by the drop in market interest rates.

- Income from equity investments stood at EUR 653 million euros (-21.0%). The change here was partly down to the negative impact of the January sale of 2% of BPI's stake in BFA (EUR 97 million attributed), as well as certain perimeter changes and a reduction in dividend income.
- Strong fee and commission income of EUR 2,499 million. The change here (+19.5%) was down to BPI's contribution to CaixaBank's results (+13.2%) as well as the increased income deriving from CaixaBank's own commercial activity (+6.3%).
- Gains/(losses) on financial assets and liabilities and other fell to EUR 282 million (-66.7%). In 2016, this figure included EUR 165 million resulting from the Visa Europe Ltd. deal, as well as the materialisation of capital gains on available-for-sale fixed-income securities.
- Sustained growth in income arising from insurance contracts (up 51.9% to EUR 472 million) in response to intensive commercial activity and the termination in late October 2016 of a reinsurance contract on the individual life-risk portfolio of VidaCaixa.
- Other operating income and expense shows, among other items, the recognition in both years of property tax and the contribution paid to the European Single Resolution Fund and to the Spanish Deposit Guarantee Fund. Income of EUR 115 million in connection with the agreement reached with Cecabank was also reported in 2017.
- Gross income came to EUR 8,222 million, up 5.1% on 2016.

- Recurring administrative expenses, depreciation and amortisation was impacted by the perimeter change and stood at EUR 4,467 million (+11.8%, or +1.0% stripping out BPI). In 2017, a total of EUR 110 million in extraordinary expenses was reported in connection with BPI, while in 2016 a total of EUR 121 million was reported in relation to the labour agreement reached at CaixaBank in the third quarter aimed at streamlining the workforce.
- Impairment losses on financial assets amounted to EUR 799 million (+154.2%). The change here was partly down to the release and resulting recognition in the fourth quarter of 2016 of EUR 676 million in provisions following the development of internal models.
- Other charges to provisions (EUR 912 million) included in 2017, among other items, a total of EUR 455 million in connection with the early retirements and EUR 154 million in write-downs on exposure to the SAREB.
- Gains/(losses) on disposals of assets and others includes in 2017, among other items, the positive result of the business combination resulting from the acquisition of BPI for EUR 256 million and increased proceeds on the sale of real estate assets in comparison with the previous year.

Profit attributable to the Group in 2017 amounted to EUR 1,684 million, up 60.9% year on year (EUR 1,047 million).

9.2.1 Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations, indicating the extent to which income was so affected

- **Global and market trends**

Global economic growth grew to 3.8% in 2017 (up from 3.2% in 2016). This growth was seen across both advanced and emerging economies and in 2017 it also proved to be a more balanced affair among countries. Aided by accommodative financial conditions and a steady increase in the price of raw materials, the global economy moved up a gear in 2017.

The healthier global macroeconomic landscape in the United States and Europe and also in emerging countries was a key factor supporting the performance of financial assets, against a backdrop of extremely low financial volatility. Investor confidence was riding especially high in the United States, where the S&P500 stock index gained some 20% in the year (+9.5% in 2016), and also in Europe, where the Eurostoxx 50 went from a 0.7% rise in 2016 to a significant +6.5% in 2017. Meanwhile, the MSCI Emerging Markets index also appreciated by more than 30%, with key economies exiting recessions, notably Brazil and Russia, and a recovery in the Chinese stock market after the downturn in early 2016 (Shanghai stock exchange index +6.6% in 2017 compared with -12.3% in 2016). It should also be noted that oil prices rose sharply in late 2017 following the OPEC's announcement in November of an extension to the agreement to cut crude oil production until the end of 2018.

Despite this positive global macroeconomic trend, we saw a mixed bag of results by country. Among emerging economies, Brazil and Russia managed to shake off their economic recession in 2017 to post growth of 1.0% and 1.5%, respectively. Meanwhile, China reported growth of 6.9% in 2017. This went some way to dispelling lingering fears of a hard landing prompted by the ongoing process of changing the productive model of the Chinese economy. However, the state of the Chinese banking sector, especially local institutions, coupled with worrying levels of capital flight and the real estate bubble, remained real causes for concern during the year. There were also significant risks across other emerging countries, notably Turkey, South Africa and Argentina, which continue to show macroeconomic imbalances, making them vulnerable on the external front.

Turning to advanced economies, the United States posted 2.3% growth in 2017, reporting its eighth straight year of positive growth. The US economy is currently at a mature stage of the economic cycle, with practically full employment and increased wage growth. This factor, coupled with rallying levels of inflation, prompted the Federal Reserve to hike its reference interest rate on three occasions to bring it to the 1.50-1.75% interval at December 2017.

- **Performance in the euro area, Spain and Portugal**

Economic activity in the euro area continued to recover steadily in 2017, causing analysts to raise their growth projections on various occasions. GDP gained a robust 2.5% in 2017 in a climate of high confidence, with significant growth in employment and private spending, which continued to benefit from favourable borrowing conditions thanks to the extremely accommodative monetary policy in the region. The fact that growth is now a more balanced affair across the different EU members states provided a further boost to the economic recovery. Inflation was the only negative aspect, since it remains below the ECB's target. This was due in part to the high degree of slack in the labour market, which is limiting upward pressure on wages. This positive economic outlook prompted the ECB to adopt significant monetary policy measures in October 2017, when it announced its intention to pare back its asset purchasing programme (QE) to 30 billion euros a month from January through to September 2018 (significantly down on the 60 billion euros it had been buying up until December 2017). As it happens, the ECB had for some months been changing its rhetoric and forewarning of a reduction in monetary stimulus. It eventually took the plunge in response to the healthy state of the macroeconomy, which is revealing improved levels of business and increased confidence of seeing inflation recover in the mid term. However, Draghi was quick to point that despite this increased confidence, the ECB has yet to see convincing signs of a self-sustained convergence in inflation towards the 2% target, meaning the readjustment of ECB measures will continue to ensure ample levels of financial accommodation to keep supporting inflation.

Against this positive global backdrop, Spain was one of the outperformers. Economic growth in the country gained 3.1% in 2017, a high figure that outpaced most advanced economies. Growth in Spain is now more balanced than in the country's previous expansionary phase, allowing it to correct the main macroeconomic imbalances (deleveraging in the private sector, reducing the public deficit and current account surplus).

The buoyant internal demand is largely down to the improvement in private consumption and business investment. Moreover, the improving labour market (some 500,000 jobs created in 2017) and still accommodative borrowing conditions helped push up the available income of Spanish households, in turn paving the way for consumption to continue growing at a healthy pace and for the household deleveraging process to continue. Meanwhile, capital expenditure grew strongly, supported by high levels of business confidence, rising business profits and favourable borrowing conditions.

Investment in construction grew steadily as business slowly recovers in the real estate sector, while public consumption grew calmly as the nation seeks to reduce the public deficit, which stood at 3.1% of GDP in 2017. Exports also fared well and following slower growth in imports, Spain's external sector made a positive contribution to GDP growth in 2017, revealing in the process an increasingly competitive and internationalised economy.

The Portuguese economy reported sturdy growth of 2.7% in 2017, its best showing since 2000. This growth found support from external factors, such as the healthy state of the global economy and especially the euro area, and also domestic factors, where exports have been booming thanks in part to a lively tourism sector. The country also reported high levels of confidence on the back of strong job creation, which helped drive private consumption.

In relation to the existing macroeconomic imbalances, the public deficit continued to adjust in 2017 to reach 0.9% of GDP. Public debt, after hovering at around 130% of GDP for several years, finally began to fall in 2017 to reach 125.9% of GDP. This has been made possible by forceful fiscal policies, improved economic growth and a reduction in the sovereign risk premium.

9.2.2 Where the financial statements disclose material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes

Following the acceptance period for the mandatory takeover filed on 16 January 2017 by Comisión del Mercado de Valores Mobiliarios de Portugal, the Portuguese securities market regulator, CAIXABANK's stake in Banco BPI stood at 84.5% at 7 February 2017. The Portuguese bank has been integrated since 1 February 2017 using the full consolidation method, having previously been reported using the equity method. The full consolidation of the results of BPI from February 2017 onward has impacted the main headings of the income statement when compared with the previous year. Meanwhile, BPI's total contribution to the CAIXABANK Group at 31 March 2017 amounted to EUR 32,883 million, accounting for roughly 10% of CAIXABANK's total assets.

9.2.3 Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations

- **Solvency**

Since 1 January 2014, the capital adequacy of financial corporations has been regulated by Regulation (EU) 575/2013 (CRR) and Directive 2013/36/EU of the European Parliament and of the Council, both dated 26 June 2013, which implement the Basel III regulatory framework (BIS III) in the European Union, and by national laws and Bank of Spain circulars implementing and developing these regulations in Spain.

Additionally, following the transposition to European legislation, the Basel Committee and other relevant bodies published a series of additional rules and documents containing new specifications for the calculation of capital. This means that procedures are constantly being updated, and therefore CAIXABANK continuously adapts its processes and systems to ensure the calculation of the capital charge, calculation of own funds and direct deductions from capital are fully aligned with the new requirements. Significantly, on 23 November 2016 the European Commission released a set of proposed amendments to the CRR and CRD IV. These changes have yet to be finalised and are not therefore mandatory.

In the fourth quarter of 2017, CaixaBank received the updated decision of Bank of Spain in relation to the capital buffer required of it due to its status as an Other Systemically Significant Institutions (O-SII). This buffer remains at 0.25%, the same as the previous year. The buffer is to be phased in over four years, commencing 1 January 2016, meaning that in 2018 it will apply a requirement of 0.1875% in regulatory capital adequacy.

As stipulated in the regulation, the Group is subject to minimum eligible capital and disclosure requirements at individual and sub-consolidated level.

At 31 December 2017, the CaixaBank Group had a Common Equity Tier 1 (CET1) ratio of 12.7% (-46 basis points since 31 December 2016, of which -115 basis points were down to the integration of BPI in the first quarter), and a Tier 1 ratio of 12.8% following the issuance of EUR 1,000 million in additional Tier 1 instruments. Total Capital was 16.1% (16.2% at 31 December 2016).

Risk-weighted assets (RWAs) totalled EUR 148,940 million at 31 December 2017, up EUR 14,076 million from the end of the previous year (mainly due to the integration of BPI).

Applying the criteria expected for the end of the transitional period (fully loaded), CaixaBank had the following ratios at 31 December 2017: CET1 of 11.7%, Tier 1 of 12.3% and Total Capital of 15.7%.

In the fourth quarter of 2017, the European Central Bank (ECB) handed Criteria the minimum regulatory capital requirements after analysing the results of the supervisory review and evaluation process (SREP), requiring the CaixaBank Group to maintain a regulatory Common Equity Tier 1 (CET1) ratio of 8.063% in 2018, which includes: the minimum Pillar 1 requirement (4.5%); the Pillar 2R requirement of the ECB (1.5%); the capital conservation buffer (1.875%); and the O-SII buffer (0.1875%). The countercyclical buffer is 0% since its entry into force for exposures located in Spain and Portugal (this buffer is reviewed quarterly by the national authorities). On a fully-loaded basis, the minimum CET1 requirement would therefore be 8.75%. Similarly, and based on the Pillar 1 requirements of 8%, the minimum Tier 1 and Total Capital requirements would be 9.563% and 11.563%, respectively, in regulatory terms, and 10.25% and 12.25% fully loaded, respectively.

The ECB's decision means that the regulatory CET1 level below which the CaixaBank Group would be obliged in 2018 to limit distributions in the form of dividends, variable remuneration and interest payments to holders of additional tier 1 capital instruments - commonly referred to as the maximum distributable amount

(MDA) trigger - would be 8.063%, to which we would eventually have to add potential shortfalls in additional Tier 1 or Tier 2 capital compared to the implied Pillar 1 minimums of 1.5% and 2%, respectively.

CaixaBank is also subject to minimum capital requirements on a non-consolidated basis. CaixaBank's individual CET1 ratio was 13.6% at December 2017.

The composition of the CAIXABANK Group's eligible own funds is as follows:

Eligible own funds

(Thousands of euros)	31/12/2017		31/12/2016		31/12/2015	
	Amount	(%)	Amount	(%)	Amount	(%)
Equity	**24,683,281**		**23,555,562**		**25,187,948**	
Shareholders' equity	24,203,895		23,399,819		23,688,634	
Capital	5,981,438		5,981,438		5,823,990	
Profit	1,684,167		1,047,004		814,460	
Reserves and other	16,538,290		16,371,377		17,050,183	
Minority interests and unrealised gains/losses	479,386		155,742		1,499,314	
Other CET1 instruments	**(755,785)**		**(632,187)**		**(1,203,504)**	
Adjustments of comput. of minority int. and unrealised g/l	(147,896)		(111,629)		(916,652)	
Other adjustments (1)	(607,889)		(520,557)		(286,853)	
CET1 instruments	**23,927,496**		**22,923,375**		**23,984,443**	
Deductions from CET1	**(4,961,008)**		**(5,134,157)**		**(5,499,031)**	
Intangible assets	(3,364,813)		(2,415,643)		(1,962,074)	
Financial investments	0		0		(238,215)	
Deferred tax assets	(1,125,674)		(685,185)		(210,748)	
Other CET1 deductions	(470,521)		(337,822)		(42,791)	
AT1 deductions covered with CET1	0		(1,695,507)		(3,045,204)	
CET1	**18,966,488**	**12.7%**	**17,789,218**	**13.2%**	**18,485,412**	**12.9%**
AT1 instruments	**999,000**		**0**		**0**	
Deductions from AT1	**(891,300)**		**0**		**0**	
Intangible assets	(841,203)		(1,610,428)		(2,943,112)	
Other AT1 deductions	(50,097)		(85,079)		(102,092)	
AT1 deductions to be covered with CET1			1,695,507		3,045,204	
TIER 1	**19,074,188**	**12.8%**	**17,789,218**	**13.2%**	**18,485,412**	**12.9%**
T2 instruments	**5,023,123**		**4,087,736**		**4,444,175**	
Financing of subordinated issues	4,571,891		4,087,736		4,147,222	
Generic allowances and excess IRB provisions	451,232		0		296,953	
T2 deductions	**(50,097)**		**(85,079)**		**(102,092)**	
TIER 2	**4,973,026**	**3.3%**	**4,002,657**	**3.0%**	**4,342,083**	**3.0%**
TOTAL CAPITAL	**24,047,214**	**16.1%**	**21,791,875**	**16.2%**	**22,827,495**	**15.9%**

Memorandum items: Risk-weighted assets	**148,940,259**	**134,863,962**	**143,311,653**
Credit risk	110,818,912	98,190,228	99,295,288
Shareholder risk	22,860,407	23,703,136	28,559,485
Operational risk	12,982,647	11,281,707	11,330,963
Market risk	2,278,293	1,688,891	4,125,916

(*) Mainly forecast of outstanding dividends.

(In millions of euros)	**March 2018**	**December 2017**	**Change**
Common Equity Tier 1 (CET1)	17,520	18,966	-1,446
Tier 1	19,751	19,074	677
Total capital	24,223	24,047	176
CET1 ratio	11.8%	12.7%	-0.94%
Tier 1 ratio	13.3%	12.8%	0.49%
Total capital ratio	16.3%	16.1%	0.17%
MDA buffer (*)	5,549	5,856	-307
MDA buffer to RWAs	3.74%	3.93%	-0.19%
Risk-weighted assets (APR)	148,472	148,94 0	-468
Leverage ratio	5.8%	5.5%	0.27%
CET1 ratio, fully loaded	11.6%	11.7%	-0.08%

(*) The applicable MDA buffer is the lowest of the non-consolidated or consolidated figure.

Information on capital requirements at December 2017 by type of risk and calculation method is presented below:

Detail of risk-weighted assets

	Risk-weighted assets	**Capital requirements**	**Weight to total (%)**
	110,818,912	**8,865,513**	**74.40%**
Standardised approach	*64,171,518*	*5,133,721*	*43.09%*
IRB approach	*46,647,394*	*3,731,792*	*31.32%*
	22,860,407	**1,828,833**	**15.35%**
PD/LGD method	*10,040,278*	*803,222*	*6.74%*
Simple method	*12,559,782*	*1,004,783*	*8.43%*
VaR method	*260,347*	*20,828*	*0.17%*
	2,278,293	**182,263**	**1.53%**
Standardised approach	*1,227,668*	*98,213*	*0.82%*

Internal models (IMs)	*1,050,625*	*84,050*	*0.71%*
	12,982,647	**1,038,612**	**8.72%**
Standardised approach	*12,982,647*	*1,038,612*	*8.72%*
	148,940,259	**11,915,221**	**100.00%**

- **Solvency II – Insurance companies**

The applicable regulatory framework for insurance entities from 1 January 2016 is Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009, on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II). This Directive is complemented by Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014 (also known as Omnibus II).

The Directive was transposed into Spanish law through Act 20/2015, of 14 July, on the regulation, supervision and solvency of insurance and reinsurance entities (LOSSEAR), and Royal Decree 1060/2015, of 20 November (ROSSEAR).

The Solvency II Directive was developed through Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing the Solvency II Directive, which is directly applicable.

The Insurance Group was in a position to comply with the new regulations on day one, having already readied itself for their entry into force.

- **Bank of Spain Circular 4/2016, of 27 April**

On 6 May 2016, Bank of Spain Circular 4/2016 was published in the Official State Gazette, which took effect on 1 October 2016. The objective of the Circular was to update Circular 4/2014 on public and confidential financial reporting rules, primarily Annex IX thereof, so as to bring it into line with the latest developments in banking regulation, while remaining fully compatible with the IFRS accounting framework. The new Circular covers matters such as the policies concerning the approval, amendment, assessment, monitoring and control of transactions, including their accounting classification and the estimation of allowances to cover losses from credit risk and impairment of foreclosed assets. It also envisions the use of internal assessment models by credit institutions. In 2016, the CAIXABANK Group furthered its use of internal models for the collective estimation of allowances and to determine the adjustments to be applied on the main valuations given in full individual real estate valuations or on the results generated by automatic valuation methods for foreclosed assets. These internal models, which are compliant with Bank of Spain Circular 4/2016, have been used to re-estimate the losses incurred due to credit risk or the impairment of foreclosed assets at 31 December 2016.

The new estimation of loan-loss allowances at 31 December 2016 has reduced the provisioning requirements for the loan portfolio by EUR 676 million and has prompted the recognition of EUR 656 million in provisions for real estate assets.

- **Amendments to IFRS 9 — Financial Instruments: Classification and measurement.**

IFRS 9 provides a comprehensive set of accounting requirements for the recognition and measurement of financial assets and financial liabilities (except the part on macro hedging). The date of initial application is 1 January 2018, when it replaces the current International Accounting Standard (IAS) 39 — Financial Instruments: Recognition and measurement.

When it comes to recognising and measuring financial assets, IFRS 9 considers both the business model within which the assets are held and their contractual cash flows, effectively reducing the number of portfolios and impairment models currently envisaged in IAS 39. Financial assets that give rise to cash flows that are solely payments of principal and interest are measured at amortised cost if they belong to a business model whose objective is to collect the previous cash flows, but at fair value through other comprehensive income if the objective is to both collect the cash flows and sell the instrument. All other financial assets, including embedded derivatives, must be fully measured at fair value through profit or loss.

For all assets not measured at fair value through profit or loss, the entities must recognise expected credit losses, differentiating between assets whose creditworthiness has not deteriorated significantly since initial recognition and those whose creditworthiness has.

Noteworthy differences between the new expected loss model in IFRS 9 and the current incurred loss model of IAS 39 include:

- Upon initial recognition, IFRS 9 requires the expected loss to be recognised rather than the incurred loss.
- The degree of judgment required to incorporate forward-looking information and assumptions regarding the behaviour affecting the life of the instruments that should be considered and how the assumptions are incorporated in the measurement of expected losses, increases in the expected-loss model.
- The requirement to calculate full lifetime losses for exposures that have experienced significant impairment since initial recognition.

Regarding financial liabilities, the categories set out in IFRS 9 are similar to those currently in IAS 39, and their measurement does not change, only the requirement to recognise changes in fair value related to own credit risk as a component of equity for financial liabilities designated under the fair value option.

For hedge accounting, the granularity in current IAS 39 requirements is replaced with a new model that better reflects internal risk management activities in the financial statements. There are changes with respect to IAS 39 in a number of other areas, such as hedged items, hedging instruments, the accounting of the time value of options and the assessment of effectiveness, which will enable Group entities that carry out financial activities to expand the transactions to which hedge accounting is applied and facilitate the application of hedge accounting, whereas the rest of the entities will benefit mainly from the possibility of hedging non-financial risks.

Based on data at 31 December 2017, the impacts of IFRS 9 are as follows:

- an increase in impairment allowances for credit losses of EUR 758 million;
- reclassification between financial instrument portfolios with insignificant exposure;
- a negative impact on reserves in the amount of EUR 564 million;
- a reduction in the fully-loaded CET1 ratio of 15 basis points on the transition date.

10. CAPITAL RESOURCES

10.1 Information concerning the issuer's capital resources

Information on CAIXABANK's funding structure is provided in section 10.3.

Equity

The movement in equity in 2017, 2016 and 2015 is shown in the statement of total changes in equity (see Section 20.1). The following sections provide key data on certain equity items in 2017, 2016 and 2015. Equity at 31 December 2015 has been restated for comparison purposes.

Equity

	2017	2016	Change 2017-2016	2015	Change 2016-2015
SHAREHOLDERS' EQUITY	**24.203.895**	**23.399.819**	**3,4%**	**23.688.634**	**-1,2%**
Capital	5.981.438	5.981.438	0,0%	5.823.990	2,7%
Paid up capital	5.981.438	5.981.438	0,0%	5.823.990	2,7%
Share premium	12.032.802	12.032.802	0,0%	12.032.802	0,0%
Other equity	10.054	7.499	34,1%	5.120	
Retained earnings	5.553.704	5.239.487	6,0%	4.850.813	8,0%
Other reserves	(628.066)	(716.893)	-12,4%	413.916	-273,2%
Less: Treasury shares	(11.753)	(14.339)	-18,0%	(19.713)	-27,3%
Profit/(loss) attributable to owners of the Parent	1.684.167	1.047.004	60,9%	814.460	28,6%
Less: Interim dividends	(418.451)	(177.179)	136,2%	(232.754)	-23,9%
ACCUMULATED OTHER COMPREHENSIVE INCOME	**45.366**	**126.621**	**-64,2%**	**1.480.290**	**-91,4%**
Items that will not be reclassified to profit or loss	45.366	126.621	-64,2%	1.480.290	-91,4%
Foreign currency translation	74.199	2.332	3081,8%	378.102	-99,4%
Hedging derivatives. Reserve of cash flow hedges	16.081	25.316	-36,5%	85.622	
Available-for-sale financial assets	(16.370)	(26.494)	-38,2%	816.586	-103,2%
Debt instruments	407.959	366.815	11,2%	761.777	-51,8%
Equity instruments	(424.329)	(393.309)	7,9%	54.809	-817,6%
Share of other recognised income and expense of investments	(28.544)	125.467	-122,8%	199.980	-37,3%
MINORITY INTERESTS (non-controlling interests)	**434.020**	**29.122**	**1390,4%**	**35.626**	**-18,3%**
Accumulated other comprehensive income	25.760	50	51420,0%	530	-90,6%
Other items	408.260	29.072	1304,3%	35.096	-17,2%
Total equity	**24.683.281**	**23.555.562**	**4,8%**	**25.204.550**	**-6,5%**
Total equity and total liabilities	**383.186.163**	**347.927.262**	**10,1%**	**344.255.475**	**1,1%**

- **Share capital**

CaixaBank's share capital at 31 December 2017 consisted of 5,981,438,031 shares, all fully subscribed for and paid up. All the shares are in book-entry form, with a par value of EUR 1 each. At the date of this document, share capital has not changed since 31 December 2017.

CAIXABANK's shares are traded on the four official stock exchanges in Spain and on the continuous electronic trading system, forming part of the IBEX 35. At 31 December 2017, the share's closing price was EUR 3.889 (EUR 3.140 at 31 December 2016 and EUR 3.214 at 31 December 2015).

Changes in CAIXABANK's share capital are discussed at greater length in section 21 of this document.

- **Share premium**

The balance of the share premium was the result of the capital increase carried out on 31 July 2000, for EUR 7,288 million.

The Spanish Corporate Enterprises Act expressly permits use of the share premium account to increase capital and does not establish any restriction as to its use. Therefore, in subsequent years, approval was given at the Annual General Meetings to pay dividends with a charge to the share premium following the total or partial disposal of the investments contributed during the incorporation of the Company.

There were no changes in the share premium in 2017.

- **Other equity instruments**

This item includes the accrued portion of the value of shares included in variable share-based remuneration plans not delivered, which stands at EUR 10,054 thousand.

- **Treasury shares**

Details of treasury shares are provided in section 21.1.3 of this document.

10.2 Explanation of the sources and amounts of and a narrative description of the issuer's cash flows

(see section 20.1.).

In 2017, CAIXABANK's cash increased by a net EUR 6,895 million, due basically to the EUR 6,554 million in cash flows obtained from operating activities, the EUR -1,378 million in cash from investing activities, and the EUR 1,721 million in cash obtained from financing activities.

Cash flows from investment activities moved from EUR -2,906 million in 2016 to EUR -1,378 million in 2017. The main reasons for this change are the year-on-year reduction in 2017 in purchases of Spanish public debt issuances, mainly medium to long-term Treasury bonds in the portfolio of held-to maturity investments, as well as the cash obtained from the takeover of BPI (offset by the cash amount paid to take over the Portuguese bank) and the proceeds obtained from the BEA and Inbursa swap arrangement in 2016.

Cash flows from financing activities shifted from EUR -4,596 million in 2016 to EUR +1,721 million in 2017. The change here was largely down to the increase in issuances in 2017, mainly subordinated liabilities and preference shares.

The following terms are used in the presentation of the statements of cash flows:

Operating activities

The indirect method is used to present cash flows from operating activities, which are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

Investing activities

The acquisition, sale or other disposal of long-term assets, such as equity investments and strategic investments, and other investments not included in cash and cash equivalents.

Financing activities

Activities that result in changes in the size and composition of equity and liabilities that do not form part of operating activities, such as subordinated financial liabilities. The issuances launched by the CAIXABANK Group and placed on the institutional market are classified as financing activities, whereas the issuances placed on the Spanish retail market are classified as operating activities.

10.3 Information on the borrowing requirements and funding structure of the issuer

The table below shows the Group's funding structure:

Group funding structure

(Thousands of euros)	2017	2016	Change 2017-2016	2015	Change 2016-2015
Cost-bearing funds	276,722,640	251,219,863	10.15%	250,708,875	0.20%
Shareholders' equity	24,203,895	23,399,819	3.44%	23,688,634	-1.22%
Total	**300,926,535**	**274,619,682**	**9.58%**	**274,397,509**	**-1.22%**

Translation for information purposes only, in case of discrepancy between this English version and the original Spanish version of the Registration Document, the Spanish version shall prevail.

Funding primarily comprises borrowings, accounting for 92.0% of total funds in 2017. The remaining 8.0% comprises funding from shareholders' equity.

COST-BEARING FUNDS

The breakdown of this item in the balance sheet, by type of financial instrument, is as follows:

(Thousands of euros)	**2017**	**2016**	**Change 2017-2016**	**2015**	**Change 2016-2015**
Deposits from central banks	31,680,685	30,029,382	5.50%	23,753,214	26.42%
Deposits from credit institutions	11,515,365	6,315,758	82.33%	10,509,238	-39.90%
Customer deposits	203,608,087	187,166,708	8.78%	184,110,264	1.66%
Debt securities issued	29,918,503	27,708,015	7.98%	32,336,159	-14.31%
Total	**276,722,640**	**251,219,863**	10.15%	**250,708,875**	0.20%

At 31 December 2017, **"Deposits from central banks"** included EUR 28,820 million in long-term finance (TLTRO) with the European Central Bank (EUR 26,819 million in TLTRO at 31 December 2016, with the difference down to the integration of Banco BPI (EUR 2,001 million)).

The average effective interest rate on financial liabilities under **"Deposits from credit institutions"** was 0.54% in 2017. It was 0.77% in 2016 and 0.90% in 2015. This rate is the result of interest earned in the year and does not include adjustments to income arising from hedging transactions.

The average effective interest rate on financial liabilities under **"Customer deposits"** was 0.20%, 0.40% and 0.73% in 2017, 2016 and 2015, respectively. This rate is the result of interest earned in the year and does not include adjustments to income arising from hedging transactions.

- **"Debt securities issued"**

The following table shows this heading on the balance sheet, excluding valuation adjustments.

(Thousands of euros)	**2017**	**2016**	2017-2016 change	**2015**	2016-2015 change
Mortgage covered bonds	17,555,564	18,555,198	-5%	21,266,734	-13%
Public sector covered bonds	50,300	50,000	1%	50,000	0%
Senior bonds	3,076,649	1,693,058	82%	2,602,854	-35%
Securitisation bonds	2,442,920	2,342,743	4%	2,749,260	-15%
Structured notes	447,900	530,000	-15%	893,600	-41%
Promissory notes	14,184	63,687	-78%	226,958	-72%
Preference shares	1,000,000	10,000	9900%	30,871	-68%
Subordinated debt	4,997,837	4,089,661	22%	4,376,718	-7%
Total	**29,585,354**	**27,334,347**	**8%**	**32,196,995**	**-15%**

The average effective interest rate on financial liabilities under "Debt securities issued" was 2.35%, 2.70% and 3.16% in 2017, 2016 and 2015, respectively. This rate is the result of interest earned in the year and does not include adjustments to income arising from hedging transactions.

- **Subordinated liabilities**

The following table provides details of **preference share** issuances:

Preference shares

(Thousands of euros)		Nominal	Nominal	Outstanding amount		
Issue date	**Maturity**	**amount**	**interest rate**	**31-12-2017**	**31-12-2016**	**31-12-2015**
December 2006	Perpetual	20,000	E3M + 1.400%			20,000
June 2007	Perpetual	20,000	E6M + 1.750%			20,000
December 2007	Perpetual	30,000	E6M + 3.000%	0	30,000	30,000
February 2011	Perpetual	2,099	E6M + 6.74%			2,099
June 2017	Perpetual	1,000,000	6.75%	1,000,000		
Preference shares				**1,000,000**	**30,000**	**72,099**
Own securities purchased				**0**	**(20,000)**	**(41,228)**
Total				**1,000,000**	**10,000**	**30,871**

The June 2017 EUR 1,000 million issuance contingent convertibles (CoCos) exchangeable for new-issue CaixaBank shares ("Additional Tier 1") is perpetual, but redeemable early from year seven onward.

The issuance was made at par and remuneration for the preference shares, where payment is subject to conditions and is also discretionary, was set at 6.75% per year for the first seven years. Thereafter, it will be revised to equal the applicable five-year EUR mid swap rate plus 649.8 basis points. Under the current accounting framework and considering that payment of this remuneration is discretionary for CaixaBank, and would in any case be payable quarterly in arrears, it would be charged against the Group's available reserves.

While the CoCos are perpetual, they may be redeemed under specific circumstances at the option of CaixaBank. They will be converted into new-issue common shares of the Bank if CaixaBank or the CaixaBank Group reports a Common Equity Tier 1 ratio (CET1) of less than 5.125%, calculated in accordance with Regulation 575/2013 (EU) of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms. The conversion price of the preference shares shall be the highest of: (i) the volume-weighted daily average price of CaixaBank's shares in the five trading days prior to the day the corresponding conversion is announced; (ii) EUR 2,803 (Floor Price); and (iii) the par value of CaixaBank's shares at the time of conversion (on the issue date, the par value of the shares is one euro (EUR 1)).

The issuance was placed exclusively with professional investors and the preference shares were listed for trading on the Spanish Fixed Income Market (AIAF).

The European Central Bank has approved these preference shares as eligible Additional Tier 1 capital for CaixaBank and the CaixaBank Group, in accordance with Act 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions, and with the criteria of the aforementioned Regulation 575/2013.

The following table shows issuances of **subordinated debt**:

Subordinated debt

(Thousands of euros)			Nominal	Nominal	Outstanding amount		
Issue date		Maturity	amount	interest rate	31-12-2017	31-12-2016	31-12-2015
01-04-1987	(*)	12-12-2049	14,209	E12M*75%*85%+Chg.	14,209		
01-04-1987	(*)	12-12-2049	13,872	E12M*75%*85%+Chg.	13,872		
01-12-2005		PERPETUAL	148,900	E3M + 1.100%			148,900
16-06-2006		16-06-2016	85,300	E3M + 0.890%			85,300
21-09-2006		21-09-2016	100,000	E3M + 0.980%			100,000
08-11-2006		08-11-2016	60,000	E3M + 0.457%			60,000
06-09-2007	(*)	Perpetual	60,000	E3M + 1.65%	60,000		148,900
09-02-2012		09-02-2022	2,072,363	4.00%	2,072,363	2,072,363	2,072,363
09-02-2012		09-02-2022	1,301,502	5.00%	0	1,301,502	1,301,502
14-11-2013		14-11-2023	750,000	5.00%	750,000	750,000	750,000
15-02-2017		15-02-2027	1,000,000	3.50%	1,000,000		
24-03-2017	(*)	24-03-2027	300,000	E6M + 5.74%	300,000		
07-07-2017		07-07-2042	150,000	4.00%	150,000		
14-07-2017		14-07-2028	1,000,000	2.75%	1,000,000		
Subordinated debt					**5,360,445**	**4,123,865**	**4,666,965**
Own securities purchased					**(362,608)**	**(34,204)**	**(290,247)**
Total					**4,997,837**	**4,089,661**	**4,376,718**

(*) Issuances from Banco BPI.
(**) Issuance of Banco BPI, fully subscribed by CaixaBank.

Section 6 of this Registration Document ("Risk factors") lists the issuances made in the year to date (2017). These are then explained at greater length under Significant Events in section 5.1.5.*Important events in the development of the issuer's business*.

10.4 Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations

See section 9.2.3 on capital adequacy in this document.

10.5 Information regarding the anticipated sources of funds needed to fulfil commitments referred to in Sections 5.2.3. and 8.1

No sources of funds other than those used in the Bank's ordinary business are expected to be obtained to fulfil the investment commitments described in sections 5.2.3 and 8.1.

11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

Distinctive signs

CAIXABANK (as licensee) has a license agreement in effect with Caixa d'Estalvis i Pensions de Barcelona, "la Caixa", Banking Foundation (as licensor) governing the use of certain trade names and the assignment of Internet domain names. The trade names licensed out under that agreement include the "la Caixa" brand and the star logo. The trade name license was granted in 2014 in accordance with the principles set out in the Protocol for managing the financial investment held in CAIXABANK, S.A. by Fundación Caixa d'Estalvis i Pensions de Barcelona "la Caixa". The license agreement has an indefinite term. However, it may be terminated by withdrawal or complaint by the licensor after 15 years have passed from signing, or in the event the stake held by Fundación Caixa d'Estalvis i Pensions de Barcelona "la Caixa" in CaixaBank is less than 30 per cent of the share capital and voting rights of CaixaBank, or in the event there is a shareholder with a stake in the share capital or voting rights of CaixaBank that is greater than the one directly or indirectly held by the Banking Foundation. In exchange for the licence, CAIXABANK must pay the Banking Foundation an annual fee that will be reviewed each year.

Under the same protocol, Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona "la Caixa" assigned to CAIXABANK and CAIXABANK Group companies, free of charge, the trade marks corresponding to their corporate names and the trade marks related to banking, financial, investment and insurance products and services, except for those that contain the "Miró Star" (Estrella de Miró) graphic design or the "la Caixa" denominative sign, which are covered by the licence. It also assigned the domain names used in use relating to the same company names of CAIXABANK and the companies belonging to the CAIXABANK Group.

Research and innovation

Turning to research and development, CAIXABANK is working on various technological developments in the realm of cyber-security, artificial intelligence, Big Data and blockchain, as well as concept proofs to improve certain services (e.g. customer onboarding and biometrics).

In the realm of artificial intelligence, a major milestone for the Group was the development and implementation of a new assistant for call centres.

Moving to blockchain or DLT (Distributed Ledger Technology), CaixaBank has played an active part in various consortiums. Four entities have successfully developed a prototype MVP (Minimum Viable Product) for managing foreign trade transactions (Project Batavia). The Group also belongs to the Alastria Consortium, a Spanish multi-sector association looking to construct a quasi-public network authorised to drive the adoption of blockchain in the country, with different use cases.

Digital banking: Internet, mobile and imaginBank

Digital channels are now an absolute requirement within the financial markets and CaixaBank works relentlessly to respond to what customers demand of a premium quality bank that is supposed to be innovative, accessible and available anywhere, anytime. Digital banking allows for a closer, more personal and more customised commercial relationship between bank and customer, while also streamlining the workload at branches, which can focus their efforts on the needs of their customers.

In 2017, 57% of CaixaBank's total transactions were completed over the Internet or via mobile banking technologies. In the case of CaixaBank, mobile banking has become the main channel used by customers, with upwards of 4.3 million customers using it every month.

Technology and permanent innovation allow us to optimise our digital banking; a service that must remain simple (everything done in a "click") and ensure a truly excellent user experience. CaixaBank received numerous accolades in 2017 for its tireless efforts in this field. Global Finance named it Best Consumer Digital Bank in Spain and Western Europe and also best bank in a further four categories (Best in Mobile Banking, Best in Social Media, Best Integrated Consumer Bank Site and Best Bill Payment & Presentment). It also received the Model Bank of the Year 2017 award from Celent.

Online banking

CaixaBank was once again the leading player in 2017 when it comes to online banking services in Spain. With over 5.7 million customers, it ranked first in terms of its share of the domestic market and it also topped the international table in relation to the user penetration of its banking services in each country (32.1% at December 2017, according to ComScore). Moreover, and now for the seventh year running, AQmetrix named CaixaBank best bank for service quality.

In 2017, CaixaBank continued to expand its range of products and services to remain on the cutting edge of the digital banking world, enabling the Bank to simplify the decision-making process for customers. Starting this year, customers of the Premier and Private Banking segments can draw up their TimeMap or PlanA through a fully digital experience using Línea Abierta. It is a clear and simple process whereby we conduct a complete diagnosis of the customer’s situation so as to offer them the investment plan best suited to their needs and define a roadmap for achieving their savings and investment objectives.

Also starting this year, our retirement products feature new tools to help customers define their ideal retirement plan through a new pension plan recommender which, in view of the customer’s profile, shows them the plans best suited to their investment profile. This tool already features a number of other functionalities, such as the savings calculator and the retirement simulator.

Meanwhile, nearly three million active customers signed up to the My Finances service in 2017. New functionalities were added during the year, including the option to view and compare expenses by category between different periods, stores or by labels, and create new search filters to provide a more detailed picture of a customer’s expenses. Meanwhile, the Bank made further improvements to the freemium service for customers that do not belong to the high-value groups.

Work also continued in 2017 to enhance the features of Bolsa Abierta online trading, thus cementing its position as a market-leading online brokerage service, with new functions including capital increases, new analytical tools making it easier for customers to reach informed decisions and continuous improvements to the service.

The Bank completed a co-creation project with customers to completely overhaul the system of online transfers, making our customers’ day-to-day banking transactions a much simpler affair. The end product is a much simpler and more usable process. This new service can be added the other services already available, such as our *Cuentas de Confianza* (Trusted Accounts) service, which allows customers to make quick and easy transfers to their main trusted accounts and is now being used by over one million customers, or the new *Traspaso Rápido* (Rapid Transfer) function, so that customers can swiftly transfer funds between their own accounts without the fuss of having to enter the transfers section.

Last but not least, and so as to ensure that everyone has full access to information on the Bank, CaixaBank’s commercial portal was made 100% accessible in 2017, thus meeting the AA accessibility level under the Web Content Accessibility Guidelines 2.0 of the World Wide Web Consortium (W3C) - Web Accessibility Initiative (WAI).

Leading bank in mobile banking

CaixaBank’s mobile banking platform is a sector frontrunner in Spain and an international benchmark. This much is shown by the ComScore ranking, where we scored 30.8% in market penetration (figures at September 2017), making CaixaBank the leading institution in Spain and the second-ranked entity in the international table. CaixaBank also tops the list in the AQmetrix ranking, which assesses the quality of mobile banking services.

For year another year, the scores given to our mobile phone apps by customers are among the best in the sector and CaixaBank leads the ranking of financial apps on the various apps stores from which they can be downloaded.

Key figures here are as follows:

- 4.3 million customers of Línea Abierta mobile banking
- 2,736 million transactions a year
- 3.3 million app downloads a year
- 35.5 million financial alerts sent out

Our CaixaBankPay app, which offers a mobile payments solution utilising NFC technology, was made more compatible with Android devices in 2017, with customers now able to make payments by downloading cards in order to make purchases from Apple Pay. It also allows customers to manage their cards, carry out P2P payments and make purchases at online stores through Masterpass. It has now become the Group's second most downloaded app, with only the CaixaBank app itself ahead. More than 200,000 customers use it on a regular basis, with over 450,000 cards registered since October 2017.

A new app was also launched in the year for the AgroBank segment, giving customers all the latest news on the agricultural and farming sector. The app includes daily news bulletins, as well as details of the Bank's agreements, congresses and events. Customers can also use the app to view the quoted prices of their commodities.

imaginBank has cemented its position as the best financial app in Spain

Two years on from the launch of imaginBank, CaixaBank's mobile-only banking solution, it has become the number-one financial app for the millennial crowd, and is now the best rated financial app on the iOS and Android app stores, with a score of 4.6.

imaginBank now features videoconferencing as an identification method and the registration process is 100% digital for new customers, taking just seven minutes get an imagin account up and running.

The range of financial products and services has been expanded to include imagin&buy insurance on purchases made by card and a new credit card, to name but a few.

Turning to services, and as a reflection of imaginBank's innovation-based approach, highlights in the period included ImaginBoard, allowing P2P payments to be made directly through WhatsApp or through Siri, Apple's virtual assistant, and the incorporation of Apple Pay. In addition to other existing forms of biometric authentication such as fingerprint ID, we now have Face ID as a mean of logging into the app to coincide with the launch the iPhone X.

Following the latest trends in relation to user experience, in 2017 imaginBank launched the first banking chatbot in Spain. Named Gina, the bot offers assistance on banking transactions, answers queries and tickets and provides offers and discounts, all exclusive to imagin customers. Gina is available through the Facebook Messenger app and also through the imaginBank app. The highly innovative app has already received praise from various international institutions, including The Banker, which named imaginBank's chatbot Best Artificial Intelligence Project 2017, and EFMA, which in July 2017 awarded the chatbot the title of innovation of the month.

These latest enhancements have made imaginBank the best rated app in the finance category with a score of 4.6 stars (as rated on Android and iOS mobile app stores).

In this field, which also harnesses cognitive systems and artificial intelligence to offer new services to customers, imaginBank also staged Hack UPC by imaginBank in Barcelona in October 2017. Upwards of 700 students from various Spanish and international universities took part in this three-day event organised jointly by Imagin and the Polytechnic University of Catalonia.

In late 2017, imaginBank launched its brand new imaginer Zone, a community-based environment in which users who have downloaded the app and who are not imaginBank customers can interact with the app and start to enjoy the benefits of being an imaginer.

In December 2017, imaginCafé was unveiled; an initiative championed by CaixaBank and inspired by the values of the imaginBank brand. Lying at the heart of imaginCafé is a physical establishment spanning 1,200 square metres, located in the centre of Barcelona and divided into three main thematic areas: technology, music and design. imaginCafé has therefore become, above all else, a major online and offline platform for digital content, which will be circulated across the Internet and the social networks. imaginCafé should be viewed as new form of interaction between brand and user.

CaixaBank self-service network

Key indicators in respect of ATMs are as follows:

- 9,427 ATMs
- Upwards of 250 services available
- 16 languages
- 641 million transactions
- Market share measured by number of terminals in Spain: 18.22% (3Q 2017)

Work continued in 2017 on the ATM upgrade plan, which will enable the Bank to broaden the range of services available via the machines and enhance the user experience. Key new features here include new payment units, with immediate clearance of funds, replacing the former envelope-based payment units. The new ATMs also allow for the use of contactless technologies, making them easier and quicker to use and reducing waiting times.

Highlights in 2017 included a significant increase in ATM transactions via mobile phone (i.e. without having to use a physical card). This change means our ATMs can now be used by a new generation of customer, who can simply "show" their mobile to the contactless aerial on the ATM, thus saving time and making the whole process much easier. Another example of the interaction between mobile phones and ATMs is the option of withdrawing cash by having a code sent to your phone.

In addition, the ATM network now features different menu and transaction customisation options to tailor them to the specific preferences and requirements of each customer. There is also an "easy Caixa" menu for customers who might otherwise find an ATM rather daunting. Customers can also select what options they want to see on their ATM welcome screen. By default, they will see their most common used transactions. Meanwhile, and in keeping with CaixaBank's social commitment, customers can access specific menus that feature sign language, or high contrast lettering or voice guidance for the visually impaired.

The new ATMs have also become a valuable means of communicating with customers, since the double-screen format and cutting-edge technology allows us to display new video content. Our ATMs are also an extremely useful channel for selling products, because they are easy to use and our range of products and service can be personalised for each customer.

12. TREND INFORMATION

12.1 The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document.

From 31 December 2017 -the date of the last published audited annual accounts- through to the date of this document, there have been no significant changes in the issuer's outlook, except for the matters explained under section 20.6 of this Registration Document, which describes the most recent results to have been published by the Group at 31 March 2018.

12.2 Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year

CaixaBank has reason to believe that the scenarios described below may have a significant impact on the issuer's outlook for 2018:

Global economic climate and markets

The positive trend observed at the close of 2017 (global growth of 3.8%, source: IMF) has continued in 2018 and all indicators suggest that global growth will accelerate this year, reaching levels of just under 4%

(CaixaBank Research forecasts). The factors underpinning this acceleration include: funding conditions that are likely to remain "accommodative", oil prices staying in a reasonable range and, in the emerging markets, the positive outlook for growth is slated to pick up as the Asian markets reach cruising speed and on the gradual recovery of Russia and Brazil.

However, this favourable global macroeconomic outlook is not immune to risk. The main areas of global risk relate chiefly to world trade on fears of an escalation in trade tensions and the emergence of protectionist sentiment. Secondly, macro-financial risk, where we could see new episodes of financial volatility due for instance to the rapid growth in Chinese corporate debt, vulnerabilities in certain emerging markets or further stock market corrections in the US and their impact on global activity. Meanwhile, geopolitical risk remains a genuine cause for concern (North Korea, Middle East, NAFTA negotiations, Brexit, etc.).

Economic scenario - Europe, Spain and Portugal

Eurozone GDP is expected to grow by 2.2% in 2018 (CaixaBank Research forecasts), compared to 2.6% in 2017. In this positive economic context, the ECB has announced the end of its net asset purchasing in December 2018. However, as inflation is likely to continue rising very gradually, the central bank will maintain an accommodative monetary policy based on reinvestment of principal and low interest rates. Despite the overall positive trend, there are several challenges facing the European Union. In the short term, while Brexit negotiations are proving to be a complex affair, CaixaBank Research continues to expect an agreement to be hammered out with the United Kingdom that will ensure a smooth and orderly transition. The support for the Eurosceptic position in Italy is also a risk, although CaixaBank Research believes that the Italian government will ultimately prevent any openly disruptive policies from being implemented that could trigger an even greater financial crisis. On a longer term horizon, the process of European integration should be deepened.

Turning to the Spanish economy, GDP is expected to growth by 3.1% in 2017 (Source: INE) and activity indicators suggest that growth rates will remain high, climbing an estimated 2.8% (CaixaBank Research forecasts) in 2018. All of this in the context of a favourable external environment. Political fragmentation and the uncertainties arising from the national political situation are internal risks affecting the Spanish economy, which may impact its schedule of reforms and fiscal adjustments or hold back the country's economic growth. As a result of these political uncertainties the Bank of Spain estimated in November 2017, that in an extreme scenario in which tensions were to persist throughout 2018, the cumulative impact on growth would be 2.5 pp to 2019. In addition to political factors, there is a consensus that despite the improvement in the labour market, the jobless rate will remain high over the next few months. As the Spanish economy is particularly sensitive to economic conditions in the Eurozone, the main export market for Spanish goods and services, a marked slowdown in the recovery of the euro area could also have a negative impact on Spain's economy.

The Portuguese economy is showing a healthy complexion. CaixaBank Research forecasts point to GDP growth of 2.3% in 2018 and 2.7% in 2017 (source: INE of Portugal). In the past year, the Portuguese risk premium has reduced significantly, reflecting how the growing trust of international investors following the public deficit adjustment seen in the past few years and the country's improved economic outlook. With regard to internal risks affecting the Portuguese economy, political fragmentation could slow or hamper the pace of reform or trigger changes in laws, regulations and policies. Public debt is another source of concern, as it remains very high and restricts the government's room for manoeuvre in the event of future negative shocks. Lastly, while the restructuring of the banking sector is underway, the sector as a whole is still feeling the effect of the large stock of NPLs and reduced profitability.

13. PROFIT FORECASTS OR ESTIMATES

The issuer has opted not include a profit forecast.

14. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

14.1 Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside the issuer where such activities are significant with respect to the issuer:

a) Members of the administrative, management or supervisory bodies;

Members of the administrative bodies of CAIXABANK

The members of the Company's Board of Directors at the date of this Registration Document, the positions they hold on the board, the date of their appointment, the nature of their position, and their business addresses are shown below:

Name	Position	Shareholder represented	Business address
Jordi Gual Solé	Chairman (Proprietary)	"la Caixa" Banking Foundation	Calle Pintor Sorolla, 2-4, 46002-Valencia
Tomás Muniesa Arantegui	Deputy Chairman (Executive)	"la Caixa" Banking Foundation	Calle Pintor Sorolla, 2-4, 46002-Valencia
Gonzalo Gortázar Rotaeche	Chief Executive Officer (Executive)	--	Calle Pintor Sorolla, 2-4, 46002-Valencia
Xavier Vives Torrents	Lead Director (Independent)	--	Calle Pintor Sorolla, 2-4, 46002-Valencia
Fundación CajaCanarias, represented by Natalia Aznárez Gómez	Member (Proprietary)	Fundación Bancaria Caja Navarra, Fundación Cajasol, Fundación CajaCanarias and Fundación Caja de Burgos, Fundación Bancaria.	Calle Pintor Sorolla, 2-4, 46002-Valencia
Maria Teresa Bassons Boncompte	Member (Proprietary)	"la Caixa" Banking Foundation	Calle Pintor Sorolla, 2-4, 46002-Valencia
María Verónica Fisas Vergés	Member (Independent)	--	Calle Pintor Sorolla, 2-4, 46002-Valencia
Alejandro García-Bragado Dalmau	Member (Proprietary)	"la Caixa" Banking Foundation	Calle Pintor Sorolla, 2-4, 46002-Valencia
Ignacio Garralda Ruiz de Velasco	Member (Proprietary)	Mutua Madrileña Automovilista, Sociedad de Seguros a Prima Fija	Calle Pintor Sorolla, 2-4, 46002-Valencia

Javier Ibarz Alegría	Member (Proprietary)	"la Caixa" Banking Foundation	Calle Pintor Sorolla, 2-4, 46002-Valencia
Alain Minc	Member (Independent)	--	Calle Pintor Sorolla, 2-4, 46002-Valencia
María Amparo Moraleda Martínez	Member (Independent)	--	Calle Pintor Sorolla, 2-4, 46002-Valencia
Juan Rosell Lastortras	Member (Independent)	--	Calle Pintor Sorolla, 2-4, 46002-Valencia
Antonio Sáinz de Vicuña y Barroso	Member (Independent)	--	Calle Pintor Sorolla, 2-4, 46002-Valencia
Eduardo Javier Sanchiz Irazu	Member (Independent)	--	Calle Pintor Sorolla, 2-4, 46002-Valencia
José Serna Masiá	Member (Proprietary)	"la Caixa" Banking Foundation	Calle Pintor Sorolla, 2-4, 46002-Valencia
John S. Reed	Member (Independent)	--	Calle Pintor Sorolla, 2-4, 46002-Valencia
Koro Usarraga Unsain	Member (Independent)	--	Calle Pintor Sorolla, 2-4, 46002-Valencia
Óscar Calderón de Oya	General Secretary and Secretary to the Board of Directors (non-director)		Calle Pintor Sorolla, 2-4, 46002-Valencia
Óscar Figueres Fortuna	First Deputy Secretary of the Board of Directors (non-director)	--	Calle Pintor Sorolla, 2-4, 46002-Valencia

In 2017, the Board of Directors of CAIXABANK met on 17 occasions, while from 1 January 2018 up to the date of this document the Board of Directors has met on eight occasions.

At the verification date of this Registration Document, the Board of Directors comprised 18 members. However, on 21 December 2017 CaixaBank announced to the market that Antonio Massanell Lavilla had resigned as Deputy Chairman and member of the Board of Directors, effective as of 31 December 2017. To fill the vacancy, on the same date the Board of Directors resolved, subject to a favourable report from the Appointments Committee and subject to a suitability assessment by the European Central Bank, to appoint Tomás Muniesa Arantegui as a member of the Board of Directors.

Likewise, also at the proposal of the Appointments Committee and subject to verification by the European Central Bank, Mr Muniesa was appointed Deputy Chairman of the Board of Directors and member of the Executive Committee

CaixaBank held its Annual General Meeting on 6 April 2018. The resolutions adopted at the meeting included the following concerning the composition of the Board of Directors:

4. Ratification and appointment of directors:

4.1 Ratification and appointment of Eduardo Javier Sanchiz Irazu.

4.2 Ratification and appointment of Tomás Muniesa Arantegui.

On 26 April 2018, after receiving the ECB's authorisation as to his suitability for office, Mr Muniesa Arantegui accepted his appointment as executive director, Deputy Chairman of the Board of Directors and member of the Executive Committee of CaixaBank.

CAIXABANK management and supervisory bodies

Executive Committee		
Name	**Position**	**Date of first appointment as member of the committee.**
Jordi Gual Solé	Chairman	30 June 2016(4)
Tomás Muniesa Arantegui	Member	1 January 2018(5)
Gonzalo Gortázar Rotaeche	Member	30 June 2014(3)
Javier Ibarz Alegría	Member	26 June 2012
María Amparo Moraleda Martínez	Member	24 April 2014
Antonio Sáinz de Vicuña y Barroso	Member	1 March 2014(2)
Xavier Vives Torrents	Member	27 October 2016
Óscar Calderón de Oya	Secretary (non-member)	1 January 2017
Óscar Figueres Fortuna	First Deputy Secretary (non-member)	23 October 2017

(1) Re-elected on 19 May 2010.
(2) Re-elected on 24 April 2014.
(3) Re-elected on 23 April 2015.
(4) Re-elected on 6 April 2017.
(5) Re-elected on 6 April 2018.

CAIXABANK's Executive Committee met on 22 occasions in 2017, while in 2018 up to the date of this document it has met on 13 occasions.

See section 16.3 of this document for information on the Appointments Committee, the Remuneration Committee, the Audit and Control Committee and the Risks Committee.

b) Partners with unlimited liability, in the case of a limited partnership with a share capital

Not applicable, since the Company is a public limited company (sociedad anónima).

c) Founders, if the issuer has been established for fewer than five years

Not applicable, since the Issuer was incorporated over five years ago.

d) Any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business

CAIXABANK has a Management Committee that currently comprises the Chief Executive Officer and the heads of the different business areas described below:

Name	Position
Gonzalo Gortázar Rotaeche	Chief Executive Officer
Juan Antonio Alcaraz García	Chief Business Officer
Matthias Bulach	Head of Financial Accounting, Control and Capital
Óscar Calderón de Oya	General Secretary and Secretary to the Board of Directors
Francesc Xavier Coll Escursell	Chief Human Resources and Organisation Officer
Jorge Fontanals Curiel	Head of Resources
María Luisa Martínez Gistau	Executive Director of Communication, Institutional Relations, Brand and CSR
María Victoria Matía Agell	Head of International Banking
Jordi Mondéjar López	Chief Risks Officer
Tomás Muniesa Arantegui	Chief Insurance and Asset Management Officer
Javier Pano Riera	Chief Financial Officer
Joaquim Vilar Barrabeig	Deputy General Manager of Internal Audit

The nature of any family relationship between any of those persons

It is stated for the record that there is no family relationship of any kind between the members of the administrative, management and supervisory bodies and the members of the Management Committee.

Jordi Gual Solé

Chairman

Jordi Gual Solé, born in Lleida in 1957, has served as Chairman of CaixaBank since 2016.

Prior to assuming this position, he was Head of Strategic Planning and Studies for CaixaBank and Director General of Planning and Strategic Development for CriteriaCaixa. He joined the "la Caixa" group in 2005.

He holds a PhD in Economics (1987) from the University of California at Berkeley and is a professor of Economics at the IESE Business School and a Research Fellow at the Centre for Economic Policy Research (CEPR) in London.

He has served as an economics advisor for the European Commission's Directorate-General for Economic and Financial Affairs in Brussels and as a visiting professor at the University of California at Berkeley.

He currently sits on the board of directors of Telefónica and Repsol and on the Oversight Committee at Erste Bank. He is a member of the Market Monitoring Group of the Institute of International Finance (IIF). He is also a member of the Board of the European Corporate Governance Institute, Chairman of FEDEA, Vice President of the Círculo de Economía and serves on the boards of the CEDE Foundation, the Institució Cultural del CIC, Real Instituto Elcano and Fundación Cotec para la Innovación.

In 1999, he was awarded the research prize from the European Investment Bank and in 1979 the special award as part of his degree in economic and business sciences.

Tomás Muniesa Arantegui

Deputy Chairman

Tomás Muniesa, born in Barcelona in 1952, has been Deputy Chairman at CaixaBank since April 2018.

He holds a degree in Business Studies and a Master of Business Administration from the ESADE Business School.

He also serves as CaixaBank's Chief Insurance and Asset Management Officer. He joined "la Caixa" in 1976 and was appointed Deputy General Manager 1992 and General Manager of Caixabank in 2011. He is also Executive Deputy Chairman & CEO of VidaCaixa de Seguros y Reaseguros, Deputy Chairman of SegurCaixa Adeslas, de Seguros y Reaseguros, Second Deputy Chairman of UNESPA, member of the board of trustees of the ESADE Foundation and board member and chairman of the Audit Committee of Consorcio Compensación de Seguros.

Prior to that, he served as Chairman of MEFF (Sociedad Rectora de Productos Derivados) and Deputy Chairman of BME (Bolsas y Mercados Españoles). He was also Alternate Director of Grupo Financiero Inbursa in Mexico.

Gonzalo Gortázar Rotaeche

Chief Executive Officer

Gonzalo Gortázar Rotaeche, born in Madrid in 1965, has been CEO of CaixaBank since June 2014.

Mr Gortázar holds a degree in Law and Business from Universidad Pontificia de Comillas (ICADE) and an MBA with distinction from the INSEAD Business School.

He is currently First Vice-Chairman at Repsol, board member at Banco BPI and Chairman of VidaCaixa. He sat on the boards of Grupo Financiero Inbursa and Erste Bank until October 2016.

Mr Gortázar served as CaixaBank's Chief Financial Officer prior to being appointed CEO in June 2014. Before that, he was CEO of Criteria CaixaCorp between 2009 and June 2011. From 1993 to 2009, he worked at Morgan Stanley in London and Madrid, holding several posts in the investment banking division and leading the European Financial Institutions Group until he joined Criteria in mid-2009.

Previously, he held various corporate banking and investment banking positions at Bank of America.

Xavier Vives Torrents

Lead independent director

Xavier Vives Torrents was born in Barcelona in 1955. He has been a member of the CaixaBank Board of Directors since 2008 and Lead Director since 2017.

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 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, Pennsylvania 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 New York Federal Reserve, the European Commission (where he was Special Advisor to the EU Vice President and Competition Commissioner, Joaquín Almunia). He is also a member of CARE (Advisory Council for Economic Recovery and Growth) of the Government of Catalonia and has advised many 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 and was a Duisenberg Fellow at the European Central Bank in 2015.

He is currently a trustee at Fundación Aula, a member of the European Academy of Sciences and Arts and of Academia Europaea, and a Research Fellow of the CESifo and the Centre for Economic Policy Research. He has been a Fellow of the European Economic Association since 2004 and a Fellow of the Econometric Society since 1992. He is the Chairman of EARIE (European Association for Research in Industrial Economics) for 2016-2018.

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 Catalonian 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.

Natalia Aznárez Gómez

Representative of the CajaCanarias Foundation

Natalia Aznárez Gómez, born in Santa Cruz de Tenerife in 1964, has represented Fundación CajaCanarias on CaixaBank’s Board of Directors since February 2017.

She holds a degree in Business and Commercial Management from Universidad de Málaga and Diploma in Business (specialising in accounting and finance) from Universidad de La Laguna. She has taught accounting and finances at Universidad de La Laguna.

She began her career by collaborating with the General Management of REA METAL WINDOWS, to launch the distribution of their products in Spain. In 1990, she joined the CajaCanarias marketing department. In 1993, Natalia Aznárez assumed leadership of the CajaCanarias individual customers segment, participating in the development of financial products and campaigns, the development and implementation of a CRM tool, and the personal banking and private banking service. She subsequently took the helm of the marketing division.

In 2008, she was named deputy director of CajaCanarias, heading up management of human resources at the bank. In 2010, she became Deputy General Manager at CajaCanarias. After Banca Cívica acquired all the assets and liabilities of CajaCanarias, Natalia Aznárez became General Manager at CajaCanarias as the financial institution indirectly carrying out the financial activity. Following the entity’s transformation into a banking foundation, she served as General Manager until 30 June 2016.

She has actively served on several committees in the savings bank sector, including the executive committee of the Savings Bank Association for Labour Relations (Asociación de Cajas de Ahorros para Relaciones Laborales, ACARL), the Euro6000 Marketing Committee, and the marketing committee and the human resources committee of the Spanish Confederation of Savings Banks (Confederación Española de Cajas de Ahorros, CECA). She has also held several positions at foundations.

She is currently chair of the CajaCanarias employee pension plan control committee, vice-chair of the Cristino de Vera Foundation, secretary of the CajaCanarias Business Learning and Development Foundation, and director of the CajaCanarias Foundation.

Maria Teresa Bassons Boncompte

Director

Maria Teresa Bassons Boncompte (Cervelló, 1957) has served on the Board of Directors of CaixaBank since June 2012. She is also a member of the Advisory Committee of Caixa Capital Risc.

She holds a B.A. in Pharmacy Studies from the University of Barcelona (1980); majoring in hospital pharmacy. She holds a pharmacy license.

Ms Bassons has been a member of the Barcelona Chamber of Commerce’s Executive Committee since 2002, and the Chair of its Enterprise Commission for the Health Sector.

She is a member of the Oncolliga Scientific Committee and of the Board of Directors of Bassline, S.L. She is also a director at TERBAS XXI, S.L.

She served on the Board of Directors of Criteria CaixaHolding from July 2011 to May 2012, as a director of Caixa d’Estalvis i Pensions de Barcelona “la Caixa” from April 2005 to June 2014 and as trustee of the Caixa d’Estalvis i Pensions de Barcelona “la Caixa” Banking Foundation from June 2014 to June 2016.

She has also served as Vice-President of the Barcelona Board of Pharmacists (1997-2004) and as Secretary-General to the Board of Catalonia Pharmacists Associations (2004-2008).

She was a member of the Advisory Board on Smoking of the Catalonia Health Department (1997-2006) and of the Catalonia Bioethics Advisory Committee (2005-2008).

She was Director of the 1995 and 1997 INFARMA international medical & pharmaceutical trade fairs at Fira de Barcelona, and Director of the “Circular Farmacéutica” and “l’Informatiu del COFB” journals for 12 years.

The General Board of the Spanish Pharmacists Associations gave her the Professional Merit Award in 2008. is a Member of the Royal Academy of Economics and Finance.

Maria Verónica Fisas Vergés

Director

Born in Barcelona in 1964, Verónica Fisas has served on the Board of Directors of CaixaBank since February 2016.

She holds a degree in Law and a Master in Business Administration. She joined Natura Bissé very early in her career, thus acquiring extensive knowledge of the company and of all its departments.

She has been the CEO of the Board of Directors of Natura Bissé and the General Director of the Natura Bissé Group since 2007. Since 2008, she has also been a trustee of Ricardo Fisas Natura Bissé Foundation.

In 2001, as the CEO of the United States subsidiary of Natura Bissé, she was responsible for the expansion and consolidation of the business, and obtained outstanding results in product distribution and brand positioning.

In 2009 she joined the Board of Directors of Stanpa, Asociación Nacional de Perfumería y Cosmética. In 2012 she was named Vice Chair of Stanpa and Chair of the Association’s Committee of Professional Aesthetics. She received the Work-Life Balance Award at the 2nd Edition of the National Awards for Women in Management in 2009, and the IWEC Award (International Women’s Entrepreneurial Challenge) for her professional career, in 2014. In November 2017, the magazine Emprendedores recognised Verónica Fisas with the award of “Woman Executive of the Year”.

She received the Work-Life Balance Award at the 2nd Edition of the National Awards for Women in Management in 2009, and the IWEC Award (International Women's Entrepreneurial Challenge) for her professional career, in 2014.

Alejandro García-Bragado Dalmau

Director

Born in Girona in 1949, he has sat on CaixaBank's Board of Directors since January 2017.

He graduated in law from the University of Barcelona. After becoming a State Attorney in 1974 he first worked in Castellón de la Plana before moving to Barcelona in late 1975.

In 1984 he requested an extended leave of absence to become the Barcelona Stock Exchange's legal advisor and in 1989, once the stock exchange became a company, was appointed Secretary to the Board of Directors while continuing to practice law.

In 1994 he left the Barcelona Stock Exchange to concentrate on the legal profession and to provide legal advice to "la Caixa". In 1995 he was appointed Deputy Secretary to the Board of Directors and then Secretary in 2003. He was appointed Deputy Director in 2004 and then Executive Director in 2005. He served as Deputy Chairman and Deputy Secretary to the Board of Trustees of Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona "la Caixa" from June 2014 through to December 2016.

At CaixaBank, he was Secretary (non-director) of the Board of Directors from May 2009 to December 2016, and General Secretary from July 2011 through to May 2014.

He was also Secretary to the Board of Directors of La Maquinista Terrestre y Marítima, SA, Intelhorce, Hilaturas Gossipyum, Abertis Infraestructuras, SA, Inmobiliaria Colonial, SA and Sociedad General de Aguas de Barcelona, SA, to name but a few.

He has been First Deputy Chairman at CriteriaCaixa since June 2014 and board member of Saba Infraestructuras since June 2018. He also sat on the Board of Directors of Gas Natural SDG, SA from September 2016 through to May 2018.

Ignacio Garralda Ruiz de Velasco

Director

Ignacio Garralda Ruiz de Velasco, born in Madrid in 1951, has been a director at CaixaBank since 2017.

He holds a degree in law from Universidad Complutense in Madrid. He has been a notary public on leave of absence since 1989.

He started his career working as a chartered trade broker from 1976 through to 1982, whereupon he became a member of the Stockbrokers Association of Madrid and continued to work in that field through to 1989. He was the founding partner of AB Asesores Bursátiles, S.A, Sociedad, serving as Deputy Chairman until 2001. He was also Deputy Chairman of Morgan Stanley Dean Witter, SV, S.A. from 1999 to 2001 and Chairman of Bancoval, S.A. from 1994 to 1996. He sat on the Governing Board of the Madrid Stock Exchange from 1991 to 2009.

He is currently Chairman and CEO of Mutua Madrileña Automovilista. He has been a board member since 2002 and a member of the Executive Committee since 2004. He presently serves as its Chairman and also chairs the Investments Committee.

He is the First Deputy Chairman of Bolsas y Mercados Españoles (BME) and sits on the Board of Administración de Endesa, S.A., also chairing the company's Audit Committee since 2016.

He is also Chairman of Fundación Mutua Madrileña and sits on the Board of Trustees of Fundación Princesa de Asturias, of Museo Reina Sofía, of Teatro Real, of Real Instituto Elcano, of CEDE and of Pro Real Academia Española. He is the founder and current Deputy Chairman of Fundación Lealtad 2001.

Javier Ibarz Alegría

Director

Javier Ibarz Alegría (Barcelona 1953) has been a member of the Board of Directors of CaixaBank since 2012. He was general director and member of the Board of Directors of Caja de Ahorros y Pensiones de Barcelona ("la Caixa") until June 2014 and trustee of the "la Caixa" Foundation until October 2014. He has also sat on the Board of Directors of VidaCaixa since 2014.

He graduated in industrial engineering from the Terrassa Technical School of Industrial Engineers, and holds a university master's degree in Industrial Engineering. He completed the Senior Program in Business and Senior Management at the IAD. Since 2013 he has been accredited as a qualified technician in preparing self-protection plans. In 2002, he obtained the title of Environmental System Manager from the European Organization for Quality and he has taken multiple postgraduate courses in construction, structures, industrial facilities, urbanisation and infrastructure. He has given various training courses for board members.

He has worked widely as an industrial engineer since 1982. From 1993 until late 2013 he enjoyed great success as Head of Products and R&D+i, and of the Operations Area and then as managing director at a leading international solar protection company.

Since 2003, he has been the General Director and a charter member of EIGMA, S.L., a company that specialises in industrial advice, infrastructure and urbanisation, environmental management and packaging. Since 1994 he has been Head of Safety and Facilities and Emergency Plan Manager at Teatre Fortuny de Reus.

He has published various articles and given conferences on the influence of solar protection and energy savings, on solar protection systems and on the environment and environmental management.

Alain Minc

Director

Alain Minc (Paris, 1949) has been a member of CaixaBank's Board of Directors since 2007.

He is Chairman and CEO of his own consultancy firm, AM Conseil.

He 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 Industriali Riunite International and General Manager of Cerus (Compagnies Européennes Réunies).

He was also finance inspector and CFO at French industrial group Saint-Gobain.

He is currently Chairman of Sanef.

He has been named Commandeur de la Légion d' Honneur and Commander of the British Empire and was awarded 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: historie 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 historie politique des intellectuels (2011); Un petit coin de paradis, L'Âme des Nations (2012); L' Homme aux deux visage (2013); Vive l'Allemagne (2013); Le mal français n'est plus ce qu'il était (2014); and* Un Français de tant de souches (2015).

María Amparo Moraleda Martínez

Director

María Amparo Moraleda (Madrid, 1964) has been a member of CaixaBank's 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: Solvay, S.A. (since 2013), Airbus Group, S.E. (since 2015) Vodafone Group (since 2017).

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 SAP Ibérica (since 2013) and of Spencer Stuart (since 2017).

Between 2012 and 2017, she was a member of the board of directors of Faurecia, S.A. and member of the Advisory Board of KPMG España (since 2012).

Between January 2009 and February 2012 she was Chief Operating Officer of Iberdrola'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 General Manager at IBM Spain and Portugal between July 2001 and January 2009. The reach of her division was subsequently extended to encompass 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 she was General Manager at INSA (a subsidiary of IBM Global Services). From 1995 to 1997 she was Head of HR for EMEA at IBM Global Services and from 1988 to 1995 she held various offices 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 Instituto de Empresa.

In December 2015 she was named full academic member of Real Academia de Ciencias Económicas y Financieras.

In 2005 she was inducted into the Women in Technology International (WITI) organisation's Hall of Fame, which recognises, honours, and promotes the outstanding contributions women make to the scientific and technological communities that improve and evolve society. 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).

John S. Reed

Director

John Reed (Chicago, 1939) has been a member of CaixaBank's Board of Directors 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 Arts and Sciences 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 at MIT to study a Master in Science.

John Reed worked for Citibank/Citicorp and Citigroup for 35 years, holding the position of President for the last 16 before retiring in April 2000.

From September 2003 to April 2005, he returned to work as the Chairman of the New York Stock Exchange and was Chairman of the MIT Corporation from May 2010 to October 2014.

He was appointed Chairman of the Board of American Cash Exchange in February 2016.

John Reed is trustee of the Boston Athenaeum and of the NBER, and of the Boston Symphony Orchestra. He is also a member of the board of the American Academy of Arts and Sciences and the American Philosophical Society.

Juan Rosell Lastortras

Director

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 Universidad Complutense in Madrid. He is currently Chairman of Congost Plastic.

During his professional career, Mr Rosell 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 Gas Natural, S.D.G, S.A., Agbar, Endesa, Endesa Italia S.p.A., Siemens España and Applus Servicios Tecnológicos.

In addition, he is Chairman of the Spanish Confederation of Business Organisations (CEOE), a member of the Mont Pelerin Society, and Deputy Chairman of Business Europe.

He 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. He was also named a Commander of the Order of Merit of the Italian Republic and was handed the Keys to the City of Barcelona and the Tiepolo Prize.

Antonio Sáinz de Vicuña y Barroso

Director

Antonio Sainz de Vicuña y Barroso (Barcelona, 1948) has been a member of CaixaBank's Board of Directors since 2014.

He earned his degree in Law and Economic and Commercial Science from Universidad Complutense in Madrid (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 legal advisor to the Spanish 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. He then worked at the European Central Bank from June 1998 to November 2013, where he was General Counsel and Director of 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 spoken at numerous financial conferences and has published a monography on “State Contracts in International Law” (Ed. Ministerio de Asuntos Exteriores, 1986) and some 30 legal articles in specialist publications. He has been awarded the Order of Isabella the Catholic (1987) for his services in helping Spain join the European Community, and also the Order of Civil Merit (2014).

Eduardo Javier Sanchiz Irazu

Director

Eduardo Javier Sanchiz Irazu was born in Vitoria in 1956. He has been a member of the CaixaBank Board of Directors since 2017.

He holds a degree in economics the University of Deusto, San Sebastián campus, and a Master’s Degree in Business Administration from the Instituto Empresa in Madrid.

He was Chief Executive of Almirall since July 2011 until 30 September 2017. During this period, the company underwent a significant strategic transformation with the aim of becoming a global leader in skin treatment.

Previously, after jointing Almirall in May 2004, he was executive director of Corporate Development and Finance and Chief Financial Officer In both positions, Eduardo led the company’s international expansion through a number of alliances with other companies, and through licensing of external products, in addition to five acquisitions of companies and product portfolios. He also coordinated the IPO process in 2007.

He was a member of the Almirall Board of Directors from January 2005 and member of the Dermatology Committee from its creation in 2015.

Prior to joining Almirall, he worked for 22 years (17 outside Spain) at Eli Lilly & Co, an American pharmaceutical company, in finance, marketing, sales and general management positions. He was able to live in six different countries and some of his significant positions include General Manager in Belgium, General Manager in Mexico and, in his last position in the company, Executive Officer for the business area that encompasses countries in the centre, north, east and south of Europe.

He was a member of the American Chamber of Commerce in Mexico and of the Association of Pharmaceutical Industries in a number of countries in Europe and Latin America.

José Serna Masiá

Director

José Serna Masiá (Albacete, 1942) has been a member of CaixaBank's Board of Directors since July 2016.

After earning his degree in law at Universidad Complutense in Madrid in 1964, he started working at legal advisory firm Butano, S.A. (1969/70).

In 1971 he became a State Attorney, providing services at the State Attorney's Office for Salamanca and at the Ministries for Education and Science and Finance. He then joined the Adversary Proceedings Department of the State at the Audiencia Territorial de Madrid (now the Tribunal Superior de Justicia - High Court of Justice), before taking leave of absence in 1983.

From 1983 to 1987 he was legal counsel to the Madrid Stock Exchange. In 1987, he became a stockbroker at Barcelona Stock Exchange and was appointed secretary of its Governing Body. He took part in the stock market reform of 1988 as Chairman of the company that developed the new Barcelona Stock Exchange and also as a member of the Advisory Committee to the recently created Comisión Nacional del Mercado de Valores, the Spanish securities market regulator.

In 1989, he was appointed Chairman of Barcelona Stock Exchange, an office he held for two consecutive terms through to 1993. From 1991 to 1992, he was Chairman of Sociedad de Bolsas de España, the umbrella company of the four Spanish Stock Exchanges, and Deputy Chairman of Mercado Español de Futuros Financieros, located in Barcelona. He was also Deputy Chairman of Fundación Barcelona Centro Financiero and of Sociedad de Valores y Bolsa Interdealers, S.A.

In 1994, he became a stockbroker and member of the Association of Chartered Trade Brokers of Barcelona.

He sat on the Board of Directors of ENDESA from 2000 to 2007 and was also a member of its Control and Audit Committee, which he chaired from 2006 to 2007. He was also a board member of the companies ENDESA Diversificación and ENDESA Europa.

He worked as a notary in Barcelona from 2000 through to 2013.

Koro Usarraga Unsain

Director

Koro Usarraga Unsain (San Sebastián, 1957) has been a member of CaixaBank's Board of Directors since 2016.

She holds a degree in Business Administration and a Masters in Business Management from ESADE, took the PADE (Senior Management Programme) at IESE and is a qualified chartered accountant.

She was an independent Director of NH Hotel Group from 2015 to October 2017.

She worked at Arthur Andersen for 20 years and in 1993 was appointed partner of the audit division.

In 2001, she assumed responsibility for the General Corporate Management of Occidental Hotels & Resorts, a group with significant international presence and specialising in the holiday sector. She was responsible for the finance, administration and management control departments, as well as IT and human resources.

She was General Manager of Renta Corporación, a real estate group specialising in the purchase, refurbishment and sale of properties.

She has been shareholder and administrator of the company 2005 KP Inversiones, S.L. since 2005, which invests in companies and offers management consultancy services.

Details of relevant management expertise and experience of the members of the Management Committee (except those who also sit on the Board of Directors)

Under the provisions of Bank of Spain Circular 4/2004, key management personnel and executives at CaixaBank are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including all members of the Board of Directors and Senior Management. Due to their posts, the members of this collective are considered “related parties” and, as such, are subject to certain reporting requirements.

Therefore, the members of the Executive Committee are considered the Senior Management of CaixaBank.

In accordance with the terms of Article 9 of Spanish Royal Decree 1333/2005 of 11 November, the CNMV is sent Notifications of Voting Rights of their transactions involving the CaixaBank share, since they are considered the Senior Management.

Juan Antonio Alcaraz

Chief Business Officer

Juan Antonio Alcaraz (Madrid, 1961) has been a member of CaixaBank’s Management Committee since June 2011.

He holds a degree in Economics and Business Management from Cunef (Madrid’s Complutense University) and a Master of Business Administration from the IESE Business School.

He joined “la Caixa” in December 2007 as Chief Business Officer. He is currently head of the following business units at CaixaBank: Retail Banking (branch network), Personal Banking, Private Banking, Electronic Banking, Quality, Development and Innovation, Business Banking and Wholesale Banking (Corporate and Investment Banking). He is also Chairman of CaixaBank Payments and sits on the Board of Directors of CaixaBank Consumer Finance and SegurCaixa Adeslas.

Over the course of a lengthy career he has served as General Manager of Banco Sabadell (2003-2007), where he was responsible for the Business Network, International Network and Wholesale Banking (Corporate and Investment Banking). Prior to that, he was Deputy General Manager of Santander and Central Hispano (1990-2003), where he was responsible for the Commercial Banking Network and Business Banking in Catalonia (1998-2003). From 1995 to 1998 he was responsible for the Regional Division of Aragón and from 1990 to 1995 for the creation of the Business Branch Network.

Matthias Bulach

Head of Financial Accounting, Control and Capital

Matthias Bulach, born in Schramberg (Germany) in 1976, has been a member of CaixaBank’s Management Committee since November 2016.

He holds a Master of Business Administration (2004-2006) from the IESE Business School (Universidad de Navarra).

He also holds a degree in Economic Science (1997-2002) from the University of St. Gallen (Switzerland).

He was previously Corporate Manager of Planning and Capital at CaixaBank, He was responsible for capital management and solvency monitoring, balance sheet planning, results planning and capital performance, and monitoring of commercial activity.

He is presently Head of Audit, Management and Capital Control. Head of Planning and Capital, Corporate Information and Investee Control, Audit, Accounting and Budget Management.

He sits on the Board of Directors of CaixaBank Asset Management and is Chairman of its Audit Committee. He is also a member of the Board of Directors of BuildingCenter, S.A.

He headed the Economic Analysis Desk at “la Caixa” from 2006 through to 2012 and before that (2002-2006) was Senior Associate at McKinsey & Company.

Óscar Calderón de Oya

General Secretary and Secretary to the Board of Directors

Born in Barcelona in 1971, he has been General Secretary since 2014 and Secretary to the Board of Directors of CaixaBank since 2017.

He holds a degree in Law from the University of Barcelona (1994). State Lawyer (1998).

He has also been State Lawyer at the High Court of Justice (Tribunal Superior de Justicia) of Catalonia, where he represented and defended the Spanish State in civil, criminal and employment cases and in adversary proceedings involving public bodies. He was a member of the Provincial Compulsory Purchase Tribunal (1999-2002). State Lawyer, Secretary of the Catalan Regional Administrative Court for Tax and Economic Appeals (2002-2003). He was a lawyer attached to the General Secretary’s Office of Caja de Ahorros y Pensiones de Barcelona (“la Caixa”) (2004); Deputy Secretary to the Board of Directors of Inmobiliaria Colonial, S.A. (2005-2006); Secretary to the Board of Directors of Banco de Valencia (March-July 2013); and Vice-Secretary to the Board of Directors of Caja de Ahorros y Pensiones de Barcelona (“la Caixa”) until June 2014. He was also trustee and Vice-Secretary of the “la Caixa” Foundation through to its dissolution in 2014 and secretary to the Board of Trustees of the “la Caixa” Banking Foundation up until October 2017.

Óscar Calderón de Oya is trustee and Secretary to the Board of Trustees of Fundación del Museo de Arte Contemporáneo de Barcelona (MACBA). He is also Secretary of Fundación de la Economía Aplicada (FEDEA).

Francesc Xavier Coll Escursell

Chief Human Resources and Organisation Officer

Francesc Xavier Coll (Granollers, 1956) has been a member of CaixaBank’s Management Committee since June 2011.

He holds a degree in Medicine from the University of Barcelona and a Master of Business Administration (MBA) from the University of Chicago and also a Master of Public Health (MPH) from Johns Hopkins University. He was a recipient of the “la Caixa” Fulbright Scholarship.

He is currently Chief Human Resources and Organisation Officer. He was previously Deputy Chief Human Resources and Organisation Officer and Executive Director of Human Resources at “la Caixa” and has sat on its Management Committee since March 2007.

He has over 30 years of experience in the international health sector, in multilateral development banking and in the financial sector.

He has worked in the United States, Luxembourg and Spain.

Prior to joining CaixaBank, he was Director of the President’s Office and Vice President of Human Resources at the World Bank and Director of Human Resources at the European Investment Bank.

Jorge Fontanals Curiel

Head of Resources

Jorge Fontanals (Barcelona, 1958) has been a member of CaixaBank's Management Committee since July 2014.

He holds a degree in Business Administration and Management and completed an AMP – Advanced Management Program at the ESADE Business School.

From 2011 until his appointment as Head of Resources he served as Corporate Manager of IT Services at CaixaBank, prior to which he was head of Multichannel Information Systems.

Before that, he was Deputy General Manager of Architecture and Infrastructure and Head of IT Architecture at SILK.

Going back further, he served as Head of Architecture, Head of the Branch Channel and Head of Information Systems for Channels. He also held various positions in the technical realm, including department head at "la Caixa" at various points in time.

He was General Manager at e-CT MultiCaixa, Head of Organisation and Systems at e-laCaixa and Account Manager at EDS España and TecnoCaixa.

He currently sits on the boards of the following companies: CaixaBank Facilities Management, SILK Aplicaciones and SILC Immobles, S.A.

María Luisa Martínez Gistau

Executive Director of Communication, Institutional Relations, Brand and CSR

She holds a degree in Modern History from the University of Barcelona and in Information Sciences from Barcelona Autonomous University. She has also completed the Senior Management Program (PADE) at the IESE Business School.

She joined "la Caixa" in 2001 to head up media relations. In 2008 she was appointed Head of Communication with responsibility for corporate communication and institutional management with the media. In 2014 she was appointed Corporate Head of Communication, Institutional Relations, Brand and CSR and in November 2016 she became Executive Director of Communication, Institutional Relations, Brand and CSR. She has sat on CaixaBank's Management Committee since April 2016.

María Luisa Martínez Gistau is also the chair of Dircom Cataluña, the professional association for communication directors and professionals from companies, institutions and consultancies.

María Victoria Matía

Head of International Banking

María Victoria Matía (Barcelona, 1961) has been a member of CaixaBank's Management Committee since January 2015.

She earned her degree in Economics from the University of Barcelona in 1986.

She joined "la Caixa" in 1984, where she has held various positions before being appointed Head of International Banking in 2015.

Over the course of her career she has held senior positions at various companies: CaixaCard and M2P – Chair (2012-2016) and now director of CaixaBank Payments; CaixaBank Digital Business (channels subsidiary of CaixaBank) - Chair (2005-2016); Comercia (Joint Venture with Global Payments) - Director (2010-present); Comercia Global Payments Brazil (Joint Venture with Global Payments) - Director (2013-present).

Jorge Mondéjar López

Chief Risks Officer

Jordi Mondéjar (Darmstadt, 1968) has been a member of CaixaBank's Management Committee since July 2014.

He holds a degree in Economics and Business Management (1986-1991) from the University of Barcelona, specialising in Business Economics.

He is an accounts auditor listed on the Official Register of Auditors of the Spanish Accounting and Audit Institute.

He worked at Arthur Andersen and at Cia S. Com. from 1991 through to 2000, where he specialised in financial audits at financial institutions and other regulated entities.

He joined "la Caixa" in 2000 and has served as Head of Financial Accounting, Control and Capital.

He has been Chief Risks Officer since 22 November 2016, where his duties include: Global Risk Management, Analysis and Approval (legal persona and individuals), Model Validation and Management of Foreclosed Assets.

Javier Pano Riera

Chief Financial Officer

Javier Pano (Barcelona, 1962) has sat on CaixaBank's Management Committee since October 2013.

He holds a degree in Business Studies and a Master of Business Administration from the ESADE Business School.

He has been Chief Financial Officer (CFO) at CaixaBank since July 2014. He is responsible for Market making for bonds and derivatives (Trading books), ALM (banking books), liquidity management and Investor Relations. He also acts as Chairman of the ALCO.

He has sat on the Board of Directors of Banco BPI and chaired its Risks Committee since 2017.

Previously, he held senior positions at various entities: Croissant Express (1985-1987); Gesindex, SGIIC - General Manager (1987-1993); "la Caixa" (currently CaixaBank) - Director of Asset Management (1993-1996) and GesCaixa/InverCaixa, SGIIC: General Investments Manager (1996-2004) and from 2004 to July 2014 as Head of Treasury and Capital Markets at CaixaBank.

Joaquim Vilar Barrabeig

Deputy General Manager of Internal Audit

Joaquim Vilar (Barcelona, 1960) has sat on CaixaBank's Management Committee since June 2011.

He holds a Degree in Business Studies and a Master of Business Administration and Management from the ESADE Business School (1979-1984 cohort).

He has been Deputy General Manager of Internal Audit since 2011. He joined the “la Caixa” in 1996 as Head of Management Control and has sat on its Management Committee since 2004. He previously served as General Controller and Head of Finance.

Between 1985 and 1996 he was an auditor and advisor to financial institutions at Arthur Andersen.

In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person mentioned in points (b) and (d) of the first subparagraph, details of that person’s relevant management expertise and experience and the following information:

a) The names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies

The following table shows the information provided by the members of the Board of Directors in relation to the companies and associations at which those persons have been a member of the administrative, management, or supervisory bodies at any time, over the last five years, except for: (i) those companies that are merely holding vehicles or family-owned businesses; (ii) all the subsidiaries of an issuer of which the person is also a member of the administrative, management, or supervisory body; or (iii) companies belonging to the CaixaBank Group.

Director	Company	Position	Company represented	Period or current
Jordi Gual Solé	ERSTE GROUP BANK, AG	Member of the Supervisory Board		Current
	TELEFÓNICA, SA	**Director**		**Current**
	REPSOL, SA	**Director**		**Current**
Tomás Muniesa Arantegui	BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A.	Deputy Chairman	-	April 2005 - January 2014
	CONSORCIO DE COMPENSACIÓN DE SEGUROS	Director and Chairman of the Audit Committee	-	Current
	GDS RISK SOLUTIONS, CORREDURÍA DE SEGUROS, S.L.	Director	-	January 2012 - February 2015
	GRUPO FINANCIERO INBURSA	Alternate Director	-	2008 – February 2017
	MEFF SOCIEDAD RECTORA DE PRODUCTOS DERIVADOS, S.A.U.	Chairman	-	June 2005 - January 2014

	MEFF EUROSERVICES, S.V. S.A.U.	Chairman	-	June 2005 - January 2014
	SEGURCAIXA ADESLAS, S.A. DE SEGUROS Y REASEGUROS (JOINTLY CONTROLLED)	Deputy Chairman		Current
	VITHAS SANIDAD, S.L.	Director	**-**	**December 2011 – February 2018**
	BOURSORAMA, S.A.	Director	CAIXABANK, SA	January 2012 – June 2015
	ESADE CREÀPOLIS	Director		February 2014 - November 2015
	UNESPA	Second Deputy Chairman		Current
	FUNDACIÓN ESADE	**Trustee**		**Current**
	COMPANHIA DE SEGUROS ALLIANZ PORTUGAL, S.A.	**Director**		**Current**
Gonzalo Gortázar Rotaeche	GRUPO FINANCIERO INBURSA	Director	-	July 2014 - October 2016
	REPSOL, YPF, S.A.	First Deputy Chairman		Current
	ERSTE BANK (Erste Group Bank, AG)	Member of the Supervisory Board		May 2015 - October 2016
	SEGURCAIXA ADESLAS, S.A. DE SEGUROS Y REASEGUROS (JOINTLY CONTROLLED)	Director	-	September 2009 – July 2014
	HISUSA-HOLDING DE INFRAESTRUCTURAS Y SERVICIOS URBANOS, S.A.	Director	-	June 2010 - November 2013
	ABERTIS INFRAESTRUCTURAS, S.A.	Director	-	May 2011 - February 2013
Fundación Caja Canarias	CELERIS SERVICIOS FINANCIEROS, S.A.	Director	-	until June 2014
	CASER SEGUROS, S.A.	Director	-	until June 2014
María Teresa Bassons Boncompte	**LABORATORIOS ORDESA, S.L.**	**Director**		**Current**
Maria Verónica Fisas Vergés	NATURA BISSÉ Int. S.A. (Spain)	Chief Executive Officer		Current

Alejandro García-Bragado Dalmau	NATURA BISSÉ Inc. Dallas (USA)	Chairman and Secretary of the Board of Directors		Current
	NATURA BISSÉ Int. S.A. de CV (Mexico)	Chairman of the Board of Directors		Current
	NATURA BISSÉ Int. Ltd. (UK)	Director		Current
	NATURA BISSÉ Int. FZE (Dubai) (Dubai Airport Free Zone)	Director		Current
	FEED YOUR SKIN, S.L. (Spain)	Director		January 2013 – October 2016
	NB SELECTIVE DISTRIBUTION, S.L.	Joint and several director		Current
	STANPA (Asociación Nacional de Perfumería y Cosmética)	Deputy Chairman and member of the Management Board		Current
	GAS NATURAL, S.A.	Director		September 2016 – May 2018
	CRITERIA, CAIXA, SA	**Deputy Chairman**		**Current**
	Saba Infraestructuras	**Director**		**Current**
Ignacio Garralda Ruiz de Velasco	MUTUA MADRILEÑA AUTOMOVILISTA, SOCIEDAD DE SEGUROS A PRIMA FIJA	Chairman and Chief Executive		Current
	ENDESA, S.A.	Director		Current
	BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A.	First Deputy Chairman		Current
	MANILA INVERSIONES GLOBALES, SICAV, SA	Chairman		Current
	INVERSIONES BARRETO, SL	Sole director		Current
	CONSORCIO DE COMPENSACIÓN DE SEGUROS	Director		2013 - 2017
	FAES FARMA, SA	Director		2013 – 2017
Javier Ibarz Alegría	EIGMA, S.L.	Sole director	-	Current
	LLAZA, S.A.	Akin to Managing Director	-	August 2013 - October 2013

Alain Minc	AM CONSEIL	Chairman and member of the Board of Directors	-	Current
	PROMOTORA DE INFORMACIONES, S.A. – PRISA	Director and member of the Executive Committee and Audit Committee	-	November 2010 – November 2017
	DIRECT ENERGIE	Director	-	May 2008 - February 2015
	SANEF	Chairman of the Board (and member of the Strategy Committee)	-	Current
María Amparo Moraleda Martínez	MELIÁ HOTELS INTERNACIONAL, S.A.	Director	-	February 2009 - June 2015
	CORPORACIÓN FINANCIERA ALBA	Director	-	March 2012 – November 2014
	FAURECIA, S.A.	Director	-	**May 2012 - October 2017**
	ALSTOM, S.A.	Director	-	July 2013 – June 2015
	SOLVAY, S.A.	Director	-	Current
	AIRBUS GROUP, N.E.	Director		Current
	VODAFONE GROUP PLC	**Director**		**Current**
John S. Reed	AMERICAN CASH EXCHANGE, INC (ACE)	Chairman		Current
	MASSACHUSETTS INSTITUTE OF TECHNOLOGY	Chairman of the Corporation	-	2010-2014
Juan Rosell Lastortras	GAS NATURAL, S.A.	Director	-	June 2009 - September 2016
	PORT AVENTURA ENTERTAINMENT, S.A.	Director	-	December 2009 – October 2014
	CONGOST PLASTIC, S.A.	Chairman	-	Current
	MIURA PRIVATE EQUITY SGECR, S.A.	Chairman of the Investment Committee	-	2009 - March 2014
	CEOE	Chairman	-	Current
Eduardo Javier Sanchiz Irazu	ALMIRALL, S.A.	Chief Executive Officer		May 2004 - October 2017
Koro Usarraga Unsain	NH Hotel Group, S.A.	Director		**June 2015 - October 2017**
	2005 KP Inversiones, SL	Director		Current
	Vehicle Testing Equipment, SL	Director		Current
	TÉCNICOS EN LA ALTA PRODUCCIÓN, S.A. DE C.V. (MEXICO)	Director		October 2014 - April 2016
	HW CUBIC INDUSTRIAL, S.L.	Director		June 2013 - January 2016

Xavier Vives Torrents	AULA ESCUELA EUROPEA, S.A.	Director	-	**August 2006 - June 2017**

In the case of each member of the Management Committee (except those who also sit on the Board of Directors), the companies of which such person has been a member of the administrative, management or supervisory bodies, or partner at any time in the previous five years, except for : (i) those companies that are merely holding vehicles or family-owned businesses; (ii) all the subsidiaries of an issuer of which the person is also a member of the administrative, management, or supervisory body; or (iii) companies belonging to the CaixaBank Group.

Member of the Management Committee	Company	Position	Company represented	Period or current
Juan Antonio Alcaraz García	SEGURCAIXA ADESLAS, S.A. DE SEGUROS Y REASEGURAS (JOINTLY CONTROLLED)	Director		Current
Jordi Mondéjar López	SOCIEDAD DE GESTIÓN DE ACTIVOS PROCEDENTES DE LA REESTRUCTURACIÓN BANCARIA (SAREB)	Director		Current
Jordi Fontanals Curiel	REDSYS SERVICIOS DE PROCESAMIENTO, S.L.	Director		June 2012 - February 2016
	IT NOW	Natural person representative of Web Gestión 1	Web Gestión 1	April 2014 - March 2015
María Victoria Matía	COMERCIA GLOBAL PAYMENTS, ENTIDAD DE PAGO, S.L.	Director		Current
	SELF BANK, S.A.	Director		February 2009 - June 2015
	SERVIRED, SOCIEDAD ESPAÑOLA DE MEDIOS DE PAGO, S.A.	Director		Current
	COMERCIA GLOBAL PAYMENTS, ENTIDAD DE PAGO (BRAZIL)	Director		Current

b) any convictions in relation to fraudulent offences for at least the previous five years

According to the information supplied to the Company, none of the members of the Company's Board of Directors or the Management Committee has been criminally convicted for fraud during the five years prior to the date of this Registration Document.

c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years

According to the information supplied to the Company, none of the members of the Board of Directors or of the Management Committee has been involved, in his/her capacity as member of the Company's Board of Directors or of the Management Committee, in any bankruptcy, receivership, arrangement with creditors or liquidation at any commercial company in the five years preceding the date of this Registration Document.

d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years

According to the information supplied to the Company, none of the members of the Board of Directors or of the Company's Management Committee has been criminally convicted or administratively sanctioned by the statutory or regulatory authorities or disqualified by a court from acting as the member of the administrative, management or supervisory bodies of an issuer, or from acting in the management or conduct of the affairs of any issuer in the five years preceding the date of this Registration Document.

14.2 Administrative, management, and supervisory bodies and senior management conflicts of interests

14.2.1. Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 14.1 and their private interests and or other duties.

The current article 29 of the Regulations of the Board of Directors governs the non-compete duty of the members of the Board of Directors.

Article 30 of the Regulations of the Board of Directors of the Company regulates the conflict situations applicable to all directors, establishing that the director must avoid situations that could entail a conflict of interest between the Company and the director or its related persons, adopting the measures necessary in this regard. In all cases, the director must abstain from:

a) directly or indirectly carrying out transactions with the Company unless they are ordinary operations of only minor significance made under standard conditions for all customers;
b) using the Company name or relying on their status as director of the Company to unduly influence private transactions;
c) using the Company's assets and availing themselves of their position at the Company to obtain a gain or for any private ends;
d) using, for their own benefit, a business opportunity presented to the Company, with business opportunity meaning any opportunity to carry out an investment or commercial transaction that has arisen or been discovered in connection with the director's performance of his duties, or by using resources and information of the Company, or under circumstances where it is reasonable to assume that the offer received from the third party was in fact intended for the Company;
e) obtaining advantages or remuneration from third parties other than the Company and its group in relation to the performance of their functions, with the exception of courtesy treatment; and
f) carrying on activities on their own account or on behalf of third parties where doing so positions them in permanent conflict of interests with the Company.

The Regulations of the Board of Directors are publicly available on the CaixaBank website under section on "Corporate Governance and Remuneration Policy".

https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/Gobierno_corporativo/ReglamentoConsejo_es.pdf

The above provisions will also apply in the event the beneficiary of the prohibited acts or activities is a person related to the director, according to the legal definition of related party (***Related Parties***).

Directors must invariably inform the Board of Directors of any situation of direct or indirect conflict that they or persons related to them may have with the interests of the Company.

The Company may only waive the prohibitions contained in this article in exceptional cases and in strict accordance with the procedure and restrictions prescribed by law.

The situations of conflict of interests in which the directors are involved will be reported in the annual report.

This system governing the duty of loyalty and liability for infringement of that duty must be observed. Any provisions of the bylaws that limit or contravene it will not be valid.

The terms of the foregoing section notwithstanding, the Company may grant dispensation from the prohibitions contained in the foregoing article in special cases, authorising a director or a related party to perform a particular transaction with the Company, to use certain corporate assets, to take advantage of a specific business opportunity, or to obtain an advantage or remuneration from a third party.

The authorisation must be granted by the general meeting when it involves dispensation from the prohibition to obtain an advantage or remuneration from third parties, or where it affects a transaction whose value exceeds ten per cent of the Company's assets. In all other cases, the authorisation can also be granted by the management body, provided the independence of the members granting it with respect to the director granted dispensation is guaranteed. Moreover, it will be necessary to ensure that the authorised transaction does not diminish or harm the Company's assets or, as the case may be, that it is being carried out on an arm's length basis and that the transparency of the process is guaranteed.

This non-compete obligation can only be dispensed if the Company is not expected to incur damage or where the damage expected to be caused to the Company is offset by the benefits or rewards resulting from the dispensation. The dispensation will be granted by means of an express, separate resolution of the general meeting.

In any event, at the request of any shareholder, the general meeting will decide on the dismissal of a director who performs competing activities when the risk of damage to the Company has become relevant.

The General Meeting held in May 2011 resolved to authorise the members of the Company's Board of Directors to own stakes, hold office and perform duties at companies whose main or accessory activity is the holding of securities, where this does not constitute effective competition with the Company. Moreover, the Company's proprietary and executive directors were authorised to hold offices and perform duties, for and on behalf of the Company or "la Caixa", at investee entities of the "la Caixa" Group engaged in the same, analogous or supplementary types of activity to those that constitute the Company's corporate object.

The approval policy for loans to members of the Board of Directors who are CaixaBank employees, and to the Senior Management, is governed by the provisions of the collective bargaining agreement for the savings bank industry and the internal employment regulations that implement this agreement. Loans to members the Board of Directors who are not CaixaBank employees are granted on an arm's length basis.

Meanwhile, article 31 stipulates that directors are subject, with regard to the use of any non-public information of the company, to the duties of loyalty, fidelity, confidentiality, and secrecy inherent to their position, abstaining from using any such information for their own benefit or for the benefit of third parties in violation of the aforementioned duties.

The terms of this article are without prejudice to obligations of directors when it comes to inside information and significant information of the Company, in accordance with the terms of applicable securities market law.

Meanwhile, the Internal Rules of Conduct on Matters relating to the Stock Market regulate conflicts of interest, establishing the obligation to inform Regulatory Compliance of any conflict of interest affecting the director or his or her related parties.

Article 229.3 of the Corporate Enterprises Act introduces, among other duties applicable to directors, the duty to notify the Board of Directors of any conflict of interest, whether direct or indirect, any of the directors of their related parties may have with the Company.

From 1 January 2017 through to 13 June 2018, there is no record of the existence of related-party transactions or conflicts of interest with directors and managers of the Company, beyond those set out below.

DIRECTOR	DESCRIPTION OF THE CONFLICT OF INTEREST
Jordi Gual Solé	- Abstention from deliberation and voting on a motion regarding the

(Chairman)	2016 bonus to which he was entitled as a former member of the identified staff. - Abstention from deliberation and voting on a motion to assess his suitability in relation to the proposal for appointment to be laid before the Annual General Meeting. - Abstention from the deliberation and voting on the resolution regarding his appointment as member of the Executive Committee of CaixaBank's Board of Directors.
Antonio Massanell Lavilla (Deputy Chairman until 31/12/17)	- Abstention from deliberation and voting on motions regarding the remuneration of executive directors and senior executives for 2017. - Abstention from deliberation and voting on a motion regarding the 2017 objectives of the Deputy Chairman, Chief Executive, Management Committee and Deputy General Manager of Control & Compliance. - Abstention from deliberation and voting on a motion regarding the terms of the depository agreement with Cecabank. - Abstention from deliberation and voting on a motion regarding a loan arrangement with a related party. - Abstention from deliberation and voting on a motion regarding the appointment of the Lead Director.
Gonzalo Gortázar Rotaeche (Chief Executive Officer)	- Abstention from deliberation and voting on motions regarding the remuneration of executive directors and senior executives for 2017. - Abstention from deliberation and voting on a motion regarding 2017 objectives of the Deputy Chairman, Chief Executive, Management Committee and Deputy General Manager of Control & Compliance. - Abstention from deliberation and voting on a motion regarding the appointment of the Lead Director. - Abstention from deliberation and voting on motions regarding the remuneration of the Deputy Chairman, Chief Executive and members of the Management Committee for 2018. - Abstention from deliberation and voting on a motion regarding 2018 objectives of the Deputy Chairman, Chief Executive, Management Committee and Deputy General Manager of Control & Compliance.
Fundación Caja Canarias	- Abstention from the deliberation and voting on a motion regarding its appointment as member of the Risks Committee.
Natalia Aznárez Gómez (natural person representative of Fundación CajaCanarias)	- Abstention from deliberation and voting on a motion regarding the granting of financing to a related party.
Alain Minc	- Abstention from deliberation and voting on a motion regarding his appointment as member of the Appointments Committee.
Mª Amparo Moraleda Martínez	- Abstention from deliberation and voting on a motion regarding the granting of financing to a related party.

Maria Teresa Bassons Boncompte	- Abstention from deliberation and voting on a motion regarding the granting of financing to a related party. - Abstention from deliberation and voting on a motion regarding her appointment as member of the Remuneration Committee.
María Verónica Fisas Vergés	- Abstention from deliberation and voting on a motion regarding the granting of financing to a related party. - Abstention from deliberation and voting on a motion regarding her appointment as member of the Executive Committee of the Company's Board of Directors.
Alejandro García-Bragado Dalmau	- Abstention from deliberation and voting on a motion regarding her appointment as member of the Remuneration Committee.
Ignacio Garralda Ruíz de Velasco	- Abstention from the deliberation and voting on a motion regarding its appointment as member of the Risks Committee. - Abstention from deliberation and voting on motions regarding the acquisition of BPI insofar as they affect the restructuring of the insurance business alliance between BPI and Allianz Portugal.
John S. Reed	- Abstention from deliberation and voting on a motion regarding his appointment as member of the Appointments Committee.
Juan Rosell Lastortras	- Abstention from deliberation and voting on motions regarding the arrangement of a credit line, trade risk lines, and working capital financing with related companies. - Abstention from deliberation and voting on a motion regarding his appointment as member of the Remuneration Committee of the Company's Board of Directors.
Eduardo Javier Sanchiz Irazu	- Abstention from deliberation and voting on a motion regarding his appointment as member of the Audit and Control Committee. - Abstention from the deliberation and voting on a motion regarding its appointment as member of the Risks Committee.
José Serna Masiá	- Abstention from deliberation and voting on a motion regarding the granting of financing to a related party. - Abstention from deliberation and voting on a motion to assess his suitability in relation to his proposed appointment to be laid before the Ordinary Annual General Meeting. - Abstention from deliberation and voting on a motion regarding his appointment as member of the Audit and Control Committee.
Koro Usarraga Unsain	- Abstention from deliberation and voting on a motion to assess her suitability in relation to her proposed appointment to be laid before the Ordinary Annual General Meeting. - Abstention from deliberation and voting on motions regarding the granting of financing to a related party. - Abstention from deliberation and voting on a motion regarding his appointment as member of the Audit and Control Committee. - Abstention from deliberation and voting on a motion regarding her appointment as member of the Risks Committee.
Xavier Vives Torrents	- Abstention from deliberation and voting on a resolution regarding

	his appointment as Lead Director. - Abstention from deliberation and voting on a motion regarding his remuneration as Lead Director.

14.2.2. Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 14.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.

Following the merger by absorption of Banca Cívica by CaixaBank, the following shareholders: Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (currently "la Caixa" Banking Foundation) and Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Cajasol), Caja Canarias (currently Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja de Burgos, Banking Foundation), (hereinafter "the Foundations") entered into an agreement on 1 August 2012 to regulate 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 "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 on 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 "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. On 17 October 2016, the amendments to the Integration Agreement between CaixaBank and Banca Cívica and the CaixaBank Shareholders' Agreement were agreed, which means that the "Foundations", instead of proposing the appointment of two (2) directors at CaixaBank, one director at CaixaBank and one at VidaCaixa is proposed, and that the extension of the agreements that automatically occurred at the beginning of August 2016, for three years, will have a duration of four years instead of the aforementioned three.

The quantity of share capital affected by the shareholder agreement notified to the Company was 80.597%. This percentage pertained to the CaixaBank shares held by: Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Cajasol), 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 is out-of-date because following the changes made to the Shareholders Agreement only one of the foundations now sits on CaixaBank's Board of Directors (namely Fundación Caja Navarra). Therefore, the others are under no legal obligation to report their current stake in CaixaBank under the same terms as those applicable to the directors of the listed company. Accordingly, the percentage just mentioned is effectively the most recent consolidated data available to the Company.

Except where mentioned above and the posts on the management bodies and managerial positions that members of CAIXABANK's Board of Directors and Senior Management hold at companies belonging to the "la Caixa" Group, there are no further agreements or understandings with clients, suppliers or anyone else whereby any person mentioned in section 14.1 was appointed a member of the administrative, management or supervisory bodies or senior manager.

14.2.3. Details of any restrictions agreed by the persons referred to in item 14.1 on the disposal within a certain period of time of their holdings in the issuer's securities.

Except in the case of the Deputy Chairman, the CEO and the members of the Management Committee in relation only to the shares they receive as part of their variable remuneration in accordance with the resolutions of the General Meetings of the Company as part of the **"Remuneration Policy of the Board of Directors**" and the "Remuneration Policy for professionals belonging to the Identified Staff" (which establish an undertaking not to transfer the shares received in this regard, for a term of one year as of the date on which they are received) for the other members of the Board, there are no restrictions on the disposal of any securities they may hold in the Issuer within a certain period of time.

The **"Remuneration Policy of the Board of Directors**" dictates that shares delivered as variable remuneration in the form of a bonus**,** and that forms part of the variable items of the pay of Executive Directors may not be sold or otherwise disposed of for one year running from delivery of the shares. During this one-year period, the executive director owning the shares may exercise the shareholder rights conferred by those instruments.

Meanwhile, the **"Remuneration policy for members of the Identified Staff"** describes the policy for deferral, payment and withholding of the variable remuneration in the form of bonus at CaixaBank and the section titled "Deferral of payment of variable remuneration" states that all shares delivered may not be sold or otherwise disposed of for one year running from the time they are delivered. During this one-year restriction period, the employee who owns the shares may exercise the shareholder rights carried by the instruments.

15. REMUNERATION AND BENEFITS

In relation to the last full financial year for those persons referred to in points (a) and (d) of the first subparagraph of item 14.1:

15.1 The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person

The remuneration policy of CAIXABANK, S.A. has been developed in accordance with its Bylaws and the Board of Directors Regulations.

According to article 4.4 of the Regulations, the Board sitting in plenary session is responsible for approving, following the system set out in the Bylaws, the decisions on the remuneration of directors, within the framework of the Bylaws and the remuneration policy approved by the General Meeting.

Meanwhile, article 15 of the Regulations states that the Remunerations Committee shall propose to the Board of Directors the system and amounts of annual remuneration for directors and senior managers, as well as the individual remuneration of executive directors and the rest of their contract conditions and the basic conditions of the contracts of senior managers.

Article 15.3 of the Regulations:

"The Remuneration Committee:

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

(i) Draft the resolutions related to remunerations and, particularly, report and propose to the Board of Directors the remuneration policy, for directors and Senior Management, the system and amount of annual remuneration for Directors and Senior Managers, as well as the individual remuneration of the executive directors and senior managers, and the 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 report basic conditions established in the contracts of these and compliance of the contracts.
(iii) Report and prepare 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 is required to submit to the General Shareholders Meeting as well as informing the Board concerning the proposals relating to remuneration that, where applicable, it shall propose to the General Meeting.

(vi) Consider the suggestions posed thereto by the Chairman, the Board members, officers or shareholders of the Company."

Article 24 of the Regulations of the Board of Directors establishes the principles on which remuneration of CAIXABANK, S.A. directors are set:

1. The Board of Directors will determine the remuneration corresponding to each director, in their condition as such, and, as the case may be, for the performance of executive functions, in accordance with the provisions of the bylaws and the remuneration policy approved by the General Meeting and in accordance, if applicable, with the indications of the Remuneration Committee. This will not apply in the case of remuneration expressly approved by shareholders at the Annual General Meeting.
2. The Board of Directors shall strive to ensure that remuneration is moderate and commensurate with market conditions. In all cases, the remuneration of directors should be reasonably proportionate with the importance of the Company, the economic situation at any given time, and market standards at comparable companies. The established remuneration system must be aimed at promoting long-term profitability and sustainability at the Company and incorporate the necessary safeguards to avoid any excessive assumption of risks and to reward favourable results.
3. In particular, the Board of Directors shall adopt all measures within its means to ensure that the remuneration of directors for their position and status as director, including any remuneration they may receive for serving on Board committees, conforms to the following guidelines:

   (a) directors must be remunerated according to their effective dedication and the functions and responsibilities attributed to them; and
   (b) the amount of the remuneration paid to directors for their position and status as such should be calculated such that it offers incentives for their dedication without compromising their independence.

4. The Board of Directors will determine the remuneration of those directors who perform executive functions as well as the terms and conditions of their contracts according to current regulations and policy on remuneration.
5. The Company's Annual General Meeting shall approve the director remuneration policy at least once every three (3) years and as a separate item on the agenda. This policy must reflect the system of remuneration envisaged in the Bylaws, in accordance with applicable law. This draft remuneration policy should be accompanied by a report from the Remuneration Committee.

   Additionally, the remuneration policy will undergo an annual internal, central and independent evaluation in order to verify that it complies with the guidelines and remuneration procedures adopted by the Board of Directors.

   The Company's Board of Directors will adopt and periodically review the general principles of the remuneration policy and will be responsible for supervising its application.

6. The Board of Directors shall prepare and publish an annual report on the remuneration paid to directors, including what they perceive or should perceive due to their status as such and, as the case may be, for the performance of executive functions, in accordance with applicable law. This report will be made available to shareholders when the Annual General Meeting is called and will be voted on by shareholders in an advisory capacity and as a separate item on the agenda, along with the draft remuneration policy when it is to be laid before Annual General Meeting for approval.

   If the annual report on the remuneration of directors is rejected during the advisory vote at the Annual General Meeting, the applicable remuneration policy for the following year must be submitted to the approval of the Annual General Meeting before it becomes effective, even when the aforementioned period of three (3) years has not elapsed.

Structure of the system of remuneration

The remuneration of directors, as established in the corporate Bylaws and the Regulations of the Board of Directors, is in line with the basic rules governing director remuneration laid down in articles 217, 218 and 219 of the Corporate Enterprises Act.

Remuneration paid to members of the Company's Board of Directors in 2017

The remuneration and other benefits accrued in 2017 in favour of the persons comprising the Board of Directors of CAIXABANK, in their capacity as directors, is set out below on an individual basis. Further details can be found in the Annual Report on the Remuneration of Directors of CaixaBank for 2017 (ARDR 2017), which is incorporated herein by reference:

https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo/remuneracionesdelosconsejeros/politicaderemuneracion_es.html

(Thousands of euros)

Name	**Remuneration earned at the Company**				**Remuneration earned at Group companies**				**Total**		
	Total remuneration in cash	**Monetary amount of shares granted**	**Gross gain on options exercised**	**Total 2017 at the Company**	**Total remuneration in cash**	**Monetary amount of shares delivered**	**Gross gain on options exercised**	**Total 2017 at the Group**	**Total 2017**	**Total 2016**	**Contribution to savings schemes in the year**
JORDI GUAL SOLÉ	1,150	0	0	1,150	0	0	0	0	1,150	340	0
GONZALO GORTÁZAR ROTAECHE	1,756	260	0	2,016	520	0	0	520	2,536	2,525	255
FRANCESC XAVIER VIVES TORRENTS	157	0	0	157	0	0	0	0	157	144	0
FUNDACIÓN CAJACANARIAS	74	0	0	74	0	0	0	0	74	0	0
MARÍA TERESA BASSONS BONCOMPTE	143	0	0	143	0	0	0	0	143	124	0
MARIA VERÓNICA FISAS VERGES	111	0	0	111	0	0	0	0	111	87	0
ALEJANDRO GARCÍA-BRAGADO	90	0	0	90	0	0	0	0	90	0	0
IGNACIO GARRALDA RUIZ DE	55	0	0	55	0	0	0	0	55	0	0
JAVIER IBARZ ALEGRÍA	190	0	0	190	90	0	0	90	280	284	0
ALAIN MINC	180	0	0	180	0	0	0	0	180	184	0
MARÍA AMPARO MORALEDA	256	0	0	256	0	0	0	0	256	260	0
JOHN S. REED	90	0	0	90	0	0	0	0	90	94	0
JUAN ROSELL LASTORTRAS	140	0	0	140	90	0	0	90	230	159	0
ANTONIO SÁINZ DE VICUÑA	236	0	0	236	0	0	0	0	236	240	0

EDUARDO JAVIER SANCHIZ IRAZU	25	0	0	25	0	0	0	0	25	0	0
JOSE SERNA MASIÁ	129	0	0	129	0	0	0	0	129	47	0
KORO USARRAGA UNSAIN	140	0	0	140	0	0	0	0	140	48	0
SALVADOR GABARRÓ SERRA[1]	36	0	0	36	0	0	0	0	36	174	0
FUNDACIÓN CAJASOL	14	0	0	14	0	0	0	0	14	91	0
ANTONIO MASSANELL LAVILLA[2]	1,132	71	0	1,203	0	0	0	0	1,203	1,388	100
TOTAL	6,104	331	0	6,435	700	0	0	700	7,135	6,189	355

(1) Departure date of Mr Gabarró: 17 March 2017
(2) Departure date of Mr Massanell: 1 January 2018

The following table provides a breakdown of the remuneration paid in cash to directors in 2016 and 2017.

(Thousands of euros)

Name	**Salaries**	**Fixed remuneration**	**Attendance fees**	**Short-term variable remuneration**	**Long-term variable remuneration**	**Remuneration for membership of Board committees**	**Termination benefits**	**Other items**	**Total 2017**	**Total 2016**
JORDI GUAL SOLÉ	0	1,090	0	0	0	60	0	0	1,150	340
GONZALO GORTÁZAR ROTAECHE	1,150	90	0	260	200	50	0	6	1,756	1,377
FRANCESC XAVIER VIVES TORRENTS	0	107	0	0	0	50	0	0	157	144
FUNDACIÓN CAJACANARIAS	0	74	0	0	0	0	0	0	74	0
MARÍA TERESA BASSONS BONCOMPTE	0	90	0	0	0	53	0	0	143	124
MARIA VERÓNICA FISAS VERGES	0	90	0	0	0	21	0	0	111	87
ALEJANDRO GARCÍA-BRAGADO	0	90	0	0	0	0	0	0	90	0
IGNACIO GARRALDA RUIZ DE VELASCO	0	55	0	0	0	0	0	0	55	0
JAVIER IBARZ ALEGRÍA	0	90	0	0	0	100	0	0	190	194
ALAIN MINC	0	90	0	0	0	90	0	0	180	184
MARÍA AMPARO MORALEDA	0	90	0	0	0	166	0	0	256	260
JOHN S. REED	0	90	0	0	0	0	0	0	90	94
JUAN ROSELL LASTORTRAS	0	90	0	0	0	50	0	0	140	144

ANTONIO SÁINZ DE VICUÑA BARROSO	0	90	0	0	0	146	0	0	236	240
EDUARDO JAVIER SANCHIZ IRAZU	0	25	0	0	0	0	0	0	25	0
JOSE SERNA MASIÁ	0	90	0	0	0	39	0	0	129	47
KORO USARRAGA	0	90	0	0	0	50	0	0	140	48
SALVADOR GABARRÓ	0	19	0	0	0	17	0	0	36	174
FUNDACIÓN CAJASOL	0	14	0	0	0	0	0	0	14	91
ANTONIO MASSANELL LAVILLA	794	90	0	71	125	50	0	2	1,132	1,313

The remuneration of directors in 2017 reported above takes the following aspects into consideration:

Remuneration received in 2017 by members of Board of Directors of CaixaBank in connection with their duties as representatives of the Bank on the boards of listed companies and of other companies in which CaixaBank has a significant presence or representation and that are CaixaBank consolidated companies (excluding Group companies) amounted to EUR 974 thousand (EUR 1,113 thousand in 2016), recognised on the companies' respective income statements.

CaixaBank does not have any pension obligations with former or current members of the Board of Directors in their capacity as such. Note 41 to the financial statements discusses the balance of contingent risks and liabilities and defined-benefit post-employment commitments accrued with executive directors and the Senior Management (EUR 44,604 thousand) (https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/MEMGRUPCAIXABANK31122017-CNMV-CAS.pdf). There are no termination benefits agreed in the event of termination of the appointment as director for their duties as such, except for those agreed with the Executive Deputy Chairman and the Chief Executive.

The total remuneration for the Board of Directors does not include the amount of the contributions paid to the savings scheme during the year, which amounted to EUR 355 thousand, nor the life insurance premiums paid during the year, which totalled EUR 91 thousand.

Fixed pay items for non-executive directors in 2018

The remuneration framework for Board members which the management body of CaixaBank approved at a meeting on 18 December 2014 following a proposal by the Remuneration Committee, to be applied as of 1 January 2015, is still in place.

Under this system, CaixaBank, as one of Spain's leading credit institutions, was and still is the entity at which non-executive directors are paid the least, and their remuneration does not exceed the annual amount approved at the 2014 Annual General Meeting (EUR 3,800,000 for Board remuneration, excluding the remuneration of the executive directors). The 2017 General Shareholders' Meeting approved an increase in this amount, in due consideration for the current composition of the Board of Directors and its committees, the future appointment of a lead director for the purposes of complying with the deconsolidation conditions stipulated by the European Central Bank, the fact that new committees may be created, the fact that the number of members sitting on the committees may increase, and the possibility of matching remuneration for each of the committees in the light of the dedication that they require. The maximum annual fixed remuneration payable to all directors was set at EUR 3,925,000.

The motion that was approved and which remains in force is as follows:

- To return to the remuneration levels established in 2012 for members of the Board of Directors, i.e. EUR 90,000 per annum, and for members of the Appointments Committee and the Remuneration Committee, i.e. EUR 30,000 per annum (it should be noted that in mid-2012 the Board resolved to reduce remuneration by 10%, leaving these amounts at EUR 81,000 and EUR 27,000, respectively).
- To establish remuneration for members of the Executive Committee, the Audit and Control Committee and the Risks Committee, in view of their responsibilities and required dedication, as EUR 50,000 per annum per member.
- Remuneration paid to the Chairmen of Board committees shall, in all cases, be 20% more than that paid to committee members.
- Remuneration paid to the Chairman of the Board of Directors shall remain at EUR 1,000,000 per annum.

Furthermore, given the appointment of the Lead Director, in November 2017 the Board of Directors resolved, at the behest of the Remuneration Committee, to set the remuneration of the Lead Director at EUR 38,000 per annum.

Fixed pay items for executive directors in 2018

Fixed remuneration to be paid in cash to current executive directors in 2018 is as follows:

- Gonzalo Gortázar Rotaeche – Chief Executive Officer: EUR 2,261,200
- Tomás Muniesa Arantegui – Deputy Chairman: EUR 1,543,835

Estimated remuneration for positions held at Group companies, based on the positions held at the date of this report, is EUR 1,075,263 for Gonzalo Gortázar Rotaeche and EUR 845,000 for Tomás Muniesa Arantegui, thus putting the estimated net amounts to be paid by CaixaBank in 2018 at EUR 1,185,937 and EUR 698,835, respectively.

Remuneration to be paid to both executive directors for the status as members of the Board of Directors and as members of Board committees, is estimated at EUR 140,000 for each of them in 2018, with this amount to be deducted from the fixed amount paid for the position as executive directors.

Fixed pay items of Board members in the years ahead

The remuneration of non-executive directors in the years ahead will be adapted to the prevailing system stipulated by the Bylaws at the time in question, and to the maximum remuneration established at the General Meeting. As a result, the remuneration policy will be deemed to have been amended with regard to the remuneration of non-executive directors whenever the General Meeting approves a maximum amount other than that stipulated in section A.3 of the 2017 ARDR.

Any future proposals for remuneration based on Bylaws systems must be approved pursuant to the precepts of the Corporate Enterprises Act and the Bylaws, and share-based payments will require the approval of CaixaBank's General Meeting.

Fixed remuneration for executive directors shall be set, in the case of new executive directors, or modified pursuant to the methodology described in section A.3 of the 2017 ARDR.

Long-term savings schemes for non-executive directors

CaixaBank's Remuneration Policy does not contemplate long-term savings schemes for non-executive directors.

Long-term savings schemes for executive directors in 2018

- Overview

Executive directors who hold an employment contract may be eligible for a complementary pension scheme under the same system as for all CaixaBank employees. If they hold a commercial contract, they may be eligible for specific pension schemes equivalent to the complementary pension scheme.

Executive directors may be eligible for a defined-contribution plan for retirement, disability or death and also an optional defined-benefit plan for disability and death. These additional commitments are arranged through an insurance contract.

- Non-discretionary

With the exception of the mandatory variable-base contributions described below, the contributions regime for the pension scheme applicable to executive directors cannot be considered a discretionary benefit. As a result, the pension scheme for executive directors must be applied objectively according to when the individual became an executive director or similar circumstances that entail changes to their remuneration, taking the form of a lump sum or an amount benchmarked to fixed remuneration, according to their respective contracts.

Therefore, the amount of contributions or the degree of coverage of the benefits (i) must be set at the beginning of the year and be suitably defined in the corresponding contracts; (ii) may not originate from variable parameters (such as attaining targets, achieving milestones etc.); (iii) may not take the form of extraordinary contributions (e.g. bonuses, awards or extraordinary contributions made in the years leading up to retirement or departure); and (iv) may not be related to substantial changes in the retirement conditions, including any changes arising from merger processes or business combinations.

- No overlap

The contributions paid to pension schemes by CaixaBank shall be less the amount of any contributions paid to equivalent instruments or policies that may be established as a result of positions held at Group companies or other companies in the interests of CaixaBank. These contributions must be adjusted accordingly to avoid overlap or duplication.

- Vesting of rights

The pension scheme for executive directors recognises the vesting of economic rights in the event that the professional relationship is terminated or ends before the date the covered contingencies occur, unless this termination is due to lawful disciplinary dismissal in the case of employment contracts or with just cause in the case of commercial contracts, as defined under section A.4 of the 2016 ARDR, or for any other specific causes that may be expressly set out in the relevant contracts.

- Mandatory variable-base contributions

Notwithstanding the foregoing, and pursuant to the provisions of Circular 2/2016, 15% of the contributions paid to complementary pension schemes will be considered a target amount (the remaining 85% is considered a fixed pay item).

This amount is determined in accordance with the same principles and procedures established for variable remuneration in the form of a bonus, with eligibility to be determined solely on the basis of individual assessment parameters, and it shall be contributed to a Discretionary Benefits Pension Policy.

The contribution will be considered as deferred variable remuneration for all purposes stipulated in Circular 2/2016 and thus the Discretionary Benefits Pension Policy contains all the necessary clauses for it to be explicitly subject to the aforementioned deduction scenarios for variable remuneration for the purposes of limitations or any others that may be established.

Pursuant to article 34.1 paragraph ñ) of Act 10/2014, of 26 June, on the structuring, supervision and solvency of credit institutions (hereinafter referred to by its Spanish acronym of "**LOSS**"), if the executive director leaves the Bank to take up retirement or leaves prematurely for any other reason, the discretionary pension benefits shall be subject to a lock-up period of five years from the date on which the employee ceases to provide services at the Bank for any reason. The same requirements regarding clauses for deductions and recovery of remuneration already paid, as described above, will apply during the lock-up period.

Long-term savings schemes for executive directors in 2018

Gonzalo Gortázar Rotaeche:

In 2018, a total defined contribution of EUR 330,000 was agreed to cover retirement, death or total, absolute or serious permanent disability, broken down as follows:

- 85% of this contribution forms part of the fixed pay items, giving a total of EUR 280,500.
- The remaining 15% (EUR 49,500) is considered the target amount of mandatory variable-base contributions.

Since achievement of individual targets in 2017 was 109%, the variable-base contribution for 2018 shall be EUR 53,955.

In addition to the above, another policy has been arranged to include cover in the event of death or total, absolute or serious permanent disability in the amount of two annual payments of fixed remuneration at the time the event occurs. We have estimated that the premium for this coverage for 2018 is approximately EUR 43,000.

Tomás Muniesa Arantegui:

In 2018, a total defined contribution of EUR 102,954 was agreed to cover retirement, death or total, absolute or serious permanent disability, broken down as follows:

- 85% of this contribution forms part of the fixed components of remuneration, giving a total of EUR 87,510.90.
- The remaining 15% (EUR 15,443.10) is considered the target amount of mandatory variable-base contributions.

Since achievement of individual targets in 2017 was 100%, the variable-base contribution for 2018 shall be EUR 15,443.

Long-term savings schemes for directors in the years ahead

Any change to the amount or the structure of long-term savings schemes for directors in the years ahead shall be made according to the principles of the LOSS.

Variable components of the remuneration schemes:

Variable components of remuneration for executive directors in 2018

i. Variable remuneration in the form of bonuses

Gonzalo Gortázar Rotaeche

The target bonus for 2018 is set at EUR 708,800. The degree of fulfilment shall be measured according to a 50% weighting of corporate targets and a 50% weighting of individual targets.

Corporate targets (50%) comprise the following parameters:

- ROTE, with a weighting of 10%, is subject to a minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.
- Core cost-to-income ratio, with a weighting of 10%, is subject to a minimum degree of fulfilment of 80% and a maximum of 120%. Calculated as the ratio of recurring expenses to core income (net interest income, fees and commissions, and insurance-linked income).
- Variation in non-performing assets, with a weighting of 10%, is subject to a minimum degree of fulfilment of 80% and a maximum of 120%.
- Risk Appetite Framework, with a weighting of 10%, is subject to minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.
- Digitalisation (KYC): % customers with Digitalised KYC. Target related to "Culture" under Regulatory Compliance and to the strategic target of Process Digitalisation, with a weighting of 5%. It is subject to minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.
- CaixaBank Quality, with a weighting of 5%, is subject to a minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.

The degree of fulfilment will be obtained from the level of compliance with the preceding indicators, depending on certain scales of fulfilment approved by the Board of Directors following a proposal from the Remuneration Committee.

The payment range for corporate targets has an established minimum of 80% and a maximum of 120%.

Meanwhile, individual targets (50%) shall have a minimum degree of fulfilment of 60% and a maximum of 120%, and shall be distributed overall between targets linked to CaixaBank's strategy. The final valuation carried out by the Remuneration Committee, based on consultations with the Chairman, may vary +/-25% with regard to the target evaluation of individual targets, in order to include the quantitative evaluation of the Executive Director's performance. Any exceptional achievements during the year which were not contemplated at the outset shall also be taken into account.

In all cases, the bonus will only be paid if the regulatory training approved for the CEO has been completed. Also, should the minimum degree of fulfilment not be attained, a zero bonus shall be accrued for each of the indicators or individual targets.

Tomás Muniesa Arantegui

The target bonus for 2018 is set at EUR 127,160. The degree of fulfilment shall be measured according to a 50% weighting of corporate targets and a 50% weighting of individual targets.

Corporate targets (50%) comprise the following parameters:

- ROTE, with a weighting of 10%, is subject to a minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.
- Core cost-to-income ratio, with a weighting of 10%, is subject to a minimum degree of fulfilment of 80% and a maximum of 120%. Calculated as the ratio of recurring expenses to core income (net interest income, fees and commissions, and insurance-linked income).
- Variation in non-performing assets, with a weighting of 10%, is subject to a minimum degree of fulfilment of 80% and a maximum of 120%.
- Risk Appetite Framework, with a weighting of 10%, is subject to minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.
- Digitalisation (KYC): % customers with Digitalised KYC. Target related to "Culture" under Regulatory Compliance and to the strategic target of Process Digitalisation, with a weighting of 5%. It is subject to minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.
- CaixaBank Quality, with a weighting of 5%, is subject to a minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.

The degree of fulfilment will be obtained from the level of compliance with the preceding indicators, depending on certain scales of fulfilment approved by the Board of Directors following a proposal from the Remuneration Committee.

The payment range for corporate targets has an established minimum of 80% and a maximum of 120%.

Meanwhile, individual targets (50%) shall have a minimum degree of fulfilment of 60% and a maximum of 120%, and shall be distributed overall between targets linked to CaixaBank's strategy. The final valuation carried out by the Remuneration Committee, based on consultations with the Chairman, may vary +/-25% with regard to the target evaluation of individual targets, in order to include the quantitative evaluation of the Executive Director's performance. Any exceptional achievements during the year which were not contemplated at the outset shall also be taken into account.

In all cases, the bonus will only be paid if the regulatory training approved for the CEO has been completed. Also, should the minimum degree of fulfilment not be attained, a zero bonus shall be accrued for each of the indicators or individual targets.

ii. Long-Term Incentives (LTI)

The Target Amount over the entire 2015-2018 plan is set at EUR 800,000 for Gonzalo Gortázar Rotaeche. The Target Amount for the 2015-2018 period was set at EUR 500,000 for Antonio Massanell Lavilla. Accordingly, the final target for the 2015-2017 period has been set at EUR 375,000.

Tomás Muniesa Arantegui was already a beneficiary under the plan due to his position as General Manager. The Target Amount for the 2015-2018 period was previously set at EUR 500,000. The 2018 Annual General Meeting agreed to modify the Board's Remuneration Policy to keep him in the plan for 2018 also, based on the same Target Amount.

iii. Mandatory variable-base contributions

Pursuant to the provisions of Circular 2/2016, 15% of the agreed contributions to pension plans or insurance schemes shall be considered the target amount to which an appraisal system shall be applied to determine the quantity stipulated in section A.5 of the 2018 ARDR.

Variable pay items for directors in the years ahead

We cannot rule out changes in future years in the proportion of variable remuneration in the form of bonuses compared to fixed items. In any case, any change to the amount or structure of the variable components of directors' remuneration in future years shall be made according to the provisions of the LOSS.

Deduction and recovery scenarios of variable remuneration and guaranteed variable remuneration

- Malus and clawback

Pursuant to the LOSS, the amounts of variable remuneration paid to executive directors shall be totally or partially reduced, including the amounts pending payment, whether cash or share-based payments, in the event of a poor financial performance by CaixaBank overall or by one of its divisions or areas, or because of any material exposure generated. In this regard, CaixaBank must compare the assessed performance with the subsequent performance of the variables that helped meet the targets.

The scenarios entailing deductions from variable remuneration are as follows:

- Material failures in risk management committed by CaixaBank, or by a business unit or risk control unit, including any qualified opinions in the external auditor's report or circumstances that would impair the financial parameters used as a basis to calculate the variable remuneration.

- An increase in capital requirements for CaixaBank or one of its business units that was not envisaged at the time the exposure was generated.
- Regulatory sanctions or adverse legal rulings attributable to the unit or the employee responsible for those proceedings and to the executive director.
- Failure to comply with the Bank's internal regulations or codes of conduct, including, in particular:
    - Any serious or very serious regulatory breaches attributable to them.
    - Failure to comply with internal regulations considered serious or very serious.
    - Regulatory breaches for which they are responsible, irrespective of whether they cause losses that jeopardise the solvency of a business line, and, in general, any involvement in, or responsibility for, behaviour that causes significant losses.
- Improper conduct, whether committed individually or with others, with specific consideration of the adverse effects of the sale of unsuitable products and the responsibility of executive directors in taking such decisions.
- Fair dismissal for employees or, in the case of commercial contracts, dismissal with just cause by the Bank (in this case the full amount will be deducted). Just cause shall be understood as any serious and culpable breach of the duties of loyalty, diligence and good faith pursuant to which executive directors must discharge their duties at the CaixaBank Group, as well as any other serious and culpable breach of the duties undertaken in their contract, or any other organic or service relationships the individual and the CaixaBank Group may enter into.
- Where payment or vesting of these amounts is not sustainable in light of CaixaBank's overall situation, or where payment cannot be justified in view of the results of CaixaBank as a whole, the business unit, or the director concerned.
- Any others reasons that may be provided for in the corresponding contracts.
- Any others as set down in applicable law or by regulatory authorities in exercise of their powers to issue or interpret regulations, or their executive powers.

- Clawback situations

In cases where any of the aforementioned situations may have occurred prior to payment of any amount of the variable remuneration so that, had this situation been taken into account, partial or full payment would not have been made, the executive director shall repay CaixaBank the part of the variable remuneration erroneously received, along with any returns paid out. This reimbursement must be made in cash or shares, as applicable.

Scenarios in which the executive director has made a major contribution to poor or negative financial results will be regarded as being particularly serious, as shall cases of fraud or other instances of fraudulent behaviour or gross negligence leading to significant losses.

The Remuneration Committee shall table a proposal to the Board of Directors to apply the deduction or the loss to the entitlement to receive the amounts deferred, or total or partial recovery, depending on the characteristics and circumstances of each specific case.

Pursuant to the provisions of the EBA Guidelines, scenarios of deductions from variable remuneration shall be applicable throughout the entire deferral period for the variable remuneration concerned. Variable remuneration may be clawed back over a period of one year from its payment, except in the event of fraud or gross negligence, in which case the provisions of civil or employment legislation in relation to statutory limitations shall be generally applicable.

- Guaranteed variable remuneration

Executive Directors will not receive any guaranteed variable remuneration. However, in exceptional circumstances the Bank may consider this advisable or desirable in the event of new appointments or new hires, provided it has a healthy solid capital base and the remuneration is applied to the first year of the contract only.

Remuneration paid to members of the Company's Management Committee

Remuneration of the Senior Management

CaixaBank's Senior Management at 31 December 2017 comprised 11 people, excluding the Chief Executive (12 at 31 December 2016), who held the following positions at the Bank: General Managers (4), Deputy General Managers (1), Executive Officers (5) and the General Secretary and Secretary to the Board of Directors (1).

Total remuneration received by members of CaixaBank's Senior Management in 2017 and 2016 is shown below. This remuneration is recognised under "Staff expenses" on CaixaBank's income statement.

Remuneration of Senior Management

(Thousands of euros)	2017	2016
Salary (*)	9,924	9,170
Post-employment benefits	1,233	1,140
Other long-term benefits	110	89
Total	**11,267**	**10,399**

(*) Includes total non-variable remuneration, remuneration in kind and variable remuneration 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 five years. It also includes the portion received under the long-term share-based variable remuneration scheme approved at the Annual General Meeting of 23 April 2015.
NOTE: to ensure a correct comparison of the remuneration received by Senior Management in 2017 and 2016, please note the differences in the composition of this body.

The remuneration paid in 2017 to Senior Management at CaixaBank in connection with their activities as representatives of the parent Company on the Boards of listed companies and other companies at which the Company has a significant presence or representation and that are CaixaBank consolidated companies totalled EUR 796 thousand (EUR 715 thousand in 2016). This remuneration is reported on the income statements of those companies.

The contracts of employment in place with the members of the Management Committee contain clauses on termination benefits for early termination or rescission of their contracts.

The following resolution was carried at the last General Meeting held on 6 April 2018:

Approval of the maximum level of variable remuneration that may be earned by certain employees whose work has a significant impact on the Company's risk profile.

To approve the following: the variable remuneration of the twenty-five (25) employees mentioned in the Board of Directors' detailed recommendation on the proposed approval of the maximum amount of variable remuneration payable to employees whose work has a significant impact on the Company's risk profile may reach up to two hundred per cent (200%) of the fixed component of their total remuneration, all by virtue of and subject to the provisions of article 34 of Act 10/2014 of 26 June, on the structuring, supervision and solvency of credit institutions.

15.2 The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits

A total of EUR 44,604 thousand has been set aside or accrued as defined contribution post-employment commitments with regard to the directors and Senior Management of CaixaBank at 31 December 2017.

The following table shows the long-term savings arrangement for eligible executive directors in the last two years.

Name	Contribution in the year by the Company (thousands of euros)		Amount accumulated (thousands of euros)	
	2017	2016	2017	2016
GONZALO GORTÁZAR ROTAECHE	255	255	3,026	2,682
ANTONIO MASSANELL LAVILLA	100	100	13,893	13,432
JORDI GUAL SOLÉ	0	48	250	245

Remuneration in kind for directors

Under the Remuneration Policy, directors are currently entitled to remuneration in kind due to the civil liability policy for directors and executives covering the entire "la Caixa" Group.

Remuneration in kind for executive directors

Executive directors may receive remuneration in kind in the form of health insurance for themselves and their immediate family, the use of a vehicle or a residence, or any other similar benefits that are commonly granted in the sector and befitting their professional status, in keeping with the standards established by CaixaBank at any given time for the same segment of employees to which they belong.

Remuneration in kind for executive directors in 2018

The contracts of executive directors envisage a health insurance for themselves, their spouse and children aged under 25. In 2018, these are valued at EUR 5,408 for Gonzalo Gortázar and EUR 2,163 for Tomás Muniesa.

Remuneration in kind for directors in the years ahead

Any allocation of remuneration in kind for directors in the years ahead shall be applied in accordance with the principles of the Remuneration Policy.

16. BOARD PRACTICES

16.1. Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office

The Company's directors have held office for the periods shown below:

Director	Date of initial appointment at the Company	Date of last appointment	Term of office to end on
Jordi Gual Solé	30/06/2016	06/04/2017	06/04/2021
Tomás Muniesa Arantegui	01/01/2018	06/04/2018	06/04/2022
Gonzalo Gortázar Rotaeche	30/06/2014	23/04/2015	23/04/2019
Francesc Xavier Vives Torrents	05/06/2008	23/04/2015	23/04/2019
Fundación CajaCanarias, represented by Natalia Aznárez Gómez	23/02/2017	06/04/2017	06/04/2021
Teresa Bassons Boncompte	26/06/2012	26/06/2012	26/06/2018*
Maria Verónica Fisas Vergés	25/02/2016	28/04/2016	28/04/2020
Alejandro García-Bragado Dalmau	01/01/2017	06/04/2017	06/04/2021
Ignacio Garralda Ruíz de Velasco	06/04/2017	06/04/2017	06/04/2021
Javier Ibarz Alegría	26/06/2012	26/06/2012	26/06/2018*
Alain Minc	06/09/2007	24/04/2014	24/04/2018*
María Amparo Moraleda Martínez	24/04/2014	24/04/2014	24/04/2018*
John S. Reed	03/11/2011	19/04/2012	19/04/2018*
Joan Rosell Lastortras	06/09/2007	24/04/2014	24/04/2018*
Antonio Sáinz de Vicuña y Barroso	01/03/2014	24/04/2014	24/04/2018*
Eduardo Javier Sanchiz Irazu	21/09/2017	06/04/2018	06/04/2022
José Serna Masiá	30/06/2016	06/04/2017	06/04/2021
Koro Usarraga Unsain	30/06/2016	06/04/2017	06/04/2021

(*) The appointments to have lapsed following the latest Annual General Meeting will be automatically extended until the next Annual General Meeting is held.

On 15 December 2016, Alejandro García-Bragado Dalmau was appointed to the Board of Directors, replacing Eva Aurín, a position he accepted with effect from 1 January 2017.

On 23 February 2017, CaixaBank disclosed that its Board of Directors had accepted the resignation of Fundación Cajasol as a member of the Board of Directors, naming Fundación CajaCanarias as a director in its lieu, following a favourable report from the Remuneration Committee and receipt of the notice of suitability for performance of the role of proprietary director from the European Central Bank. It also reported that Fundación CajaCanarias had appointed Natalia Aznárez Gómez as its natural person representative.

On 17 March 2017, CaixaBank announced through a Significant Event filing the cessation as Board member of Salvador Gabarró Serra, who had passed away on that same day.

CaixaBank held its Annual General Meeting on 6 April 2017. The resolutions adopted at the meeting included the following concerning the composition of the Board of Directors:

5. Ratification and appointment of directors:

5.1 Ratification and appointment of Jordi Gual Solé.

5.2 Ratification and appointment of José Serna Masiá.

5.3 Ratification and appointment of Koro Usarraga Unsain.

5.4 Ratification and appointment of Alejandro García-Bragado Dalmau.

5.5 Ratification and appointment of Fundación Bancaria Canaria Caja General de Ahorros de Canarias – Fundación CajaCanarias; and

5.6 Appointment of Ignacio Garralda Ruiz de Velasco.

On 22 May 2017, after receiving the ECB’s authorisation as to his suitability for office, Mr Garralda accepted his appointment as Board member, whereupon the Board of Directors comprised 18 members, with one vacancy.

On 22 June, the Board of Directors, acting on a favourable report from the Appointments Committee, agreed to appoint Francesc Xavier Vives Torrents (independent director) as Lead Director, effective from 18 July 2017, the date on which the amendment to the Bylaws agreed at the Annual General Meeting was authorised by the European Central Bank.

On 21 September 2017, the Board of Directors, based on a report from the Appointments Committee, agreed to appoint Eduardo Javier Sanchiz Irazu to the Board of Directors as an independent director. His appointment was made by co-option so as to fill the vacancy to have arisen following the death of proprietary director, Salvador Gabarró Serra.

On 21 December 2017 CaixaBank announced to the market that Antonio Massanell Lavilla had resigned as Deputy Chairman and member of the Board of Directors, effective as of 31 December 2017. To fill the vacancy, on the same date the Board of Directors resolved, subject to a favourable report from the Appointments Committee and subject to a suitability assessment by the European Central Bank, to appoint Tomás Muniesa Arantegui as a member of the Board of Directors.

Likewise, also at the proposal of the Appointments Committee and subject to verification by the European Central Bank, Mr Muniesa was appointed Deputy Chairman of the Board of Directors and member of the Executive Committee

CaixaBank held its Annual General Meeting on 6 April 2018. The resolutions adopted at the meeting included the following concerning the composition of the Board of Directors:

4. Ratification and appointment of directors:

4.1 Ratification and appointment of Eduardo Javier Sanchiz Irazu.

4.2 Ratification and appointment of Tomás Muniesa Arantegui.

On 26 April 2018, after receiving the ECB's authorisation as to his suitability for office, Mr Muniesa Arantegui accepted his appointment as executive director, Deputy Chairman of the Board of Directors and member of the Executive Committee of CaixaBank.

Under article 33 of the Company's Bylaws, directors will hold office for four (4) years[1] and may be re-elected one or more times for periods of equal length. Directors appointed 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 financial statements for the previous financial year has passed. If the vacancy arises after the General Meeting is called but before it is held, the Board's appointment of the director by co-option to cover the vacancy will take effect until such time as the next General Meeting is held.

Directors may resign from their posts, the posts may be revoked, and directors may be re-elected one or more times for terms of equal length.

Likewise, in accordance with the article 18 of the Regulations of the Board of Directors, directors shall remain in their posts for the term of office stipulated in the Bylaws, insofar as the General Meeting does not choose to remove them from office and they do not step down from office during that term. They 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 exceeding twelve (12) years.

16.2. Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement

Agreements of this nature exist at the Company upon termination of the service contracts of certain persons. These agreements are always established between the person in question and the Company, based on a range of circumstances and the specific relationship in question. The factors that are taken into account include the person's responsibilities, post or position, and the legal nature of the relationship between the parties.

Number of beneficiaries: 30

Type of beneficiary:

Chief Executive Officer and 2 members of the Management Committee, 6 executive officers // 21 middle managers

Description of the agreement:

Chief Executive Officer: one year of the fixed components of his remuneration.

[1] Appointments made before 23 April 2015 came with a six-year term of office.

Two members of the Management Committee: up to 0.8 annual payments of the fixed components of their remuneration above that provided for at law.

Further, the executive directors and members of the Management Committee are entitled to one annual payment of their fixed remuneration, paid in monthly instalments, as consideration for their non-compete undertaking. This payment would be discontinued were this covenant to be breached.

27 executives and middle managers: between 0.1 and 2 annual payments of their fixed remuneration above that provided for at law.

Gonzalo Gortázar Rotaeche

- Contract termination.

Without prejudice to the compensation under the non-compete clause, Gonzalo Gortázar will be entitled to receive from the Company compensation representing one year of the fixed components of his remuneration in the event of termination of his service contract for any of the following reasons:

- unilateral termination by Gonzalo Gortázar due to a serious breach by the Company of the obligations included in the service contract;
- unilateral termination by the Company without due cause;
- termination or non-renewal of his position as member of the Board of Directors of CaixaBank and his duties as CEO without due cause; or
- the acquisition of control over the Company by an entity other than the “la Caixa” Banking Foundation, pursuant to article 42 of the Commercial Code, or the transfer of all or a relevant part of its business or its assets and liabilities to a third party, or its integration into another business group that assumes control of the Company.

To be eligible for the compensation described here, Gonzalo Gortázar must simultaneously stand down from all posts of representation and management at other CaixaBank Group companies involving the Company’s interests, or at any other unrelated companies on behalf of CaixaBank.

The amount of compensation shall also be reduced accordingly by any amount received from the Companies stipulated in the preceding paragraph by way of compensation.

Any positive amount of compensation resulting from the provisions of the above clauses will be subject to the limits, and must be made effective in the manner and under the terms established at all times by prevailing legislation and the Remuneration Policy regarding payments for early termination, including rules on malus and clawback and on withholding the instruments delivered as a result of the same.

The Company may remove Gonzalo Gortázar from his position as Chief Executive Officer and terminate the service contract for just cause, with this meaning:

- any serious and culpable breach of the duties of loyalty, diligence and good faith under which Gonzalo Gortázar is required to perform his duties at CaixaBank and any other Group companies;
- where Gonzalo Gortázar becomes unfit for his post for reasons attributable to himself; or
- any other serious and culpable breach of the obligations assumed under the service contract, or any other organic or service relationships that may be established between Gonzalo Gortázar and the respective entities at which he represents CaixaBank.

If the service contract is terminated with just cause or voluntarily by Gonzalo Gortázar for reasons other than those stipulated above, he will not be entitled to the compensation described in this section.

Tomás Muniesa Arantegui

- Contract termination.

With the exception of the compensation payable for his non compete undertaking, Tomás Muniesa will not be entitled to any compensation whatsoever in the event his service contract is terminated.

16.3. Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates

Audit and Control Committee

Article 40 of the Bylaws and article 14 of the Regulations of the Board of Directors govern the composition, powers and terms of reference of the Audit and Control Committee. It will be comprised exclusively of non-executive directors, with the exact number to be determined by the Board of Directors between a minimum of three (3) and a maximum of seven (7). Most of the members of the Audit and Control Committee shall be independent and one (1) of them shall be appointed on the basis of their knowledge and experience of accounting or auditing, or both.

Composition of the Audit and Control Committee

Members:

Name	**Position**	**Type**	**Date of appointment**
Alain Minc	Chairman	Independent	20 September 2007 (1)
Eduardo Javier Sanchiz Irazu	Member	Independent	1 February 2018 (2)
José Serna Masiá	Member	Proprietary	23 March 2017
Koro Usarraga Unsain	Member	Independent	27 October 2016
Óscar Calderón de Oya	Secretary (non-member)	-	1 January 2017
Óscar Figueres Fortuna	First Deputy Secretary (non-director)	-	23 October 2017

(1) Re-elected on 24 April 2014. Appointed as Chairman on 21 May 2015.
(2) Re-elected on 6 April 2018.

Terms of reference of the Audit and Control Committee

The Audit and Control Committee shall appoint a Chairman from among its independent members. The Chairman must be replaced every four (4) years and may be re-elected once a period of one (1) year has transpired from his or her departure. The Chairman of the committee shall act as its spokesperson at meetings of the Board of Directors and, as the case may be, at the Bank's Annual General Meeting. It shall also appoint a Secretary and may appoint a Deputy Secretary, neither of whom need be a committee member. In the event that such appointments are not made, the Secretary to the Board shall act as Secretary. The Secretary will aid the committee Chairman in planning meetings and compiling and distributing the necessary information sufficiently ahead of the meeting, while also taking minutes of the meetings.

The Audit and Control Committee shall establish an annual work plan to address and set out the committee's main activities during the year.

The members of the Company's management team or personnel shall be required to attend the meetings of the Audit and Control Committee and to lend their assistance and allow the committee to access any information they may have when the committee so requests. The committee may also insist that they attend without the presence of any of executive. The committee may also summon the Company's financial auditors to appear at its meetings, as well as any other person it thinks fit, although only when invited by the committee's Chairman and only to discuss the items on the agenda for which they were specifically summoned to appear.

The Audit and Control Committee must set up an effective channel of communication to ensure regular contact with its spokespersons and representatives, which will normally be the committee's Chairman and, among others, the Company's management, especially the financial department; the head of internal audit; and the main auditor responsible for auditing the accounts. In particular, the Audit and Control Committee and the external auditor must maintain permanent two-way dialogue in accordance with applicable regulations governing financial auditing activity and their relationship must not compromise the auditor's independence or its effectiveness at conducting the audit or the effectiveness of the procedures used to conduct the audit.

The Audit and Control Committee shall have timely access to all relevant information or documentation held by the Company and may arrange and receive advice from external experts when it deems this necessary in order to perform its duties.

The Company shall provide the Audit and Control Committee with sufficient resources for it to fulfil its duties.

The Audit and Control Committee shall meet ordinarily on a quarterly basis, in order to review the required financial information to be submitted to the authorities, as well as the information that the Board of Directors must approve and include within its annual public documentation. In all such cases, the internal auditor shall be present and where any kind of review report is issued, so shall the financial auditor. Some of these meetings at least shall take place without the presence of the management team so that the committee may address specific issues arising from the review processes. The above notwithstanding, the committee shall meet as often as necessary to fulfil its duties and shall be called by the committee's own Chairman, either on his/her own initiative or when instructed to do so by the Chairman of the Board of Directors or by two (2) members of the committee itself. The meeting notice shall be sent out by letter, telegram, fax, e-mail, or any other means that provides proof of delivery.

The Secretary will be responsible for convening the meeting and for filing the minutes and documents submitted to the committee.

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.

The committee's Chairman shall report to the Board on its activities and on the work performed at meetings specifically arranged for this purpose, or at immediately following meeting when the Chairman deems this necessary.

It will prepare an annual report on its operations, highlighting the main incidents to have occurred, if any, in relation to its duties. This report will provide the basis, among other information, for the Board's assessment of the committee's performance. The committee may also choose to include proposed improvements in its report.

In particular, the report of the Audit and Control Committee shall address, among other matters, the significant activities carried out during the period and provide information on those activities performed with the assistance of external experts. The report will be posted on the Company's website sufficiently ahead of the Ordinary Annual General Meeting.

The Audit and Control Committee met on 15 occasions in 2017, while in 2018 through to the date of this document it has met eleven times.

Main functions of the Audit and Control Committee

(i) Reporting to the General Meeting on matters raised by shareholders that fall within the committee's remit.

(ii) Supervising the effectiveness of the Company's internal control processes, internal audit and risk management system; and discussing with auditors any significant weaknesses in the internal control system identified during the course of the audit.

(iii) Overseeing the process of preparing and submitting the required financial information.

(iv) Submitting to the Board of Directors proposals for selection, appointment, re-election and replacement of the external auditor, in accordance with regulations applicable to the Company, as well as the contractual terms of the engagement, and regularly gathering information from the external auditor on the audit plan and its execution as well as safeguarding its independence in the exercise of its duties.

(v) Establishing appropriate relations with the external auditors in order to receive information, for examination by the Audit and Control Committee, on matters that may threaten their independence and any other matters relating to the audit process and any other communications provided for in applicable audit law and audit regulations.

(vi) In any event, on an annual basis, the Audit and Control Committee must receive from the external auditors a declaration of their independence with regard to the Company or entities related to it directly or indirectly, in addition to detailed, personalised information on additional non-audit services of any kind rendered to these entities and the corresponding fees received by the aforementioned auditors or persons or entities related to them as stipulated by the regulations governing auditing activity.

(vii) Issuing, prior to the issuance of the annual audit report, a report expressing an opinion on the independence of the financial auditor. This report must provide, in all cases, an assessment of the provision of any the additional non-audit services mentioned in the preceding paragraph, individually and collectively considered, other than the legal audit and related to the degree of independence or applicable audit regulations.

(viii) Reporting to the Board of Directors in advance on any matters envisaged at law, the Bylaws and the Regulations of the Board of Directors, and in particular on:

   a) the financial information that the Company must periodically disclose,
   b) the creation or acquisition of stakes in special purpose entities domiciled in countries or territories considered to be tax havens, and
   c) related-party transactions.

Risks Committee

Article 40 of the Bylaws and article 14 of the Regulations of the Board of Directors govern the composition, powers and terms of reference of the Risks Committee.

Composition of the Risks Committee

The Bylaws and the Regulations of the Board of Directors state that the Risks Committee shall comprise exclusively non-executive members of the Board of Directors who possess the relevant knowledge, expertise and experience to fully understand and control the Company's risk strategy and risk propensity. The Board of Directors shall determine the number of committee members from a minimum of three (3) to a maximum of six (6).

At present, the Risks Committee is comprised of:

Name	**Position**	**Type**	**Date of appointment**
Antonio Sáinz de Vicuña	Chairman	Independent	25 September 2014

y Barroso			
Ignacio Garralda Ruiz de Velasco	Member	Proprietary	1 February 2018
Eduardo Javier Sanchiz Irazu	Member	Independent	1 February 2018 (1)
Koro Usarraga Unsain	Member	Independent	1 February 2018
Fundación CajaCanarias, represented by Natalia Aznárez Gómez	Member	Proprietary	1 February 2018
Óscar Calderón de Oya	Secretary (non-member)	-	1 January 2017
Óscar Figueres Fortuna	First Deputy Secretary (non-director)	-	23 October 2017

(1) Re-elected on 6 April 2018

Terms of reference of the Risks Committee

The Risks Committee shall meet as often as necessary to fulfil its duties and shall be convened by its Chairman, either on his/her own initiative or when instructed to do so by the Chairman of the Board of Directors or by two (2) members of the committee itself. The meeting notice shall be sent out by letter, telegram, fax, e-mail, or any other means that provides proof of delivery.

The Secretary will be responsible for convening the meeting and for filing the minutes and documents submitted to the committee.

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.

The Risks Committee met on 16 occasions in 2017, while in 2018 through to the date of this document it has met nine times.

Main functions of the Risks Committee

Notwithstanding the other functions attributed to it by law, the Bylaws, the Regulations of the Board of Directors, or any others that may be assigned by the Board of Directors, the Risks Committee will have the following basic responsibilities:

(i) Advising the Board of Directors on the Bank's overall susceptibility to risk, current and future, and its strategy in this area, reporting on the Risk Appetite Framework, assisting in monitoring the implementation of this strategy, ensuring that the Group's actions are consistent with the level of risk tolerance previously agreed and seeing to it that actual risk exposure falls within the limits of the established risk profile.

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

- a) the different types of risk (operational, technological, financial, legal, reputational, etc.) facing the Company, including, among the financial or economic risks, contingent liabilities and other off-balance-sheet risks;
- b) the internal reporting and control systems to be used to control and manage those risks;
- c) fixing the level of risk the Company considers acceptable; and
- d) the measures in place to mitigate the impact of identified risks should they materialise.

(iii) Ensuring that the pricing policy of the assets and liabilities offered to customers fully considers the Company's business model and risk strategy. Otherwise, the Risk Committee will submit to the Board of Directors a plan to amend the policy.

(iv) Determining, with the Board of Directors, the nature, quantity, format and frequency of the information concerning risks that the Board of Directors should receive and establishing what the committee should receive.

(v) Regularly reviewing exposures with its main customers and business sectors, and by geographic region and type of risk.

(vi) Examining the processes for reporting and controlling the Group's risks, as well as the relevant information systems and indicators, which should enable:

a) a suitable and adequate structure and functionality of risk management across the entire Group;
b) knowing the Group's risk exposure in order to assess whether it conforms to the profile determined by the Bank;
c) having sufficient information available so as to be able to accurately gauge risk exposure for decision-making purposes; and
d) the proper functioning of policies and procedures in place to mitigate operational risks.

(vii) Evaluating 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 might suffer as a result of non-compliance with laws, rules, regulation standards and codes of conduct, detecting any risk of non-compliance, monitoring the situation and examining possible deficiencies in the principles of professional conduct.

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

a) the risks facing the Company following the launch of those products or services and their commercialisation on the market, as well as the risks associated with significant changes in existing products and services;
b) the internal reporting and control systems used to control and manage those risks;
c) corrective measures to limit the impact of the identified risks, should they materialise; and
d) the appropriate resources and channels for their commercialisation in order to minimise any reputational risks and mismarketing.

(ix) Cooperating with the Remuneration Committee to establish rational remuneration policies and practices. For these purposes, and notwithstanding the functions of the Remuneration Committee, the Risk Committee will examine whether the incentives policy envisaged in the remuneration systems takes into account risk, capital, liquidity and the probability and timing of the benefits and rewards.

In order to properly exercise its functions, the delegate Risk Committee may access the information on the Company's risk situation and, if necessary, seek specialist external advice, including external auditors and regulatory bodies.

Appointments Committee

Article 40 of the Bylaws and article 15 of the Regulations of the Board of Directors govern the composition, powers and terms of reference of the Company's Appointments Committee and of its Remuneration Committee.

Both the Appointments Committee and the Remuneration Committee:

May regulate their own operation and shall elect their Chairman from among the independent directors belonging to each committee. They may also appoint a Secretary and in the absence of a specific appointment by the committee, the Secretary of the Board shall act as the same or, failing that, any of the Deputy Secretaries of the Board.

They shall meet whenever deemed advisable for the proper performance of their duties and the meetings will be called by their Chairman, either on his/her own initiative, or when required by two (2) committee members. The committee must be called whenever the Board or its Chairman requests the issuance of a report or the adoption of a proposal.

The meeting notice shall be given by letter, telegram, fax, e-mail, or any other means providing proof of receipt.

The Secretary of each of the committees will be responsible for calling the meetings and for filing the minutes and documentation presented to the committee.

Minutes will be taken of the resolutions adopted at each meeting, which shall be reported to the Board and made available to all board members at the Board's Secretary's Office. In the interests of privacy and confidentiality, the minutes will not be sent out or delivered unless the Chairman of the committee decides otherwise.

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.

They will draw up an report on their operations, highlighting the main incidents to have occurred, if any, in relation to their functions. This report will provide the basis, among other information, for the Board's assessment of the committees' performance. The committee may also choose to include proposed improvements in its report.

Composition of the Appointments Committee

The Bylaws and the Regulations of the Board of Directors envisage that the Appointments Committee will comprise a number of non-executive directors determined by the Board of Directors, from a minimum of three (3) to a maximum of five (5) members. All members must be non-executive and the majority must be independent. The Board of Directors shall appoint the members of the Appointments Committee upon a proposal from the Audit and Control Committee.

The committee itself shall appoint its Chairman from among its independent directors.

The number of members and the powers and terms of reference of the committee are set out in the Regulations of the Board of Directors, and should favour the independence of its operation.

At present, the Appointments Committee is comprised of:

Name	Position	Type	Date of first appointment
John S. Reed	Chairman	Independent	1 February 2018 (1)
María Teresa Bassons Boncompte	Member	Proprietary	12 December 2013
Alain Minc	Member	Independent	1 February 2018
Óscar Calderón de Oya	Secretary (non-member)	-	1 January 2017
Óscar Figueres Fortuna	First Deputy Secretary (non-director)	-	23 October 2017

(1) Appointed Chairman on 1 February 2018

Terms of reference of the Appointments Committee

The Appointments Committee shall be validly assembled when the majority of its members attend in person or by proxy.

The resolutions passed by this committee will be adopted by a majority of the members attending in person or represented by proxy.

The Appointments Committee will prepare a report on its activity during the year, which will serve as the basis, among other inputs, for the Board's assessment of its performance.

The Appointments Committee met on 14 occasions in 2017, while in 2018 through to the date of this report it has met four times.

Main functions of the Appointments Committee

Notwithstanding any other duties that may be ascribed to the committee by law, the Bylaws, the Regulations of the Board of Directors, or any other functions assigned to it by the Board of Directors, the Appointments Committee shall have the following basic responsibilities:

(i) Evaluating and proposing to the Board of Directors the assessment of skills, knowledge and experience required of Board members and key personnel at the Company.

(ii) Submitting to the Board of Directors proposals for 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 those directors by the General Meeting.

(iii) Reporting proposed appointments of the remaining directors for their appointment by co-option or for their appointment to be decided at the General Meeting, as well as proposals for their re-election or removal at the General Meeting.

(iv) Reporting on the appointment and, as the case may be, dismissal of the Lead Director, the Secretary and the Deputy Secretaries for approval by the Board of Directors.

(v) Determining the most desirable profile for candidates of the various committees other than the Appointments Committee itself, based on their knowledge, aptitudes and experience, and presenting to the Board its proposed appointments to committees other than the Appointments Committee itself.

(vi) Reporting 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. Proposing, if deemed appropriate, the basic terms of the contracts of senior executives other than their pay and remuneration, and reporting those terms once established.

(vii) Examining and organising, in collaboration with the Chairman of the Board of Directors, the succession of the latter and of the Company's chief executive and, as the case may be, sending proposals to the Board of Directors so that the succession process is suitably planned and takes place in orderly fashion.

(viii) Reporting to the Board on gender diversity issues, ensuring that the procedures for selecting its members favour a diversity of experience, knowledge, and facilitate the selection of female directors, and establish a representation target for the less represented sex on the Board of Directors as well as preparing guidelines on how this should be achieved.

(ix) Periodically evaluating, at least once a year, the structure, size, composition and actions of the Board of Directors and of its committees, its Chairman, CEO and Secretary, making recommendations regarding possible changes to these. Here, the committee shall act under the direction of the Lead Director when assessing the performance of the Chairman. Evaluating the composition of the Management Committee as well as its replacement lists to ensure proper coverage as members come and go.

(x) Assessing, as often as required by applicable regulations, the suitability of the various members of the Board of Directors and of the Board as a whole, and reporting to the Board of Directors on its findings.

(xi) Periodically reviewing the Board of Directors selection and appointment policy in relation to senior executives and making recommendations.

(xii) Considering the suggestions it receives from the Company's Chairman, Board members, executives and shareholders.

(xiii) Supervising and controlling the smooth operation of the Company's corporate governance system, making any proposals it deems necessary for its improvement.
(xiv) Monitoring the independence of the independent directors.
(xv) Proposing to the Board the Annual Corporate Governance Report.
(xvi) Supervising the Company's activities when it comes to corporate social responsibility and submitting to the Board any proposals it deems appropriate here.
(xvii) Verifying that the Board of Directors possesses a sufficient balance of knowledge, skills, diversity and experience and preparing a description of the duties and aptitudes that may be required for any specific appointment, while also evaluating the expected dedication of time for fulfilling the position.

The Appointments Committee can use the resources it considers appropriate to perform its duties, including authority to seek external advice, and it will have the funding needed for these purposes.

Remuneration Committee

Article 40 of the Bylaws and article 15 of the Regulations of the Board of Directors govern the composition, powers and terms of reference of the Company's Remuneration Committee.

Composition of the Remuneration Committee

The Bylaws and the Regulations of the Board of Directors envisage that the Remuneration Committee will permanently comprise a number of non-executive directors determined by the Board of Directors, from a minimum of three (3) to a maximum of five (5) members and with a majority of its members to be independent.

At present, the Remuneration Committee is comprised of:

Name	**Position**	**Type**	**Date of first appointment**
María Amparo Moraleda Martínez	Chairwoman	Independent	25 September 2014
Alejandro García Bragado Dalmau	Member	Proprietary	1 February 2018
Juan Rosell Lastortras	Member	Independent	1 February 2018
Óscar Calderón de Oya	Secretary (non-member)	-	1 January 2017
Óscar Figueres Fortuna	First Deputy Secretary (non-director)	-	23 October 2017

Terms of reference of the Remuneration Committee

The committee itself shall appoint its Chairman from among its independent directors.

The number of members and the powers and terms of reference of the committee are set out in the Regulations of the Board of Directors, and should favour the independence of its operation.

The Remuneration Committee shall be validly assembled when the majority of its members attend in person or by proxy.

The resolutions passed by this committee will be adopted by a majority of the members attending in person or represented by proxy.

The Remuneration Committee will prepare a report on its activity during the year, which will serve as the basis, among other inputs, for the Board's assessment of its performance.

The Remuneration Committee met on seven occasions in 2017, while in 2018 through to the date of this document it has met three times.

Main functions of the Remuneration Committee

Notwithstanding the other functions attributed to it by law, the Bylaws, the Regulations of the Board of Directors, or any others that may be assigned by the Board of Directors, the Remuneration Committee will have the following basic responsibilities:

(i) Preparing decisions related to remuneration and, particularly, reporting and proposing to the Board of Directors the remuneration policy, the system and amounts of the yearly remuneration payable to directors and the Senior Management, as well as the individual remuneration of executive directors and Senior Managers, and the other conditions of their contracts, particularly the financial terms. This is notwithstanding the powers of the Appointments Committee in matters relating to any terms it may have proposed of a non-remunerative nature. For the purposes of these Bylaws, Senior Managers means the general managers or whoever discharges senior management functions while reporting directly of the Board, the Executive Committees or of the Chief Executive Officer and, in all cases, the Company's internal auditor.
(ii) Ensuring compliance with the remuneration policy for directors and Senior Managers and reporting on the basic terms set out in the contracts of those individuals.
(iii) Reporting and preparing the Company's general remuneration policy and in particular the policies relating to the categories of staff whose professional activities have a significant impact on the Company's risk profile and those that are intended to prevent or manage conflicts of interest with the Company's customers.
(iv) Analysing, formulating and periodically reviewing the remuneration programmes, weighing their adequacy and performance and ensuring compliance.
(v) Proposing to the Board the approval of the remuneration reports or policies that it is required to submit to the General Meeting as well as reporting to the Board on any remuneration-related proposals or motions the Board may intend to lay before the General Meeting.
(vi) Considering the suggestions it receives from the Company's Chairman, Board members, executives and shareholders.

16.4. A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime

The Company's system of governance complies with and follows, in all material respects, the corporate governance guidelines, recommendations and practices of the Code of Good Governance for listed companies approved by the Spanish Securities Market Commission (CNMV), dated 18 February 2015.

Section G of the **2017 Annual Corporate Governance Report**, which was reported to the CNMV as a significant event on 23 February 2018, addresses the Company's degree of compliance with the recommendations set out in the CNMV's Good Corporate Code. The report confirms that **the Company is fully compliant with 57 recommendations, partially compliant with four recommendations, non-compliant with two recommendations and that one recommendation does not apply to the Company.**

Accordingly, CaixaBank's degree of compliance with the recommendations has increased in comparison with the previous year and of the 64 recommendations contained in the code, **CaixaBank is now fully compliant with over 89.06%** of the total. **The only recommendations it failed to comply with in 2017 were numbers 13 and 62.** Recommendation 13 states that the Board of Directors should have an optimal size to promote its efficient functioning and maximise participation, with a recommended range of between 5 and 15 members. Meanwhile, Recommendation 62 states that when shares are awarded directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or exercise the share options or other rights on shares for at least three years after the award. As regard **Recommendation 13**, the number of Board members is presently set at 18, with two vacancies at the end of 2017. CaixaBank believes that this size is adequate and suitable to ensure its effective functioning, maximise participation and allow for a wide variety of opinions and views, bearing in mind that the Board has five delegate committees and that the shareholder agreement resulting from the merger with Banca Cívica has led to the arrival of a further Board member. Turning to **Recommendation 62**, the shares that are delivered under the annual bonus programme and that come with a five-year deferral period for 2018 in accordance with Remuneration Policy approved at the 2017 Annual General Meeting, are subject to a 12-month holding period from delivery and there is no minimum amount Board members must hold once this period has ended. The Group believes that this programme is suitably aligned with business objectives and corporate interests thanks to the malus and claw-back clauses in place and also through the remuneration structure for executive directors, whose compensation in shares is equal to half of their variable remuneration; this being consistent with the prudential principle of not providing incentives for risk-taking and of aligning objectives to ensure sustainable growth.

Moving on to the **recommendations with which the Bank is partially compliant**, let us start with **Recommendation 5**, which states that the Board should not ask the general meeting to delegate powers to the Board to issue shares or convertible securities without the pre-emptive subscription right where the amount exceeds 20% of capital at the time of such delegation. While it is certainly the case that the Annual General Meeting held on 28 April 2016 passed a resolution to delegate powers to the Board to issue bonds, preference shares and any other fixed-income securities or analogous instruments convertible into CaixaBank shares without the pre-emptive subscription right, the rights issues that the Board of Directors may approve under this authorisation are subject to the legally-imposed limit of 50% of capital, without the aforementioned limit of 20%, the aim being to make the Bank as flexible as possible when it comes to eligible instruments for its regulatory capital.

Secondly, and in relation to **Recommendation 10**, part of which states that when a shareholder exercises the right to supplement the agenda or submit new proposals, the company should put all these items or proposals to the vote, applying the same voting rules as for those submitted by the Board. Here, CaixaBank is partially compliant because, as established in the Regulations of the Annual General Meeting of the Bank, it has different systems in place for presuming the direction of voting, depending on whether the motions are proposed by the Board of Directors or by shareholders. While transparent counting and recording of votes is guaranteed in both cases, CaixaBank believes that the existing system gets rounds the problem of shareholders leaving before voting and also reducing the likelihood of new proposals being made to resolutions that run contrary to proposals presented by the Board.

Meanwhile, the Company **has announced that it is partially compliant with Recommendations 27 and 31**, the first of which states that director absences should be kept to a strict minimum and that when they do occur, directors should delegate their powers with instructions, while the latter states that the express prior consent of the majority of directors present should be required when, for reasons of urgency, the Chairman wishes to present resolutions for Board approval that were not included on the agenda for the meeting. Starting with **Recommendation 27,** the Board considers it a matter of good corporate governance to allow directors freedom and discretion when choosing to grant proxies with or without specific instructions, on the understanding that the absence of such instructions actually allows the proxy holder to take due account of the discussions and points raised at the Board meeting. In relation to **Recommendation 31**, CaixaBank is not fully compliant since article 26.g) of the Regulations of the Board of Directors does not impose any further requirement in order for the Chairman, Deputy Chairman or Chief Executive to include new motions on the agenda. Any Board member may insist that a board meeting be held or ask to include any items on the agenda he or she thinks fit.

Lastly, **Recommendation 2**, relating to situations where the parent and a subsidiary are both listed, does not apply to the Company because in Spain the Bank is the only listed company belonging to the CaixaBank Group.

In all cases, and without prejudice to the agreed amendments to its internal regulations, CaixaBank's Board of Directors will continue to promote and champion good governance practices at the Company, as it has been doing in recent years.

17. EMPLOYEES

17.1. Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year

The following table shows the number of employees of the CAIXABANK Group at the end of the financial years in question, broken down by main category of activity:

	2017	2016	2015
CAIXABANK individual	**29,119**	**29,990**	**29,972**
Senior Management[1]	*229*	*217*	*195*
Other executive positions	*5,885*	*5,549*	*5,623*
Technicians and specialists	*12,410*	*12,441*	*12,273*
Managers	*10,595*	*11,783*	*11,881*
CAIXABANK Group subsidiaries	**7,853**	**2,413**	**2,270**
Banco BPI and subsidiaries	4,931	-	-
Insurance Group	538	502	450
Collective investment and securities companies	180	174	174
Specialised financing companies	1,289	938	868
Real estate services companies	294	254	207
IT and new technologies companies	352	334	316
Other companies	269	211	255
Total workforce - CAIXABANK Group	**36,972**	**32,403**	**32,242**
Percentage of women - CAIXABANK Group	**53.2%**	**52.3%**	**52.3%**

[1] For these purposes, Senior Management means the members of the Management Committee as well as any other executive officers at CaixaBank.

Geographical distribution of the workforce - CaixaBank individual (at 31 December 2017):

Álava	115
Albacete	84
Alicante	652
Almería	160
Asturias	247
Ávila	45
Badajoz	184
Balearic Islands	940
Barcelona	7754
Burgos	494
Cáceres	89
Cádiz	734
Cantabria	206
Castellón	211
Ceuta	20
Ciudad Real	128
Cordoba	317
Cuenca	37
Girona	894
Granada	337
Guadalajara	184
Guipúzcoa	215
Huelva	464
Huesca	65
Jaén	244
La Coruña	377
La Rioja	127

Las Palmas	488
León	148
Lleida	466
Lugo	69
Madrid	3655
Malaga	583
Melilla	10
Murcia	524
Navarra	852
Orense	62
Palencia	61
Pontevedra	295
Salamanca	80
Segovia	39
Seville	1860
Soria	21
Sta. Cruz de Tenerife	921
Tarragona	825
Teruel	24
Toledo	197
Valencia	1333
Valladolid	176
Vizcaya	549
Zamora	29
Zaragoza	417
Subtotal	29,008
Abroad	111
Total	**29,119**

The following table shows the main workforce changes over the course of 2017.

2017	Hirings/ Reinst.	Departures / dismissals	Total change
CAIXABANK individual	1,549	2,420	-871
CAIXABANK Group subsidiaries	6,346	906	5,440
Total CaixaBank Group	**Net change**		**4,569**

At the close of 2017, the headcount at CaixaBank stand-alone was 29,119 persons, revealing a year-on-year reduction of 871 workers, due mainly to the voluntary redundancy plan (-942) in effect during the period.

CaixaBank Group subsidiaries reported an increase of 5,440 workers in the period following the integration of Banco BPI and subsidiaries in 1Q 2017 (4,931).

The latest workforce figures reveal a total of 37,280 employees at the CaixaBank Group at June 2018, with 29,371 employees at CaixaBank stand-alone and 7,909 at CaixaBank Group subsidiaries.

17.2. Shareholdings and stock options

The following table shows the shareholdings in the Company held or controlled by the members of its Board of Directors and members of its Management Committee, as well as their percentage of the Company's capital of the Company, at the date of this document and based on the information available to CAIXABANK.

Director	**No. of shares**			**Percentage of capital**
	Held directly	**Held indirectly**	**Total**	5,981,438,031
Jordi Gual Solé	54,848	0	54,848	0.001%
Tomás Muniesa Arantegui	134,452	0	134,452	0.002%
Gonzalo Gortázar Rotaeche	671,527	0	671,527	0.011%
Mª Teresa Bassons Boncompte	19,369	0	19,369	0.000%
Fundación Caja Canarias	38,237,375	0	38,237,375	0.639%
María Verónica Fisas Vergés	0	0	0	0.000%
Alejandro García-Bragado Dalmau	3,718	0	3,718	0.000%
Ignacio Garralda Ruiz de Velasco	0	0	0	0.000%
Javier Ibarz Alegría	16,558	0	16,558	0.000%
Alain Minc	12,932	0	12,932	0.000%
Maria Amparo Moraleda Martínez	0	0	0	0.000%
John S. Reed	12,564	0	12,564	0.000%
Joan Rosell Lastortras (*)	0	42,031	42,031	0.001%
Antonio Sainz de Vicuña y Barroso	609	0	609	0.000%
Eduardo Javier Sanchiz Irazu	0	0	0	0.000%
José Serna Masiá (**)	2,040	10,462	12,502	0.000%
Koro Usarraga Unsain	0	0	0	0.000%
Francesc Xavier Vives Torrents	3,345	0	3,345	0.000%
TOTAL	**39,169,337**	**52,493**	**39,221,830**	**0.656%**

(*) The holders of the indirect stake are Civislar, S.A. and Congost, S.A.

(**) The holder of the indirect stake is Soledad García-Conde Angoso

Senior managers not sitting on the Board of Directors				
Name	No. of shares			Percentage of capital
	Held directly	Held indirectly	Total	
				5,981,438,031
Juan Antonio Alcaraz	84,519	0	84,519	0.001%
Matthias Bulach	0	0	0	0.000%
Óscar Calderón	28,612	0	28,612	0.000%
Francesc Xavier Coll	47,944	0	47,944	0.001%
Jordi Fontanals	31,819	0	31,819	0.001%
Mª Luisa Martínez	9,574	0	9,574	0.000%
Maria Victoria Matía	43,828	0	43,828	0.001%
Jorge Mondéjar López	55,855	0	55,855	0.001%
Javier Pano(1)	75,289	892	76,181	0.001%
Joaquín Vilar(2)	56,069	4,477	60,546	0.001%
TOTAL	433,509	5,369	438,878	0.007%

(1) Mr Pano holds his indirect stake through his spouse.

(2) Mr Vilar holds his indirect stake through his spouse.

17.3. Description of any arrangements for involving the employees in the capital of the issuer

There are currently two schemes in place at CaixaBank whereby executive directors, senior managers and certain key employees can receive shares in the Bank: a long-term variable remuneration plan based on shares and the risk-adjusted variable remuneration scheme for Identified Staff at the CaixaBank Group. Both are described in detail below:

Long-term share-based variable remuneration plan for executive directors, members of the Management Committee, the rest of the management team and key employees at the Group.

The Annual General Meeting held on 23 April 2015 approved a long-term variable remuneration plan for executive directors, members of the Management Committee, the rest of the management team and key employees at the CaixaBank Group, the foregoing in accordance with the terms of article 219 of the Spanish Corporate Enterprises Act, article 34 of the Bylaws and the remuneration plan for directors.

The Plan, linked to CaixaBank's 2015-2018 Strategic Plan, was approved with the following basic features, all to be implemented in the Regulations on the Long-Term Variable Remuneration Plan approved by the Board of Directors.

Following the review of the Strategic Plan and its objectives approved on 1 February 2017 by the Board of Directors, the decision was reached at a meeting held on 25 May 2017 to modify the Regulations of the Long-Term Incentives Plan accordingly by updating the ROTE and the Cost-to-Income Ratio to the new objectives proposed.

1. Description and object of the Plan

The Plan will allow its beneficiaries to receive, after a specified period of time, a given number of common shares in CaixaBank, provided certain strategic objectives of the Company are met, the requirements for which are set out in the Plan Regulations.

Under the plan, a certain number of units are awarded to each Beneficiary free of charge. These units then serve as the basis to calculate the number of CaixaBank shares to be given, if any, to each plan Beneficiary, depending on the degree of fulfilment of certain targets.

The plan does not confer the status of Company shareholder on the Beneficiaries, meaning therefore the units do not confer economic or voting rights regarding Company shares or any other shareholder rights.

The rights are also conferred *intuitu personae* and cannot therefore be transferred except for in the special situations envisioned in the Regulations approved by the Company's Board of Directors.

2. Beneficiaries

The beneficiaries of the plan will be the members of the Management Committee and the rest of the management team and key employees of CaixaBank who are expressly invited to take part by the Board of Directors, on the proposal of the Remuneration Committee, as well as the members of the Board of Directors who have executive functions. Moreover, the Bank's Board of Directors may, acting in CaixaBank's interests, allow certain key employees at CaixaBank Group companies to be included as beneficiaries of the plan under the same conditions as CaixaBank's own beneficiaries.

The maximum estimated number of beneficiaries of the Plan authorised under this resolution amounts to eighty (80), including in that number any new beneficiaries invited to take part in the plan while it remains in effect.

The following executive directors are included as beneficiaries under the plan:

Gonzalo Gortázar Rotaeche – Chief Executive Officer

Antonio Massanell Lavilla – Deputy Chairman (due to his retirement, and tendering his resignation as Deputy Chairman and member of the Board of Directors and in accordance with the formula set out in the Plan Regulation, the proportional part will be settled until 31 December 2017).

Tomás Muniesa Arantegui – Deputy Chairman. Tomás Muniesa's involvement in the plan as executive board member was approved at the 2018 Annual General Meeting, although he was already a plan beneficiary due to his status as General Manager at CaixaBank.

3. Duration and settlement of the Plan

The measurement period for the plan runs from 1 January 2015 through to 31 December 2018.

The plan will end on 31 December 2018, without prejudice to the effective settlement of the plan, which will take place in June 2019.

4. Determining the number of units to be assigned to each Beneficiary

In order to determine the Units to be assigned to each Beneficiary (which will be notified to each Beneficiary in a Letter of Invitation), the following will be taken into account: (i) a reference "target" amount, which will be determined on the basis of the Beneficiary's professional function; and (ii) the arithmetic mean price rounded to the third decimal place of the closing price of the CaixaBank share in the corresponding stock market sessions during the month of February 2015. The Units to be assigned to each Beneficiary will be determined using the following formula:

$$\boxed{N.U. = TA/AAP}$$

where:

N.U. = Number of Units to be allocated to each Beneficiary, rounded up to the nearest whole number.

TA = the Target Amount for the Beneficiary, based on their professional category.

AAP = the Arithmetic Average Price of CaixaBank's closing share prices in stock market sessions in February 2015.

The Board of Directors, at the proposal of the Remuneration Committee, may assign new Units, incorporate new beneficiaries or increase the number of Units initially granted to the beneficiaries, doing so once a year in January, except in the case of Board members, for whom it will be the General Meeting that assigns new Units.

The TA over the entire 2015-2018 plan is set at EUR 800,000 for Gonzalo Gortázar Rotaeche. The TA for the 2015-2018 was set at EUR 500,000 for Antonio Massanell Lavilla. Accordingly, the final target for the 2015-2017 period has been set at EUR 375,000.

Tomás Muniesa Arantegui was already a beneficiary of the Plan in his position as General Manager. The Target Amount for the 2015-2018 period was previously set at EUR 500,000.

5. Determining the number of shares to be delivered on settlement of the Plan

The total number of shares to be delivered to each Beneficiary on the settlement date will be determined using the following formula:

$$\boxed{\text{N.S.} = \text{N.U.} \times \text{DIA}}$$

where:

N.S. = Number of Company shares to be delivered to each Beneficiary on the Plan Settlement

Date, rounded up to the nearest whole number.

N.U. = Number of Units allocated to the Beneficiary.

DIA = Degree of incentive attainment, meaning the extent to which the Plan objectives have been met, to be calculated in accordance with section 8 below.

The maximum amount of shares herein authorised also takes into account the shares necessary to be able to award new Units to new Beneficiaries or to grant new Units to existing Beneficiaries. Any such allocation must be agreed upon by the Company's Board of Directors, in view of a report from the Remuneration Committee supporting that allocation, except in the case of executive directors, whose allocation must be approved by shareholders at the General Meeting.

6. Maximum number of shares to be delivered

According to the terms of the preceding paragraphs, it is estimated that the maximum number of shares awarded under the Plan to all Beneficiaries will be 3,943,275, of which 261,578 correspond to Gonzalo Gortázar Rotaeche and 163,486 to Antonio Massanell Lavilla. The allocation of shares is planned for the first half of 2019. However, and given the possibility that the Plan may be settled early, the shares may be delivered in any of the years prior to 2019, subject to the same maximum annual limit as that anticipated for the entire duration and settlement of the Plan and in no case may the sum of the allocations exceed the maximum limit set.

This is the maximum number of shares that can be delivered assuming the maximum coefficients for objective attainment are met.

7. Value of the shares to be taken as a reference

The value of the shares that will serve as a reference for the Plan will be the arithmetic average price, rounded to three decimal places, of the closing prices of the CaixaBank share for the trading sessions corresponding to February 2015, that is, EUR 3.982/share.

8. Metrics

The Degree of Incentive Attainment (DIA) will depend on the extent to which the Plan objectives are accomplished.

The actual number of CaixaBank shares to be delivered to each Beneficiary on the Settlement Date, assuming the relevant conditions are met, will depend on: (i) the Bank's Total Shareholder Return (hereinafter, **"TSR"**) in comparison with the same indicator for 19 peer banks (20 banks in total, including CaixaBank); (ii) the *Bank's Return on Tangible Equity* (hereinafter, **"ROTE"**); and (iii) the Bank's Cost-to-Income Ratio (hereinafter, **"CIR"**), all these being the Company's key metrics.

ROTE and CIR count as unaudited Alternative Performance Measures (APMs). See the accompanying annex for a list of definitions and a reconciliation with the audited consolidated financial statements.

- TSR: difference (expressed as a percentage) between the final value of the investment in common shares and the initial vale of that investment, taking into account that for the calculation of that final value, dividends and other similar items (such as scrip dividends) received by the shareholder on that investment during the corresponding period of time will be counted.

A coefficient of between 0 and 1.5 will be used, depending on where CaixaBank ranks in the selected sample of 20 comparable peer banks:

If CaixaBank's position in the TSR ranking is between 1 and 3, the TSR coefficient = 1.5.

If CaixaBank's position in the TSR ranking is between 4 and 6, the TSR coefficient = 1.2.

If CaixaBank's position in the TSR ranking is between 7 and 9, the TSR coefficient = 1.

If CaixaBank's position in the TSR ranking is between 10 and 12, the TSR coefficient = 0.5.

If CaixaBank's position in the TSR ranking is between 13 and 20, the TSR coefficient = 0.

The reference banks taken into consideration with regard to the TSR, for the purposes of this Plan (the "Comparison Group") are Santander, BNP, BBVA, ING Groep NV-CVA, Intesa Sanpaolo, Deutsche Bank AGRegistered, Unicredit SPA, Crédit Agricole SA, Société Générale SA, KBC Groep NV, Natixis, Commerzbank AG, Bank of Ireland, Banco Sabadell SA, Erste Group Bank AG, Banco Popular Español, Mediobanca SPA, Bankinter SA and Bankia SA.

With a view to avoiding atypical movements in the indicator, the reference values used, both on the date immediately preceding the start of the Measurement Period (31 December 2014) and on the end date of the Measurement Period (31 December 2018), will be the arithmetic mean price rounded to three decimal places of the closing prices of the shares in 31 stock market sessions. These 31 sessions will comprise the 31 December session and the 15 sessions immediately preceding and following this date.

- ROTE: return on tangible equity during the Measurement Period. This formula does not include intangible assets or goodwill as part of the Company's equity.

A coefficient of between 0 and 1.2 will be used for the ROTE metric, based on the following scales:

1 January 2015 to 31 December 2016:

If ROTE is $\geq$ 14: ROTE coefficient = 1.2

If ROTE is = 12: ROTE coefficient = 1

If ROTE is = 10: ROTE coefficient = 0.8

If ROTE is < 10: ROTE coefficient = 0.

1 January 2017 to 31 December 2018:

If ROTE is $\geq$ 9: ROTE coefficient = 1.2

If ROTE is = 8: ROTE coefficient = 1

If ROTE is = 7: ROTE coefficient = 0.8

If ROTE is < 7: ROTE coefficient = 0.

The degree of achievement of the incentive arising from the ROTE target will be calculated, following the above tables, by linear interpolation for each period.

In both cases, average ROTE will be calculated between 31 December 2017 and 31 December 2018.

- CIR: percentage of income consumed by costs. This is calculated as the percentage ratio between ordinary operating income and costs.

A coefficient of between 0 and 1.2 will be used for the CIR metric, based on the following scales:

1 January 2015 to 31 December 2016:

If 2018 CIR $\leq$ 43: CIR coefficient = 1.2

If 2018 CIR = 45: CIR coefficient = 1

If 2018 CIR = 47: CIR coefficient = 0.8

If 2018 CIR > 47: CIR coefficient = 0

1 January 2017 to 31 December 2018:

If 2018 CIR $\leq$ 53: CIR coefficient = 1.2

If 2018 CIR = 55: CIR coefficient = 1

If 2018 CIR = 57: CIR coefficient = 0.8

If 2018 CIR > 57: CIR coefficient = 0

The degree of achievement of the incentive arising from the CIR target will be calculated, following the above tables, by linear interpolation for each period.

In both cases for the CIR metric, the value at 31 December 2018 will be used.

The Degree of Incentive Attainment will be determined on the basis of the following formula, with the weightings included in it:

$$DIA = A_{TSR} \times 34\% + A_{ROTE} \times 33\% + A_{CIR} \times 33\%$$

where:

DIA = Degree of Incentive Attainment expressed as a percentage.

ATSR = Attainment of TSR versus target TSR, based on the scale established for the TSR target in this section.

AROTE = Attainment of ROTE versus target ROTE, based on the scales established for the ROTE target in this section.

ACIR = Attainment of CIR versus target CIR, based on the scales established for the CIR target in this section.

The TSR metric will be calculated by a reputable and well-respected independent expert at the end of the Plan, at the Bank's request. The Bank itself will calculate the ROTE and CIR metrics, which will be audited as part of Bank's financial statements.

9. Requirements for delivery of the shares

The requirements for the Beneficiary to receive shares under the Plan are as follows:

1. They must comply with the objectives set for them under the Plan, subject to the terms and conditions described.

2. The Beneficiary must remain at the Company until the End Date of the Plan, except in special circumstances, such as death, permanent disability, retirement, and the other circumstances set out in the Plan regulations. Any such circumstance must be approved by the Company's Board of Directors. Therefore, the Beneficiary will forfeit their entitlement to shares under the Plan in the event of resignation or fair dismissal.

The shares will be delivered in all cases on the date established for Beneficiaries of the Plan, in accordance with the requirements and procedures laid out in the Plan.

The Plan will only be settled and the shares delivered if doing so is sustainable and justified in light of the Company's prevailing situation and results. The shares under this Plan will not be delivered to the Beneficiaries - who will forfeit any right to receive them - in the event that CaixaBank reports a loss, does not distribute a dividend or fails the stress tests required by the European Banking Authority, in the year of the Plan End Date or Settlement Date.

10. Delivery of shares and availability

The relevant number of shares under the Plan will be delivered to the Beneficiary in book entry form, or via the applicable stock exchange procedure, and will be recorded in their securities account.

The shares received under this Plan will be fully paid up, stock market quoted, free and clear of all liens and encumbrances and their holders will not be subject to any limitations or restrictions beyond those generally applicable to all Company shareholders, whether by contract, the Bylaws or at law.

Beneficiaries may not carry out any hedging transactions in relation to any shares they may receive under this Plan.

Settlement of the Plan, the procedure for delivering the shares resulting from this Plan and the requirements for their subsequent transfer will all be subject to and dependent on the conditions and requirements regarding payment of variable remuneration to executive directors, senior managers and members of the Identified Staff prescribed by the LOSS and its implementing regulations, the Bank of Spain, the European Banking Authority or any other competent body. These limitations may include the obligation to hold the shares received (net of the corresponding payment on account of personal income tax) for a period of three years from their delivery. The Beneficiary may dispose of the shares in thirds from the year following their delivery.

11. Early settlement events or modification of the Plan

The Plan may be terminated ahead of schedule or modified in the event of a change of control at the Company or in light of events that, in the opinion of the Board of Directors, significantly impact the Plan.

12. Malus and clawback clause

Variable remuneration under the Plan will be subject, with regard to executive directors and the other Plan Beneficiaries belonging to the Company's Identified Staff, to the same malus and clawback provisions as those established for variable remuneration in the remuneration policy in effect from time to time.

13. Adaptation to regulatory requirements

The Board of Directors has authority to make the relevant decisions to ensure the correct management and administration of the Plan, at the proposal of the Remuneration Committee. More specifically, it may modify Plan conditions when the Plan must be adapted in order to comply with legal requirements or interpretations or requirements regarding future or current regulations emanating from any competent authority, especially, but not limited to the Bank of Spain or the European Banking Authority.

System of risk-adjusted annual variable remuneration for the Identified Staff at the CaixaBank Group

Following the entry into force of new regulations such as Spanish Royal Decree 84/2015, implementing Act 10/2014, of 26 June, on the structuring, supervision and solvency of credit institutions, Bank of Spain Circular 2/2016, or the EBA Guidelines on the Remuneration Policies, CAIXABANK has reviewed and brought its remuneration policies in line with those regulations while aligning itself with trends and practices observed internationally.

Accordingly, CaixaBank's Board of Directors approved the Remuneration Policy for Identified Staff at the CaixaBank Group and the Annual General Meeting of 6 April 2017 approved the Remuneration Policy of the Board of Directors of CaixaBank. Both documents set out the risk-adjusted variable remuneration system for executive directors, the Senior Management and the categories of staff whose professional activities have a significant impact on an entity's risk profile, according to Commission Delegated Regulation (EU) No. 604/2014 of 4 March 2014.

The risk-adjustment of variable remuneration and the deferral system pursue the following main objectives:

- Adjusting the amount of variable remuneration to the risks taken by employees in achieving the objectives in place and the global results of CaixaBank.
- Adjusting the amount of variable remuneration payable to each employee in the event that the risks assumed by CaixaBank materialise.
- Enhance employee engagement at CaixaBank through the delivery of shares in the Company.

This system is linked to the existing variable remuneration schemes and does not constitute an additional remuneration mechanism; instead it modifies the manner in which the amount to be received is valued and the settlement method, replacing payment in cash of part of the variable remuneration with the deferred and conditional delivery of shares.

For the Senior Management and executive directors, the bonus deferral and share delivery system is as follows:

- Direct payment: 50% of each variable pay item (in cash and shares) will be paid before the end of February. In the case of executive directors, the non-deferred remuneration percentage is lowered to 40%.
- Deferral: payment of 50% of each variable pay item (in cash and shares) will be deferred over five (5) years, from the 2017 bonus plan onward, with a fifth of the total amount to be paid out each year. In the case of executive directors, the deferred remuneration percentage will be increased to 60%.
- For each variable remuneration payment, settlement will be 50% in cash and 50% in shares, once the corresponding taxes (or withholdings) have been paid.
- A series of scenarios are established which in certain cases may reduce, nullify or even lead to the clawback of the deferred variable remuneration.
- All shares delivered will be subject to a lock-up period preventing their sale for one year from acquiring the right.

Based on the above, the Annual General Meeting passed the following resolutions:

- Annual General Meeting held on 6 April 2018: the total maximum amount payable in shares to the executive directors and senior executives in 2019 and the five following years, under the 2018 variable remuneration scheme, is estimated at EUR 1,406,170, before tax and withholdings, assuming that this group and the target bonus amount remain unchanged.

The maximum number of shares to be delivered, net of taxes and withholdings, will be this estimated maximum amount divided by the Company's share price at the close of 15 February 2019 or, as the case may be, the previous trading day.

The resolution of the Annual General Meeting held on 6 April 2018 delegates powers to the Board of Directors.

- Annual General Meeting held on 6 April 2017: the total maximum amount payable in shares to the executive directors and senior executives in 2018 and the three following years, under the 2017 variable remuneration scheme, is estimated at EUR 1,391,982, before tax and withholdings, assuming that this group and the target bonus amount remain unchanged.

The maximum number of shares to be delivered, net of taxes and withholdings, was the ratio between this estimated maximum amount and the Company's share price at the close of 15 February 2018 or, as the case may be, the previous trading day. The price was set at EUR 3,993 (close at 15 February 2018), meaning the maximum number of shares resulting from the calculation was 348,599.

- Annual General Meeting held on 28 April 2016: the total maximum amount payable in shares to the executive directors and senior executives in 2017 and the three following years, under the 2016 variable remuneration scheme, is estimated at EUR 1,347,000, before tax and withholdings, assuming that this group and the target bonus amount remain unchanged.

The maximum number of shares to be delivered, net of taxes and withholdings, was the ratio between this estimated maximum amount and the Company's share price at the close of 15 February 2017 or, as the case may be, the previous trading day. The price was set at EUR 3.401 (close at 15 February 2017), meaning the maximum number of shares resulting from the calculation was 396,059.

- Annual General Meeting held on 23 April 2015: the total maximum amount payable in shares to the executive directors and senior executives in 2016 and the three following years, under the 2015 variable remuneration scheme, is estimated at EUR 1,277,400, before tax and withholdings, assuming that this group and the target bonus amount remain unchanged.

The maximum number of shares to be delivered, net of taxes and withholdings, was the ratio between this estimated maximum amount and the Company's share price at the close of 15 February 2016 or, as the case may be, the previous trading day. The price was set at EUR 2.577 (close at 15 February 2016), meaning the maximum number of shares resulting from the calculation was 495,693.

- Annual General Meeting held on 24 April 2014: The total maximum amount payable in shares to the Deputy Chairman, CEO and senior managers in 2015 and the three following years under the 2014 variable remuneration scheme is estimated at EUR 1,347,600, before tax and withholdings, assuming that this group and the target bonus amount remain unchanged.

The maximum number of shares to be delivered, net of taxes and withholdings, was the ratio between this estimated maximum amount and the Company's share price at the close of 15 February 2015 or, as the case may be, the previous trading day. The price was set at EUR 4.117 (close at 13 February 2015), meaning the maximum number of shares resulting from the calculation was 327,325.

The variable annual remuneration scheme for executive directors and members of the Management Committee for 2014, 2015, 2016 and 2017 during 2018 year-to-date, is as follows:

2014 Plan		2015 Plan		2016 Plan		2017 Plan	
No. of shares delivered, net	Deferred for 2014, pending delivery	No. of shares delivered, net	Deferred for 2015, pending delivery	No. of shares delivered, net	Deferred for 2016, pending delivery	No. of shares delivered, net	Deferred for 2017, pending delivery
117,110	0	166,227	58,943	131,247	119,236	76,451	146,000

The number of shares currently held by the members of the Management Committee is set out in section 17.2 of this document.

18. MAJOR SHAREHOLDERS

18.1. In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, an appropriate negative statement

Name or corporate name of the shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
FUNDACIÓN BANCARIA LA CAIXA (at 9 February 2017)	3,493	2,392,575,212	40.00%

INVESCO LIMITED (at 7 June 2018)	0	120,364,353	2.012%
BLACKROCK, INC (at 16 April 2018)	0	183,647,317	3.429%*

The date of the last communication to the CNMV is stated next to the name of each company.

(*) This percentage could climb to 3.11% if the relevant financial instruments are exercised

Name or corporate name of indirect shareholder	Held through: Name or corporate name of the direct shareholder	Number of voting rights
FUNDACIÓN BANCARIA LA CAIXA (at 9 February 2017)	CRITERIA CAIXA, SAU	2,392,575,212
INVESCO LIMITED (at 7 June 2018)	INVESCO ASSET MANAGEMENT LIMITED	116,039,898
INVESCO LIMITED (at 7 June 2018)	PENSION FUNDS AND MUTUAL BENEFIT FUNDS MANAGED BY INVESCO LTD. OTHER ENTITIES - TOTAL STAKE	4,324,455
BLACKROCK, INC (shares, securities lent and contract for difference) – at 16 April 2018	CONTROLLED ENTITIES WHOSE INDIVIDUAL STAKE, IN SHARES AND FINANCIAL INSTRUMENTS, DOES NOT REACH 3% OR 1% FOR TAX HAVEN RESIDENTS	183,647,317 - shares 20,554,408 - Securities lent and 877,849 - Contract for difference

*The date of the last communication to the CNMV is stated next to the name of each company.

CaixaBank's majority shareholder is CriteriaCaixa (40% at 31 December 2017). Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" Banking Foundation controls Criteria Caixa, S.A.U.

Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" Banking Foundation controls Criteria Caixa, S.A.U.

A) Regarding the controlling shareholder:

To enhance transparency and good governance at the Company, and in line with Recommendation 2 of the Unified Code of Good Governance, CaixaBank and "la Caixa" Banking Foundation, then 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 initial protocol, which was signed when the Company (previously called Criteria CaixaCorp, S.A.) was listed on the stock market, was replaced by a new protocol resulting from the restructuring process 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 business activity to CaixaBank, the protocol was amended by means of a novation agreement to remove the reference to the exceptionality of Monte de Piedad's indirect activity.

The protocol was intended to regulate 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 through which the financial activity of "la Caixa" is carried on; demarcate the general parameters governing any mutual business or corporate dealings between CaixaBank and its Group and "la Caixa" and other "la Caixa" group companies; and to ensure an adequate flow of information so as to allow "la Caixa" and CaixaBank to prepare financial statements and meet their periodic reporting and supervision obligations as before the Bank of Spain, the CNMV and other regulatory bodies.

Following the entry into force of Act 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 exercising 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.

Act 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 bank 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 CaixaBank on 24 July 2014. The CNMV was notified on 9 December 2014 following approval from Bank of Spain.

On 18 February 2016, the members of the Board of Trustees of “la Caixa” Banking Foundation signed a new protocol for managing the financial ownership in CaixaBank, S.A., which resulted in the adaptation of the protocol approved by the Board of Trustees on 24 July 2014 to the content of Circular 6/2015.

On 19 December 2016, in accordance with the provisions of the Protocol for Managing the Financial Investment, “la Caixa” Banking Foundation, as parent of the “la Caixa” Group, CriteriaCaixa, as direct shareholder in CaixaBank, and CaixaBank, as a listed company, signed a new Internal Relations Protocol to replace the previous protocol and whose main objectives are to:

- manage the related-party transactions deriving from transactions or services rendered;
- establish mechanisms that attempt to avoid the emergence of conflicts of interest;
- make provision for “la Caixa” Banking Foundation to have a right of pre-emptive acquisition in the event of a transfer by CaixaBank of Monte de Piedad, which it owns;
- establish the basic principles for a possible collaboration between CaixaBank and the “la Caixa” Banking Foundation in matters relating to CSR;
- regulate the flow of adequate information to allow “la Caixa” Banking Foundation, Criteria and CaixaBank to prepare their financial statements and to comply with periodic reporting and supervisory duties;
- establish the mechanisms needed for Criteria to assume all the requirements deriving from the ECB’s decision to consider CriteriaCaixa as the entity ultimately responsible for the financial conglomerate.

On 26 September 2017, the Governing Council of the European Central Bank reached a decision pursuant to which Criteria Caixa is no longer under its supervision. The new responsible group is the one headed by CaixaBank. Accordingly, Criteria in longer a mixed financial holding company since it has met the conditions prescribed by the ECB for the prudential deconsolidation of Criteria Caixa from CaixaBank. With the deconsolidation process now complete and in accordance with the Protocol for Managing the Financial Investment, “la Caixa” Banking Foundation and Criteria Caixa on the one side and CaixaBank on the other entered into a new Internal Relations Protocol in February 2018, superseding the agreement previously signed on 19 December 2016, so as to bring the protocol in line with the deconsolidation conditions prescribed by the European Central Bank (available on CaixaBank’s corporate website). The main aim of the new protocol is to manage related-party transactions arising from business or services that the “la Caixa” Banking Foundation

Group provides, or may provide in future, to CaixaBank Group companies and those that CaixaBank Group companies provide, or may provide in future, to companies belonging to the "la Caixa" Banking Foundation Group. The protocol sets out general rules and criteria for these relationships within a framework of autonomy, transparency, reciprocity and subjection to market conditions. It also includes mechanisms to prevent conflicts of interest deriving from the fact that the "la Caixa" Banking Foundation is the indirect shareholder of CaixaBank through Criteria Caixa, while providing a flow of adequate information so as to ensure that "la Caixa" Banking Foundation, Criteria Caixa and CaixaBank are able to draw up their financial statements and comply with their respective obligations as before regulators and public authorities. Significantly, the protocol also reflects the parties' acceptance and commitment to meet the conditions prescribed by the European Central Bank for the purposes of Criteria Caixa's prudential deconsolidation from CaixaBank.

B) Regarding the Shareholder Agreement:

Following the merger by absorption of Banca Cívica by CaixaBank, the following shareholders: Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (currently "la Caixa" Banking Foundation) and Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Cajasol), Caja Canarias (currently Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja de Burgos, Banking Foundation), (hereinafter "the Foundations") entered into an agreement on 1 August 2012 to regulate 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 "la Caixa" Banking Foundation. The decision was also reached to appoint two members to CaixaBank's Board of Directors on the proposal of the "Foundations". Meanwhile, and to make their interest in the share capital of CaixaBank more stable, the "Foundations" agreed not to sell or dispose of their stake until at least four years have passed. They also agreed to grant a pre-emptive acquisition right for a further two years in favour of the other Foundations (right of first refusal) and then the "la Caixa" Banking Foundation (right of second refusal) should any of the Foundations wish to sell any or all of their stake following the end of the retention period. On 17 October 2016, the amendments to the Integration Agreement between CaixaBank and Banca Cívica and the CaixaBank Shareholders' Agreement were agreed, which means that the "Foundations", instead of proposing the appointment of two (2) directors at CaixaBank, may propose one director at CaixaBank and one at VidaCaixa, and that the three-year extension of the agreements that automatically occurred at the beginning of August will instead have a duration of four years. At the time the Shareholders' Agreement was signed, "la Caixa" and the Foundations held between them a stake 80.597% in the share capital CAIXABANK.

18.2. Whether the issuer's major shareholders have different voting rights, or an appropriate negative statement

Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, with its stake of 40% in the Issuer, does not have different voting rights to those held by the Company's other shareholders. All shares representing the Company's capital confer the same dividend and voting rights. Each share grants one vote, and there are no preferred shares. See also section 18.1 above.

18.3. To the extent known to the issuer, whether the issuer is directly or indirectly owned or controlled and by whom, the nature of such control, and the measures in place to ensure that such control is not abused

See section 18.1 of this Registration Document.

18.4. Description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change of control of the issuer

See section 18.1 of this Registration Document.

19. RELATED PARTY TRANSACTIONS

Under the provisions of Bank of Spain Circular 4/2004, key management personnel at CAIXABANK are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including all members of the Board of Directors (executive or other) and the Senior Management of CAIXABANK. Given their posts, each member of key management personnel is a "related party" of CAIXABANK. Accordingly, CAIXABANK must disclose, among other transactions, the information provided in this Note.

Also considered CAIXABANK related parties are close family members of "key management personnel", understood as being those family members who may influence or be influenced by that person in their dealings with the Bank. These include: (i) that person's spouse or partner through an analogous relationship; (ii) that person's parents, children or siblings or the spouses or partners through an analogous relationship of these individuals; (iii) the parents, children or siblings of the person's spouse or partner through an analogous relationship; and (iv) any individuals under the person's care or that of the spouse or partner through an analogous relationship. They also include any companies over which key personnel or their close family members exercise control, joint control or significant influence, or have, directly or indirectly, significant voting power.

According to the Regulations of the Board of Directors, transactions between directors and their related parties must be authorised by the Board of Directors, subject to a report by the Audit and Control Committee, except if they meet the following three conditions: (i) they are performed under contracts with standard conditions and applied en masse to a large number of customers; (ii) they are performed at market prices or rates, generally established by the party acting as the provider of the relevant good or service; and (iii) their amount does not exceed one per cent (1%) of the annual revenue of the Company.

Notwithstanding the above, according to prevailing legislation, express authorisation by the Bank of Spain is required for the granting of loans, credits or guarantees to the Chairman, Deputy Chairman, and other directors and General Managers and similar office holders.

The approval policy for loans to members of the Board of Directors who are employees of CaixaBank and Senior Management is governed by the provisions of the collective bargaining agreement for savings bank and financial savings institutions, as well as the internal employment regulations that implement this agreement.

All other loan and deposit transactions or financial services arranged by CaixaBank with key management personnel (Board of Directors and Senior Management), insofar as not subject to employment regulations, were arranged at arm's length (normal market conditions). Moreover, none of those transactions involved a significant amount of money and therefore had no material impact on the annual financial statements.

CAIXABANK also has service level agreements with related parties. These agreements form part of its ordinary course of business and are arranged at arm's length. None of them individually is for a significant amount.

Balances and transactions with significant shareholders in 2017 include those relating to "la Caixa" Banking Foundation, CriteriaCaixa and their subsidiaries. The most recent information presented refers to 31 December 2017 since the Company has no information available following that date.

Following the deconsolidation from CriteriaCaixa (see section 22), the related party scope no longer includes the following in 2017: balances and transactions with: (i) other associates and jointly-controlled entities of the significant shareholder; and (ii) key management personnel of "la Caixa" Banking Foundation and CriteriaCaixa.

Translation for information purposes only, in case of discrepancy between this English version and the original Spanish version of the Registration Document, the Spanish version shall prevail.

Details of the most significant balances in 2017, 2016 and 2015 are as follows:

2017

(Thousands of euros)	Significant shareholder (1)	Associates and joint ventures	Directors and Senior Management (2)	Other related parties (3)	Employee pension plan
ASSETS					
Loans and advances to credit institutions					
Loans and advances	209,768	477,106	8,933	11,173	0
Reverse repurchase agreements					
Mortgage loans	114,320	3,522	8,748	6,309	
Other (4)	95,448	473,584	185	4,864	
of which: loan-loss provisions	*(627)*	*(3,606)*	*(1)*	*(10)*	
Equity instruments					5,416
Debt securities	9,362	4,581			
Total	**219,130**	**481,687**	**8,933**	**11,173**	**5,416**
LIABILITIES					
Deposits from credit institutions	16,555	29			
Customer deposits	782,482	1,802,183	23,873	18,694	56,696
Debt securities issued					1,000
Off-balance sheet liabilities (5)			320,185	74,855	
Total	**799,037**	**1,802,212**	**344,058**	**93,549**	**57,696**
INCOME STATEMENT					
Interest income	3,401	717	41	202	
Interest expenses (6)		(80)	(5)	(6)	(155)
Dividend income (7)					
Fee and commission income	471	192,542	(1)	3	397
Fee and commission expenses					
Total	**3,872**	**193,179**	**35**	**199**	**242**
OTHER					
Security posted – Guarantees and others	9,382	107,220	10	92	
Contingent commitments granted - Drawable by third parties and other (8)		299,869	2,038	6,703	
Accrued post-employment commitments			44,604		
Total	**9,382**	**407,089**	**46,652**	**6,795**	**0**

(1) "Significant shareholder" refers to any shareholder that is the parent of, or has joint control of or significant influence over the CaixaBank Group, the latter term as defined in IAS 28, irrespective of its economic rights.
(2) Directors and Senior Management of CaixaBank.
(3) Family members and entities related to members of the Board of Directors and Senior Management of CaixaBank.
(4) Includes other loans and receivables.
(5) Includes mutual funds, insurance contracts, pension funds and post-employment commitments contributed.
(6) Does not include the financial expense relating to off-balance sheet liabilities.
(7) Set on an accrual basis.
(8) Includes amounts drawable against commercial risk lines.

2016

(Thousands of euros)	**With the majority shareholder, "la Caixa" Banking Foundation and its Group (1)**	**Associates and joint ventures**	**Directors and Senior Management (2)**	**Other related parties (3)**	**Employee pension plan**
ASSETS					
Loans and advances to credit institutions		588			
Loans and advances	1,973,065	374,603	11,444	25,932	0
Reverse repurchase agreements					
Mortgage loans	424,456	3,775	10,992	17,667	
Other (4)	1,548,609	370,828	452	8,265	
of which: loan-loss provisions	(49)	*(8,498)*	(9)	(4,930)	
Equity instruments					4,035
Debt securities	1,364,805	5,683			
Total	**3,337,870**	**380,874**	**11,444**	**25,932**	**4,035**
LIABILITIES					
Deposits from credit institutions	22,655	1,387	15		
Customer deposits	2,391,577	875,519	52,750	54,427	43,509
Debt securities issued					4,700
Off-balance sheet liabilities (5)			70,354	32,763	
Total	**2,414,232**	**876,906**	**123,119**	**87,190**	**48,209**
STATEMENT OF PROFIT OR LOSS					
Interest income	47,187	7,763	75	544	
Interest expenses (6)	(814)	(910)	(100)	(69)	(554)
Dividend income (7)					
Fee and commission income	5,407	172,575	9	20	
Fee and commission expenses			(4)		
Total	**51,780**	**179,428**	**(20)**	**495**	**(554)**
OTHER					
Security posted – Guarantees and others	160,000	82,666	10	97	
Contingent commitments granted - Drawable by third parties and other (8)	1,743,269	457,657	6,344	11,108	
Accrued post-employment commitments			49,375		
Total	**1,903,269**	**540,323**	**55,729**	**11,205**	**0**

(1) Includes transactions with "la Caixa" Banking Foundation and its Group companies, joint ventures and associates.
(2) Information provided on the Directors and Senior Management of "la Caixa" Banking Foundation, CaixaBank and
(3) Family members and entities related to members of the Boards of Directors and Senior Management of "la Caixa" Banking Foundation, CaixaBank and Criteria and other related parties.
(4) Includes other loans and receivables.
(5) Includes mutual funds, insurance contracts, pension funds and post-employment obligations contributed.
(6) Does not include the financial expense relating to off-balance sheet liabilities.
(7) Set on an accrual basis.
(8) Includes amounts drawable against commercial risk lines.

Translation for information purposes only, in case of discrepancy between this English version and the original Spanish version of the Registration Document, the Spanish version shall prevail.

2015

(Thousands of euros)

	With the majority shareholder, "la Caixa" Banking Foundation and its Group (1)	**Associates and joint ventures**	**Directors and Senior Management (2)**	**Other related parties (3)**	**Employee pension plan**
ASSETS					
Loans and advances to credit institutions		209			
Loans and advances	2,915,789	624,593	11,326	54,505	
Reverse repurchase agreements					
Mortgage loans	443,233	14,897	10,876	34,246	
Other (4)	2,472,556	609,696	450	20,259	
of which: loan-loss provisions	(262)	*(126,362)*			
Equity instruments					2,665
Debt securities	1,114,976	2,494			
Total	**4,030,765**	**627,296**	**11,326**	**54,505**	**2,665**
LIABILITIES					
Deposits from credit institutions	10,450	33,014	15,923		
Customer deposits	1,276,440	848,508	66,535	28,039	17,114
Debt securities issued					40,198
Off-balance sheet liabilities (5)			82,383	31,211	
Total	**1,286,890**	**881,522**	**164,841**	**59,250**	**57,312**
INCOME STATEMENT					
Interest income	50,609	10,536	106	922	
Interest expenses (6)	(16,040)	(2,515)	(703)	(133)	(1,473)
Dividend income (7)					
Fee and commission income	5,096	136,415	81	185	
Fee and commission expenses			(14)	(1)	
Total	**39,665**	**144,436**	**(530)**	**973**	**(1,473)**
OTHER					
Security posted – Guarantees and others	277,851	129,713	3,559	1,500	
Contingent commitments granted - Drawable by third parties and other (8)	1,726,924	572,046	9,475	18,789	
Accrued post-employment commitments			45,696		
Total	**2,004,775**	**701,759**	**58,730**	**20,289**	**0**

(1) Includes transactions with "la Caixa" Banking Foundation and its Group companies, joint ventures and associates.
(2) Information provided on the Directors and Senior Management of "la Caixa" Banking Foundation, CaixaBank and Criteria.
(3) Family members and entities related to members of the Boards of Directors and Senior Management of "la Caixa" Banking Foundation, CaixaBank and Criteria and other related parties.
(4) Includes other loans and receivables.
(5) Includes mutual funds, insurance contracts, pension funds and post-employment obligations contributed.
(6) Does not include the financial expense relating to off-balance sheet liabilities.
(7) Set on an accrual basis.
(8) Includes amounts drawable against commercial risk lines.

Transactions between Group companies form part of the normal course of business and are carried out at arm's length. The most significant transactions between Group companies in 2017 were as follows:

- On 23 November 2017, CaixaBank Asset Management SGIIC, SAU signed an agreement to acquire from Banco BPI all the share capital of the companies BPI Gestão de Activos, Sociedade Gestora de Fundos de Investimento, SA and BPI Global Investment Fund Management Company S.A for EUR 75 million and EUR 8 million, respectively. Banco BPI will continue distributing the mutual funds of the aforementioned acquiree.
- On 23 November 2017, VidaCaixa SAU de Seguros y Reaseguros signed an agreement to acquire from Banco BPI all the share capital of BPI Vida e Pensões, Companhia de Seguros, SA for EUR 135 million. Banco BPI will continue to distribute the life insurance and pension products of the aforementioned acquiree.
- On 23 November 2017, CaixaBank S.A. signed an agreement to acquire from Banco Português de Investimento, SA (a Banco BPI subsidiary) its brokerage, research and corporate finance business. The cost of the deal will be equivalent to the carrying amount of the net operating assets transferred at the reporting close, which is expected to total approximately EUR 4 million. CaixaBank will set up a branch in Portugal to operate the acquired business.
- CaixaBank Payments, EP, EFC, S.A.U. ("CaixaBank Payments") signed an agreement to acquire Banco BPI's card issuance business for a price of EUR 53 million on 21 December 2017. Further, Comercia Global Payments, EP, SL signed an agreement to purchase Banco BPI's Adquirencia business (POS-Points of Sale) for EUR 60 million.

  CaixaBank Payments and Comercia will appoint Banco BPI as their exclusive marketing agent for the products included in the businesses acquired.

Furthermore, at 31 December 2017 and 2016, CriteriaCaixa holds derivatives with CaixaBank to hedge the interest rates on bilateral loans for a nominal amount of EUR 1,100 million. The fair value of this derivative at 31 December 2017 and 2016 was EUR 11 million and EUR 20 million, respectively.

At 31 December 2017 and 2016, there was no evidence of impairment to the value of the financial assets or the guarantees or contingent commitments held with key management personnel and executives.

The balances of loans at 31 December 2017 and 2016 arranged with serving directors and Senior Management at those two dates have an average maturity of 21.84 and 21.05 years, respectively, and bear interest at an average rate of 0.38% and 0.57%, respectively.

Financing granted in 2017 to serving directors and Senior Management personnel at 31 December 2017 and 2016 amounted to EUR 15 thousand and EUR 2,526 thousand, respectively, with an average maturity period of 3.7 and 1 years, earning interest at an average rate of 0% (credit cards) and 1.90%, respectively.

Description of the relationship between "la Caixa" Banking Foundation and CAIXABANK

As a result of the transformation of "la Caixa" into a banking foundation and the conclusion of the indirect exercise of banking activity through CaixaBank, and in accordance with the provisions of Act 26/2013, of 27 December, governing savings banks and banking foundations, on 24 July 2014, the Board of Trustees of "la Caixa" Banking Foundation approved a protocol for managing its ownership interest in the financial institution (modified on 18 May 2017, to which Criteria adhered on 25 May 2017). This protocol regulates the following principal aspects:

- The basic strategic lines governing "la Caixa" Banking Foundation's management of its stake in CAIXABANK.
- Relations between the Board of Trustees and CaixaBank's governing bodies.

- The general criteria governing transactions between the “la Caixa” Banking Foundation and CaixaBank.
- The mechanisms to avoid the emergence of conflicts of interest.
- The basic criteria relating to the assignment and use of distinctive signs and domain names owned by “la Caixa” Banking Foundation by CaixaBank and companies belonging to its Group.
- The provision for “la Caixa” Banking Foundation to have a right of pre-emptive acquisition if CaixaBank attempts to sell or transfer its ownership of Monte de Piedad.
- The basic principles for a possible collaboration so that (a) CaixaBank may implement corporate social responsibility policies through “la Caixa” Banking Foundation, and, at the same time (b) “la Caixa” Banking Foundation may disseminate its welfare projects through the CaixaBank branch network, and where appropriate, through other material means.
- The flow of adequate information to allow “la Caixa” Banking Foundation and CaixaBank to prepare their financial statements and to comply with periodic reporting and supervisory duties with the Bank of Spain and other regulatory bodies.

Under this protocol governing the management of the financial investment, “la Caixa” Banking Foundation, CriteriaCaixa and CaixaBank agreed to formalise a new internal relations protocol, modifying the prevailing protocol of 19 December 2016 and including aspects of the protocol for the management of the financial investment required by CaixaBank’s role as a counterparty of “la Caixa” Banking Foundation and of CriteriaCaixa. This protocol was signed by CaixaBank’s Board of Directors on 1 February 2018 and by the Board of Trustees of “la Caixa” Banking Foundation and CriteriaCaixa’s Board of Directors on 25 January 2018.

20. FINANCIAL INFORMATION CONCERNING THE ISSUER’S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

The CAIXABANK Group’s financial information for 2017 is based on audited accounting records. Financial information for 2016 and 2015 is presented for comparison purposes only.

The Group’s consolidated financial statements, which are incorporated herein by reference, have been prepared in accordance with the regulatory financial reporting framework applicable to the CAIXABANK Group, which is set forth in the International Financial Reporting Standards (“IFRS”) as adopted by the European Union through EU Regulations, in accordance with Regulation No 1606/2002 of the European Parliament and of the Council of 19 July 2002, and subsequent amendments. It has also been prepared with due regard to Bank of Spain Circular 4/2004 of 22 December (“the Circular”), on public financial and inside information and standard formats for presenting the financial statements of credit institutions, showing how Spain has adapted the IFRS adopted by the European Union to Spanish credit institutions, and subsequent amendments.

For comparative purposes, please note the business combination with Banco BPI in February 2017 (for further information see section *5.1.5. Important events in the development of the issuer’s business).*

In relation to the 2015 income statement, the gains/(losses) on the purchase and sale of foreign currency in customer transactions have been reclassified. They are therefore no longer presented under “Exchange differences (net)” and “Gains/(losses) on financial assets and liabilities held for trading (net)” and are presented instead under “Fee and commission income”. This resulted in the reclassification in 2015 of EUR 101 million, EUR 86 million of which corresponded to “Exchange differences, net”.

Similarly, proceeds from sales of strategic investments were not presented in 2016 under “Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations” but were presented instead under “Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net” in trading income. The CaixaBank Group recognised results from this type of sale of EUR 99 million in 2015, which were reclassified in the comparative balances.

In October 2015, the CaixaBank Group started marketing and selling a new immediate life annuity product where the value of part of the commitments with policyholders is pegged to the fair value of the assets concerned. These investments, which were recognised under “Financial assets held for trading” at 31 December 2015, have been reclassified to “Other assets at fair value through profit or loss”. The investments related with the unit-linked component – contracts where the policyholder assumes the investment risk – are also presented under this heading, as it is understood that the risks and rewards associated with this part of the new product are equivalent to the unit-linked portfolio, and the new classification better reflects the economic reality. The reclassified amounts held in these investments amounted to EUR 219 million at 31 December 2015. Equally, a total of EUR 284 million was reclassified at the aforesaid date from "Liabilities under insurance contracts" to "Other financial liabilities at fair value through profit or loss". Both the reclassified commitments with policyholders and the related financial assets continue to be valued at fair value through profit or loss. The differences between the reclassified amounts at the different dates are due to the cash associated with this new product.

The Bank of Spain published Circular 5/2014, of 28 November, to bring the content of public financial reporting and inside information in line with the preparation criteria, terminology, definitions and formats of the statements known as FINREP in the European Union. The financial statements at 31 December 2015 have been restated for comparison purposes.

20.1. Trend information

A) CONSOLIDATED BALANCE SHEETS

BALANCE SHEETS

At 31 December 2017, 2016 and 2015, in thousands of euros

Assets

	2017	2016	Change 2017-2016	2015	Change 2016-2015
Cash and cash balances at central banks and other demand deposits	**20,155,318**	**13,259,957**	**52.0%**	**6,615,172**	**100.4%**
Financial assets held for trading	**10,596,684**	**11,667,687**	**-9.2%**	**13,312,220**	**-12.4%**
Derivatives	8,162,172	9,575,832	-14.8%	9,806,191	-2.3%
Equity instruments	402,714	294,923	36.5%	250,543	17.7%
Debt securities	2,031,798	1,796,932	13.1%	3,255,486	-44.8%
Memorandum items: loaned or delivered as collateral with the right of sale or pledge	*1,052,526*	*1,796,932*	-41.4%	*751,331*	
Financial assets designated at fair value through profit or loss	**6,499,807**	**3,139,646**	**107.0%**	**1,785,804**	**75.8%**
Equity instruments	4,299,161	1,806,976	137.9%	816,728	121.2%
Debt securities	2,100,347	1,332,670	57.6%	969,076	37.5%
Loans and advances	100,299	0		0	
Credit institutions	100,299	0		0	
Memorandum items: loaned or delivered as collateral with the right of sale or pledge		*0*		*0*	
Available for sale financial assets	**69,554,707**	**65,076,973**	**6.9%**	**62,997,235**	**3.3%**
Equity instruments	2,882,849	2,946,030	-2.1%	3,379,273	-12.8%
Debt securities	66,671,858	62,130,943	7.3%	59,617,962	4.2%
Memorandum items: loaned or delivered as collateral with the right of sale or pledge	*7,383,023*	*9,377,156*	-21.3%	*3,319,455*	182.5%
Loans and receivables	**226,272,499**	**207,640,937**	**9.0%**	**210,473,400**	**-1.3%**
Debt securities	2,575,603	561,139	359.0%	927,655	-39.5%
Loans and advances	223,696,896	207,079,798	8.0%	209,545,745	-1.2%
Central banks	5,000	0			
Credit institutions	7,374,035	6,741,354	9.4%	6,649,545	1.4%
Customers	216,317,861	200,338,444	8.0%	202,896,200	-1.3%
Memorandum items: loaned or delivered as collateral	*103,154,984*	*80,981,698*	27.4%	*64,393,412*	25.8%

with the right of sale or pledge					
Held-to-maturity investments	**11,084,829**	**8,305,902**	**33.5%**	**3,820,114**	**117.4%**
Memorandum items: loaned or delivered as collateral with the right of sale or pledge	*3,600,019*	*2,875,627*	25.2%	*520,793*	452.2%
Derivatives - Hedge accounting	**2,596,939**	**3,090,475**	**-16.0%**	**3,917,462**	**-21.1%**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**10,847**	**134,586**	**-91.9%**	**3,279**	**4004.5%**
Investments in joint ventures and associates	**6,224,425**	**6,420,710**	**-3.1%**	**9,673,694**	**-33.6%**
Joint ventures	187,107	141,294	32.4%	1,142,773	-87.6%
Associates	6,037,318	6,279,416	-3.9%	8,530,921	-26.4%
Assets under insurance and reinsurance contracts	**275,495**	**344,144**	**-19.9%**	**391,225**	**-12.0%**
Tangible assets	**6,480,434**	**6,436,908**	**0.7%**	**6,293,319**	**2.3%**
Property, plant and equipment	3,076,344	3,004,662	2.4%	3,039,823	-1.2%
For own use	*3,076,344*	*3,004,662*	2.4%	*3,039,823*	-1.2%
Investment property	3,404,090	3,432,246	-0.8%	3,253,496	5.5%
Intangible assets	**3,804,983**	**3,687,352**	**3.2%**	**3,671,588**	**0.4%**
Goodwill	3,050,845	3,050,845	0.0%	3,050,845	0.0%
Other intangible assets	754,138	636,507	18.5%	620,743	2.5%
Tax assets	**11,054,984**	**10,521,402**	**5.1%**	**11,123,143**	**-5.4%**
Current tax assets	800,143	878,739	-8.9%	1,029,933	-14.7%
Deferred tax assets	10,254,841	9,642,663	6.3%	10,093,210	-4.5%
Other assets	**2,505,282**	**1,795,723**	**39.5%**	**2,217,157**	**-19.0%**
Insurance contracts linked to pensions		0		0	
Inventories	877,586	1,012,896	-13.4%	1,135,337	-10.8%
Other assets	1,627,696	782,827	107.9%	1,081,820	-27.6%
Non-current assets and disposal groups classified as held for sale	**6,068,930**	**6,404,860**	**-5.2%**	**7,960,663**	**-19.5%**
Total assets	**383,186,163**	**347,927,262**	**10.1%**	**344,255,475**	**1.1%**
Memorandum items					
Guarantees given	**6,015,352**	**3,486,709**	**72.5%**	**3,304,480**	**5.5%**
Contingent commitments given	**80,650,751**	**75,651,105**	**6.6%**	**65,374,524**	**15.7%**

Liabilities

	2017	**2016**	**Change 2017-2016**	**2015**	**Change 2016-2015**
Financial liabilities held for trading	**8,604,930**	**10,292,298**	**-16.4%**	**12,200,290**	**-15.6%**
Derivatives	7,860,638	9,394,559	-16.3%	9,498,607	-1.1%
Short positions	744,292	897,739	-17.1%	2,701,683	-66.8%
Financial liabilities designated at fair value through profit or loss	**8,241,088**	**3,763,976**	**118.9%**	**2,359,517**	**59.5%**
Deposits	8,240,972	3,763,976	118.9%	2,359,517	59.5%
Customers	8,240,972	3,763,976	118.9%	2,359,517	59.5%
Other financial liabilities	116				
Financial liabilities measured at amortised cost	**280,897,381**	**254,093,295**	**10.5%**	**253,498,820**	**0.2%**
Deposits	246,804,137	223,511,848	10.4%	218,372,716	2.4%
Central banks	31,680,685	30,029,382	5.5%	23,753,214	26.4%

Credit institutions	11,515,365	6,315,758	82.3%	10,509,238	-39.9%
Customers	203,608,087	187,166,708	8.8%	184,110,264	1.7%
Debt securities issued	29,918,503	27,708,015	8.0%	32,336,159	-14.3%
Other financial liabilities	4,174,741	2,873,432	45.3%	2,789,945	3.0%
Memorandum items: subordinated liabilities	5,053,814	4,118,792	22.7%	4,345,199	-5.2%
Derivatives - Hedge accounting	**793,132**	**625,544**	**26.8%**	**756,163**	**-17.3%**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**1,409,702**	**1,984,854**	**-29.0%**	**2,213,205**	**-10.3%**
Liabilities under insurance contracts	**49,750,389**	**45,803,579**	**8.6%**	**40,290,523**	**13.7%**
Provisions	**5,000,941**	**4,730,271**	**5.7%**	**4,597,740**	**2.9%**
Pensions and other post-employment defined benefit obligations	2,107,776	2,028,612	3.9%	1,958,334	3.6%
Other long-term employee benefits	1,223,077	972,767	25.7%	900,311	8.0%
Pending legal issues and tax litigation	802,700	633,224	26.8%	514,206	23.1%
Commitments and guarantees given	356,927	228,553	56.2%	381,477	-40.1%
Other provisions	510,461	867,115	-41.1%	843,412	2.8%
Tax liabilities	**1,388,070**	**1,186,209**	**17.0%**	**1,555,970**	**-23.8%**
Current tax liabilities	193,944	218	88865.1%	379	-42.5%
Deferred tax liabilities	1,194,126	1,185,991	0.7%	1,555,591	-23.8%
Other liabilities	**2,335,108**	**1,805,635**	**29.3%**	**1,499,638**	**20.4%**
Liabilities included in disposal groups classified as held for sale	**82,141**	**86,039**	**-4.5%**	**79,059**	
Total liabilities	**358,502,882**	**324,371,700**	**10.5%**	**319,050,925**	**1.7%**

Equity

	2017	2016	Change 2016-2015	2015	Change 2016-2015
SHAREHOLDERS' EQUITY	**24,203,895**	**23,399,819**	**3.4%**	**23,688,634**	**-1.2%**
Capital	5,981,438	5,981,438	0.0%	5,823,990	2.7%
Paid-up capital	5,981,438	5,981,438	0.0%	5,823,990	2.7%
Share premium	12,032,802	12,032,802	0.0%	12,032,802	0.0%
Other equity	10,054	7,499	34.1%	5,120	
Retained earnings	5,553,704	5,239,487	6.0%	4,850,813	8.0%
Other reserves	(628,066)	(716,893)	-12.4%	413,916	-273.2%
Less: Treasury shares	(11,753)	(14,339)	-18.0%	(19,713)	-27.3%
Profit/(loss) attributable to owners of the parent	1,684,167	1,047,004	60.9%	814,460	28.6%
Less: Interim dividends	(418,451)	(177,179)	136.2%	(232,754)	-23.9%
ACCUMULATED OTHER COMPREHENSIVE INCOME	**45,366**	**126,621**	**-64.2%**	**1,480,290**	**-91.4%**
Items that may be reclassified to profit or loss	45,366	126,621	-64.2%	1,480,290	-91.4%
Foreign currency translation	74,199	2,332	3081.8%	378,102	-99.4%
Hedging derivatives. Cash flow hedges (effective portion)	16,081	25,316	-36.5%	85,622	
Available-for-sale financial assets	(16,370)	(26,494)	-38.2%	816,586	-103.2%
Debt instruments	407,959	366,815	11.2%	761,777	-51.8%
Equity instruments	(424,329)	(393,309)	7.9%	54,809	-817.6%
Share of other recognised income and expense of investments in associates and joint ventures	(28,544)	125,467	-122.8%	199,980	-37.3%

MINORITY INTERESTS (non-controlling interests)	**434,020**	**29,122**	**1390.4%**	**35,626**	**-18.3%**
Accumulated other comprehensive income	25,760	50	51420.0%	530	-90.6%
Other items	408,260	29,072	1304.3%	35,096	-17.2%
Total equity	**24,683,281**	**23,555,562**	**4.8%**	**25,204,550**	**-6.5%**
Total liabilities and equity	**347,927,262**	**344,255,475**	**1.1%**	**344,255,475**	**0.0%**

At 31 December 2017, total assets amounted to EUR 383,186 million. The integration of BPI (in February 2017) affected practically all balance sheet headings.

- The most notable changes in assets and liabilities associated with the retail business were as follows:

    - On-balance sheet customer funds (basically deposits, subordinated liabilities and marketable debt securities sold to customers) using management criteria totalled EUR 247,544 million, up 14.0% following the integration of BPI (+2.8% on a like-for-like basis).
    - Customer loans and advances, gross totalled EUR 223,951 million, up 9.3% in 2017 following the integration of BPI (-1.9% on a like-for-like basis, although the reduction in the performing loan portfolio slowed to 1.2% in the year).

- Market interest rate and exchange rate fluctuations affected the performance of asset and liability trading derivatives (trading portfolio).
- The change in on-balance sheet assets (rest of the trading portfolio and available-for-sale financial assets) and liabilities (rest of the trading portfolio) associated with cash management and ALM *(Asset and Liability Committee)* was shaped by:
    - Management of cash balances and repurchase agreements, fixed income assets and ECB financing.
    - Wholesale funding issuances, which outpaced maturities in the year.

B) INCOME STATEMENTS

INCOME STATEMENTS

for the years ended 31 December 2017, 2016 and 2015, in thousands of euros

	2017	2016	Change 2017-2016	2015	Change 2016-2015
Interest income	6,970,444	6,753,052	3.2%	8,373,068	-19.3%
Interest expenses	(2,224,911)	(2,596,196)	-14.3%	(4,020,418)	-35.4%
NET INTEREST INCOME	**4,745,533**	**4,156,856**	**14.2%**	**4,352,650**	**-4.5%**
Dividend income	127,232	198,618	-35.9%	202,719	-2.0%
Share of profit/(loss) of entities accounted for using the equity method	526,153	628,518	-16.3%	375,135	67.5%
Fee and commission income	2,759,849	2,261,910	22.0%	2,258,170	0.2%
Fee and commission expenses	(261,180)	(171,657)	52.2%	(143,395)	19.7%

Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	169,479	786,714	-78.5%	772,543	1.8%
Gains/(losses) on financial assets and liabilities held for trading (net)	46,876	21,176	121.4%	43,409	-51.2%
Gains/(losses) from hedge accounting, net	(9,132)	12,689	-172.0%	9,920	27.9%
Exchange differences (net)	75,620	28,562	164.8%	37,856	-24.6%
Other operating income	697,875	588,419	18.6%	481,541	22.2%
Other operating expenses	(1,128,043)	(995,774)	13.3%	(780,809)	27.5%
Income from assets under insurance and reinsurance contracts	823,140	803,630	2.4%	735,197	9.3%
Expenses from liabilities under insurance and reinsurance contracts	(351,515)	(493,129)	-28.7%	(520,701)	-5.3%
GROSS INCOME	**8,221,887**	**7,826,532**	**5.1%**	**7,824,235**	**0.0%**
Administrative expenses	(4,150,279)	(3,745,413)	10.8%	(4,239,792)	-11.7%
Staff expenses	(2,981,413)	(2,745,349)	8.6%	(3,178,805)	-13.6%
Other administrative expenses	(1,168,866)	(1,000,064)	16.9%	(1,060,987)	-5.7%
Depreciation and amortisation	(426,929)	(370,202)	15.3%	(365,923)	1.2%
Provisions or reversal of provisions	(761,648)	(486,532)	56.5%	(422,315)	15.2%
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss **(Note ##PDAF)**	(948,563)	(582,077)	63.0%	(2,094,068)	-72.2%
Available-for-sale financial assets	(143,782)	(233,048)	-38.3%	(267,202)	-12.8%
Loans and receivables	(804,781)	(467,974)	72.0%	(1,655,348)	-71.7%
Held-to-maturity investments	0	118,945	-100.0%	(171,518)	-169.3%
NET OPERATING INCOME/(LOSS)	**1,934,468**	**2,642,308**	**-26.8%**	**702,137**	**276.3%**
Impairment or reversal of impairment on investments in joint ventures and associates	5,278	(3,986)	-232.4%	132,722	-103.0%
Impairment or reversal of impairment on non-financial assets	(170,367)	(228,413)	-25.4%	(455,484)	-49.9%
Tangible assets	(100,004)	(224,278)	-55.4%	(407,408)	-45.0%
Intangible assets	(70,364)	(503)	13888.9%	(48,076)	-99.0%
Other	1	(3,632)	-100.0%	0	
Gains/(losses) on derecognition of non-financial assets and investments, net	(114,770)	(151,752)	-24.4%	33,795	-549.0%
Negative goodwill recognised in profit or loss	441,555	66,925	559.8%	602,183	
Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	1,819	(787,020)	-100.2%	(377,249)	108.6%
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**2,097,983**	**1,538,062**	**36.4%**	**638,104**	**141.0%**
Tax expense or income related to profit or loss from continuing operations	(377,628)	(482,183)	-21.7%	180,758	-366.8%
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**1,720,355**	**1,055,879**	**62.9%**	**818,862**	**28.9%**
Profit/(loss) before tax from discontinued operations	(1,727)	(944)	82.9%	(2,360)	-60.0%
PROFIT/(LOSS) FOR THE PERIOD	**1,718,628**	**1,054,935**	**62.9%**	**816,502**	**29.2%**
Attributable to minority interests (non-controlling interests)	34,461	7,931	334.5%	2,042	288.4%

Attributable to owners of the parent	1,684,167	1,047,004	60.9%	814,460	28.6%

Changes in the 2017 income statement are discussed in section 9.2 of this Registration Document.

C) STATEMENTS OF TOTAL CHANGES IN EQUITY

Statement showing all changes in equity or changes in equity that do not stem from capital transactions with owners or distributions to owners.

CONSOLIDATED STATEMENTS OF TOTAL CHANGES IN EQUITY

for the years ended 31 December 2017 and 2016, in thousands of euros

	Equity attributable to the parent									Non-controlling interests		
	Shareholders' equity											
2017	Capital	Share premium	Other equity items	Retained earnings	Other reserves	Less: Treasury shares	Profit/(loss) attributable to owners of the parent	Less: Interim dividends	Accumulated other comprehensive income	Accumulated other comprehensive income	Other items	**Total**
Opening balance (before restatement)	**5,981,438**	**12,032,802**	**7,499**	**5,239,487**	**(716,893)**	**(14,339)**	**1,047,004**	**(177,179)**	**126,621 0**	**50**	**29,072**	**23,555,56**
Effects of corrections of errors												0
Effects of changes in accounting policies												0
Opening balance at 31.12.2016	**5,981,438**	**12,032,802**	**7,499**	**5,239,487**	**(716,893)**	**(14,339)**	**1,047,004**	**(177,179)**	**126,621**	**50**	**29,072**	**23,555,56**
Total comprehensive income for the period							**1,684,167**		**(81,255)**	**25,710**	**34,461**	**1,663,083**
Other changes in equity	**0**	**0**	**2,555**	**314,217**	**88,827**	**2,586**	**(1,047,004)**	**(241,272)**	**0**	**0**	**344,727**	**(535,364)**
Issuance of ordinary shares												0
Issuance of other equity instruments												0
Dividends (or remuneration to shareholders)				(358,675)				(418,451)			(1,200)	(778,326)
Purchase of treasury shares						(208)						(208)
Sale or cancellation of treasury shares					34	2,794						2,828
Transfers among components of equity				736,360	134,439		(1,047,004)	177,179			(974)	0
Other increase/(decrease) in equity			2,555	(63,468)	(45,646)						346,901	240,342
Closing balance at 31.12.2017	**5,981,438**	**12,032,802**	**10,054**	**5,553,704**	**(628,066)**	**(11,753)**	**1,684,167**	**(418,451)**	**45,366 0**	**25,760**	**408,260**	

CONSOLIDATED STATEMENTS OF TOTAL CHANGES IN EQUITY

for the years ended 31 December 2016 and 2015, in thousands of euros

	Equity attributable to the parent									Non-controlling interests		
	Shareholders' equity											
2016	Capital	Share premium	Other equity items	Retained earnings	Other reserves	Less: Treasury shares	Profit/(loss) attributable to owners of the parent	Less: Interim dividends	Accumulated other comprehensive income	Accumulated other comprehensive income	Other items	**Total**
Opening balance (before restatement)	**5,823,990**	**12,032,802**	**5,120**	**4,850,813**	**413,916**	**(19,713)**	**814,460**	**(232,754)**	**1,480,290**	**530**	**35,096**	**25,204,550**
Effects of corrections of errors												0
Effects of changes in accounting policies												0
Opening balance at 31.12.2015	**5,823,990**	**12,032,802**	**5,120**	**4,850,813**	**413,916**	**(19,713)**	**814,460**	**(232,754)**	**1,480,290**	**530**	**35,096**	**25,204,550**
Total comprehensive income for the period							**1,047,004**		**(1,353,669)**	**(480)**	**7,931**	**(299,214)**
Other changes in equity	**157,448**	**0**	**2,379**	**388,674**	**(1,130,809)**	**5,374**	**(814,460)**	**55,575**	**0**	**0**	**(13,955)**	**(1,349,774)**
Issuance of ordinary shares	157,448			(157,448)								0
Dividends (or remuneration to shareholders)				(283,205)				(177,179)			(4,656)	(465,040)
Purchase of treasury shares						(2,008,803)						(2,008,803)
Sale or cancellation of treasury shares					(703,684)	2,014,177						1,310,493
Transfers among components of equity				889,327	(307,621)		(814,460)	232,754				0
Other increase/(decrease) in equity			2,379	(60,000)	(119,504)						(9,299)	(186,424)
Closing balance at 31.12.2016	**5,981,438**	**12,032,802**	**7,499**	**5,239,487**	**(716,893)**	**(14,339)**	**1,047,004**	**(177,179)**	**126,621**	**50**	**29,072**	**23,555,562**

CONSOLIDATED STATEMENTS OF TOTAL CHANGES IN EQUITY

for the years ended 31 December 2016 and 2015, in thousands of euros

	Equity attributable to the parent									Non-controlling interests		
	Shareholders' equity											
2015	Capital	Share premium	Other equity items	Retained earnings	Other reserves	Less: Treasury shares	Profit/(loss) attributable to owners of the parent	Less: Interim dividends	Accumulated other comprehensive income	Accumulated other comprehensive income	Other items	**Total**
Opening balance (before restatement)	**5,714,956**	**12,032,802**	**0**	**4,524,957**	**544,876**	**(11,013)**	**620,020**	**(53,615)**	**1,821,656**	**560**	**37,369**	**25,232,568**
Effects of corrections of errors												0
Effects of changes in accounting policies												0
Opening balance at 31.12,2014	**5,714,956**	**12,032,802**	**0**	**4,524,957**	**544,876**	**(11,013)**	**620,020**	**(53,615)**	**1,821,656**	**560**	**37,369**	**25,232,568**
Total comprehensive income for the period							**814,460**		**(341,366)**	**(30)**	**2,042**	**475,106**
Other changes in equity	**109,034**	**0**	**5,120**	**325,856**	**(130,960)**	**(8,700)**	**(620,020)**	**(179,139)**	**0**	**0**	**(4,315)**	**(503,124)**
Issuance of other equity instruments	109,034			(109,034)								0
Dividends (or remuneration to shareholders)				(264,955)				(232,754)			(205)	(497,914)
Purchase of treasury shares						(38,587)						(38,587)
Sale or cancellation of treasury shares				92	(20)	29,887						29,959
Transfers among components of equity				665,374	(98,969)		(620,020)	53,615				0
Other increase/(decrease) in equity			5,120	34,379	(31,971)						(4,110)	3,418
Closing balance at 31.12,2015	**5,823,990**	**12,032,802**	**5,120**	**4,850,813**	**413,916**	**(19,713)**	**814,460**	**(232,754)**	**1,480,290**	**530**	**35,096**	**25,204,550**

Information on the Issuer's capital is provided in section 10.1 of this Registration Document.

D) STATEMENTS OF CASH FLOWS

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)

For the years ended 31 December 2017, 2016 and 2015, in thousands of euros

	2017	2016	Change 2017-2016	2015	Change 2016-2015
A) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**6.554.404**	**14.145.969**	**-53,7%**	**2.539.493**	**457,0%**
Profit/(loss) for the period	**1.718.628**	**1.054.935**	**62,9%**	**816.502**	**29,2%**
Adjustments to obtain cash flows from operating activities	**4.500.905**	**6.181.210**	**-27,2%**	**5.444.288**	**13,5%**
Depreciation	426.929	370.202	15,3%	365.923	1,2%
Other adjustments	4.073.976	5.811.008	-29,9%	5.078.365	14,4%
Net increase/(decrease) in operating assets	**3.312.040**	**2.554.125**	**29,7%**	**6.482.782**	**-60,6%**
Financial assets held for trading	3.290.115	1.864.377		(1.271.690)	
Financial assets designated at fair value through profit or loss	(2.099.474)	(1.573.686)	33,4%	(628.917)	150,2%
Available-for-sale financial assets	(712.810)	(2.794.520)		7.697.526	
Loans and receivables	438.877	1.566.538	-72,0%	787.122	99,0%
Other operating assets	2.395.332	3.491.416		(101.259)	
Net increase/(decrease) in operating liabilities	**(3.131.442)**	**4.254.551**	**-173,6%**	**(9.935.272)**	**-142,8%**
Financial liabilities held for trading	(1.883.646)	(1.907.992)		217.024	**-979,2%**
Financial liabilities designated at fair value through profit or loss	2.263.802	1.688.575	34,1%	633.010	166,8%
Financial liabilities at amortised cost	(510.992)	6.547.081		(5.964.461)	
Other operating liabilities	(3.000.606)	(2.073.113)	44,7%	(4.820.845)	-57,0%
Income tax (paid)/received	**154.273**	**101.148**	52,5%	**(268.807)**	-137,6%
B) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	**(1.377.922)**	**(2.906.210)**	**-52,6%**	**4.764.308**	**-161,0%**
Payments:	**(4.056.031)**	**(4.910.698)**	**-17,4%**	**(2.294.023)**	**114,1%**
Tangible assets	(358.354)	(459.494)	-22,0%	(421.803)	8,9%
Intangible assets	(226.913)	(179.366)	26,5%	(136.163)	31,7%
Investments in joint ventures and associates	(32.307)	(104.890)	-69,2%	(757.842)	
Subsidiaries and other business units	(644.523)	0		(815.703)	
Non-current assets and liabilities classified as held for sale	(31.307)	(35.160)	-11,0%	(162.512)	
Held-to-maturity investments	(2.762.627)	(4.131.788)			
Proceeds:	**2.678.109**	**2.004.488**	**33,6%**	**7.058.331**	**-71,6%**
Tangible assets	152.612	209.403	-27,1%	158.185	32,4%
Intangible assets	0	0		600	
Investments in joint ventures and associates	2.341	699.607	-99,7%	852.203	-17,9%
Non-current assets and liabilities classified as held for sale	1.173.196	1.095.478	7,1%	303.445	261,0%
Held-to-maturity investments	0	0		5.616.376	
Other proceeds related to investing activities	1.349.960	0		127.522	
C) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**1.721.195**	**(4.596.291)**	**-137,4%**	**(5.411.793)**	**-15,1%**
Payments:	**(6.156.633)**	**(7.406.883)**	**-16,9%**	**(7.423.752)**	**-0,2%**
Dividends	(777.126)	(460.384)	68,8%	(497.709)	-7,5%
Subordinated debt securities	(1.301.502)	0		(48.600)	
Purchase of own equity instruments	(208)	(346)	-39,9%	(38.587)	-99,1%
Other payments related to financing activities	(4.077.797)	(6.946.153)	-41,3%	(6.838.856)	1,6%
Proceeds:	**7.877.828**	**2.810.592**	**180,3%**	**2.011.959**	**39,7%**

Subordinated debt securities	2.150.000				
Disposal of own equity instruments	2.828	1.310.592	-99,8%	29.959	4274,6%
Other proceeds related to financing activities	5.725.000	1.500.000	281,7%	1.982.000	-24,3%
D) EFFECT OF EXCHANGE RATE CHANGES	**(2.316)**	**1.317**	**-275,9%**	**2.276**	**-42,1%**
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**6.895.361**	**6.644.785**	**3,8%**	**1.894.284**	**250,8%**
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**13.259.957**	**6.615.172**	**100,4%**	**4.720.888**	**40,1%**
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	**20.155.318**	**13.259.957**	**52,0%**	**6.615.172**	**100,4%**
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD					
Cash on hand	2.177.351	1.584.407	37,4%	1.796.141	-11,8%
Cash equivalents at central banks	17.092.094	10.909.339	56,7%	3.975.426	174,4%
Other financial assets	885.873	766.211	15,6%	843.605	-9,2%
Less: Bank overdrafts repayable on demand					
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	**20.155.318**	**13.259.957**	**52,0%**	**6.615.172**	**100,4%**

A narrative description of the Issuer's cash flows is provided in Section 10.2 of this Registration Document.

E) ACCOUNTING POLICIES ADOPTED AND DISCLOSURES

The accounting policies, principles and criteria specified in Note 2 to the 2017 consolidated financial statements have all been applied.

The information provided was prepared from the accounting records of CAIXABANK and the other Group companies, and includes certain adjustments and reclassifications required to apply the policies and criteria used by the Group companies on a consistent basis with those of CAIXABANK.

Further information on these balance sheet items is provided in the CAIXABANK Group's financial statements, available on the CAIXABANK and CNMV websites**.**

20.2. Pro-forma financial information

Not applicable.

20.3. Financial statements

The Issuer prepares the consolidated financial statements shown in section 20.1 above.

20.4. Auditing of historical annual financial information

20.4.1. Statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given

The individual and consolidated financial statements for 2015, 2016 and 2017 were audited by Deloitte, S.L. The audit reports thereon contained no disclaimers or qualifications.

20.4.2 Indication of other information in the registration document which has been audited by the auditors

Not applicable.

20.4.3. Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited

Unaudited interim financial information for the first quarter of 2018 is provided in section 20.6.

20.5. Age of latest financial information

The audited financial information included in this Registration Document is as at and for the first year ended 31 December 2017. It therefore does not precede the date of approval of this Registration Document by more than 18 months. Unaudited interim financial information for the first quarter of 2018 is provided in Section 20.6.

20.6. Interim and other financial information

20.6.1. If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the Registration Document. If the quarterly or half yearly financial information has been reviewed or audited, the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact

The CAIXABANK Group's interim financial information, published in the Activities and Results Report (filed with the CNMV on 27 April 2018) for the first quarter of 2018, is provided below. This information has not been audited. The glossary of the Business Activity and Results report provides information on how the structure of the public income statement has been adapted to management format.

€ million	1Q18	1Q17	Change	%
Net interest income	**1.203**	**1.153**	**50**	**4,3**
Dividends	5	8	(3)	(39,5)
Share of profit / (loss) of entities accounted for using the equity method	266	85	181	
Net fee and commission income	625	588	37	6,4
Gaing / (losses) on financial assets and liabilities and others	136	43	93	
Income and expense under insurance or reinsurance contracts	138	110	28	24,9
Other operating income and expense	(111)	(94)	(17)	17,1
Gross income	**2.262**	**1.893**	**369**	**19,5**
Recurring administrative expenses, depreciation and amortisation	(1.149)	(1.091)	(58)	5,4
Extraordinary expenses	(3)	(10)	7	(73,2)
Pre-impairment income	**1.110**	**792**	**318**	**40,1**
Pre-impairment income stripping out extraordinary expenses	**1.113**	**802**	**311**	**38,7**
Allowances for insolvency risk	(139)	(249)	110	(44,3)
Other charges to provisions	(50)	(370)	320	(86,3)
Gain/(losses) on disposal of assets and others	(2)	278	(280)	
Profit / (loss) before tax	**919**	**451**	**468**	**104,1**
Income tax expense	(182)	(36)	(146)	
Profit /(loss) after tax	**737**	**415**	**322**	**77,9**
Profit /(loss) attributable to minority interest and others	33	12	21	
Profit / (loss) attributable to the Group	**704**	**403**	**301**	**74,7**

Attributable profit for the first quarter of 2018 grew to EUR 704 million (+74.7% year on year).

Gross income came to EUR 2,262 million (+19.5% year on year), driven by growth in core income to EUR 2,008 million in 2018 (+6.5%) and higher earnings on financial assets and liabilities and income from investees. Recurring administrative expenses, depreciation and amortisation was up, but less so than core income (+5.4%).

Impairment losses on financial assets were down 44.3% and Other charges to provisions fell by 86.3%. This latter heading saw a number of one-off negative impacts in 2017 in connection with early retirements and write-downs on the Sareb exposure.

The positive results of the business combination with BPI (EUR 256 million) were also recognised in 2017 under Gains/(losses) on disposal of assets and other.

CAIXABANK Group consolidated balance sheet

Taking into account the accounting policies in effect at the date of filing of this Prospectus, we now show the balance sheet at 31 March 2018, as well as the balance sheet showing the first-time adoption of IFRS 9 at 1 January 2018, for comparison purposes.

The Group's total assets amounted to EUR 384,420 million at 31 March 2018, up 0.5% on the opening balance sheet at 1 January 2018.

€ million	Mar 31, 2018	Jan 1, 2018	Change	Change %
- Cash and cash balances at central banks and other demand deposits	15.031	20.155	(5.124)	(25,4)
- Financial assets held for trading	10.044	9.641	403	4,2
- Financial assets not designated for trading compulsorily measured at fair value through profit or loss	1.069	1.013	56	5,5
Equity instruments	*327*	255	72	28,2
Debt securities	*143*	148	(5)	(3,4)
Loans and advances	*599*	610	(11)	(1,8)
- Financial assets designated at fair value through other global profit or loss	20.957	19.851	1.106	5,6
- Financial assets measured at amortised cost	237.117	234.796	2.321	1,0
Credit institutions	*6.682*	*7.091*	(409)	(5,8)
Customers	*214.291*	*214.913*	(622)	(0,3)
Debt securities	*16.144*	*12.792*	3.352	26,2
- Derivatives - Hedge accounting	2.287	2.597	(310)	(11,9)
- Investments in joint ventures and associates	6.204	6.224	(20)	(0,3)
- Assets under the insurance business[1]	61.852	58.194	3.658	6,3
- Tangible assets	6.537	6.480	57	0,9
- Intangible assets	3.795	3.805	(10)	(0,3)
- Non-current assets and disposal groups classified as held for sale	5.910	6.069	(159)	(2,6)
- Other assets	13.617	13.814	(197)	(1,4)
Total assets[2]	**384.420**	**382.639**	**1.781**	**0,5**
Liabilities	**359.776**	**358.517**	**1.259**	**0,4**
- Financial liabilities held for trading	8.431	8.605	(174)	(2,0)
- Financial liabilities designated at amortised cost	279.222	280.897	(1.675)	(0,6)
Deposits from central banks and credit institutions	*40.869*	*43.196*	(2.327)	*(5,4)*
Customer deposits	*203.882*	*203.608*	274	*0,1*
Debt securities issued	*31.094*	*29.919*	1.175	*3,9*
Memorandum item: Subordinated liabilities	*4.983*	*5.054*	(71)	*(1,4)*
Other financial liabilities	*3.377*	*4.174*	(797)	*(19,1)*
- Liabilities under the insurance business[1]	61.419	57.991	3.428	5,9
- Provisions	4.889	5.014	(125)	(2,5)
- Other liabilities	5.815	6.010	(195)	(3,2)
Equity[2]	**24.644**	**24.122**	**522**	**2,2**
- Own funds	24.374	23.665	709	3,0
- Minority interest	454	434	20	4,6
- Accumulated other comprehensive income	(184)	23	(207)	
Total liabilities and equity	**384.420**	**382.639**	**1.781**	**0,5**

(1) In accordance with the Amendments to IFRS 4, the Group has decided to apply temporary exemption from IFRS 9 in respect of the financial investments of the Group's insurance firms for all periods that come before 1 January 2021 as it awaits the entry into force of the new IFRS 17: Insurance Contracts, which will govern the presentation and measurement of insurance contracts (including technical provisions). Accordingly, these investments are grouped under 'Assets associated with the insurance business' on the balance sheet. To make the information more readily comparable, the Group has also reclassified the technical provisions relating to Unit Link and Flexible Investment Annuity (part under management), which are now reported under 'Liabilities associated with the insurance business'.

(2) Total assets and equity on the balance sheet at 31 December 2017 (i.e. prior to the adoption of IFRS 9) were EUR 383,186 and EUR 24,683 million, respectively.

Segment reporting

While the Group has kept the same structure of business segments in 2018, it has made certain changes to its presentation criteria, with 2017 restated for comparison purposes as follows:

- Assignment to the equity investments business of BFA, BCI and Viacer mainly, which were previously shown in the BPI business segment.
- Analytical income at the banking and insurance business is no longer charged to the non-core real estate business, in connection with the marketing and sale of assets.

€ million	Banking & insurance business January - March 2018	2017	%	Non-core real estate business January - March 2018	2017	%
Net interest income	**1.147**	**1.142**	**0,3**	**(1)**	**(15)**	**(95,4)**
Dividends and share of profit / (loss) of entities accounted for using the equity method	52	44	14,3	3	11	(71,2)
Net fee and commission income	551	544	1,5	(1)	1	
Gaing / (losses) on financial assets and liabilities and others	59	38	55,9			
Income and expense under insurance or reinsurance contracts	138	110	24,9			
Other operating income and expense	(21)	(10)		(87)	(85)	1,2
Gross income	**1.926**	**1.868**	**2,9**	**(86)**	**(88)**	**(3,4)**
Recurring administrative expenses, depreciation and amortisation	(1.001)	(984)	1,7	(29)	(28)	3,6
Extraordinary expenses						
Pre-impairment income	**925**	**884**	**4,6**	**(115)**	**(116)**	**(0,9)**
Pre-impairment income stripping out extraordinary expenses	**925**	**884**	**4,6**	**(115)**	**(116)**	**(0,9)**
Allowances for insolvency risk	(160)	(272)	(40,9)	21	17	28,5
Other charges to provisions	(45)	(219)	(79,2)	(5)	(150)	(96,6)
Gain/(losses) on disposal of assets and others	(4)	253		2	25	(92,2)
Profit / (loss) before tax	**716**	**646**	**10,8**	**(97)**	**(224)**	**(57,0)**
Income tax expense	(196)	(106)	85,1	30	71	(57,5)
Profit /(loss) after tax	**520**	**540**	**(3,9)**	**(67)**	**(153)**	**(56,6)**
Profit /(loss) attributable to minority interest and others		2				
Profit / (loss) attributable to the Group	**520**	**538**	**(3,4)**	**(67)**	**(153)**	**(56,6)**

€ million	Equity investments January - March 2018	2017	%	BPI January - March 2018	2017	%	Group January - March 2018	2017
Net interest income	**(40)**	**(43)**	**(7,3)**	**97**	**69**	**(11,0)**	**1.203**	**1.153**
Dividends and share of profit / (loss) of entities accounted for using the equity method	214	35		2	3		271	93
Net fee and commission income				75	43	(8,5)	625	588
Gaing / (losses) on financial assets and liabilities and others	60			17	5		136	43
Income and expense under insurance or reinsurance contracts							138	110
Other operating income and expense				(3)	1		(111)	(94)
Gross income	**234**	**(8)**		**188**	**121**	**(0,5)**	**2.262**	**1.893**
Recurring administrative expenses, depreciation and amortisation	(1)	(1)		(118)	(78)	3,5	(1.149)	(1.091)
Extraordinary expenses				(3)	(10)		(3)	(10)
Pre-impairment income	**233**	**(9)**		**67**	**33**	**(10,7)**	**1.110**	**792**
Pre-impairment income stripping out extraordinary expenses	**233**	**(9)**		**70**	**43**	**(6,7)**	**1.113**	**802**
Allowances for insolvency risk					6		(139)	(249)
Other charges to provisions					(1)		(50)	(370)
Gain/(losses) on disposal of assets and others							(2)	278
Profit / (loss) before tax	**233**	**(9)**		**67**	**38**	**(16,3)**	**919**	**451**
Income tax expense	2	10	(83,8)	(18)	(11)	(35,7)	(182)	(36)
Profit /(loss) after tax	**235**	**1**		**49**	**27**	**(5,8)**	**737**	**415**
Profit /(loss) attributable to minority interest and others	24	5		9	5	28,6	33	12
Profit / (loss) attributable to the Group	**211**	**(4)**		**40**	**22**	**(11,1)**	**704**	**403**

Capital adequacy

CAIXABANK reported a fully-loaded Common Equity Tier 1 (CET1) ratio of 11.6% at 31 March 2018. Stripping out the impact of -15 basis points of the first-time adoption of IFRS 9, the change in the quarter was a positive 24 basis points from capital generation and a negative 17 basis points due to prevailing market conditions and other factors, which include OCI changes, particularly the EUR -132 million impact, net of tax, from BPI's stake in BFA, mainly because of the devaluation of the Angolan kwanza. Fully-loaded risk weighted assets (RWA) amounted to EUR 148,328 million at the end of March 2018.

The fully-loaded Tier 1 ratio was 13.1% (+84bp), following the placement of EUR 1,250 million in additional Tier 1 (AT1) instruments in March. The Group has therefore reached the 1.5% target of AT1 instruments envisioned in Pillar 1 of the capital regulations, which were previously covered totally or in part with CET1.

Fully-loaded total capital was 16.1%, clearing the 14.5% target envisaged in the Strategic Plan.

The fully-loaded leverage ratio improved to 5.7% following a new issuance of EUR 1,250 million in AT1[1].

According to the criteria in force in 2018 for phased-in implementation, regulatory capital and leverage were: 11.8% CET1, 13.3% Tier 1, 16.3% total capital and 5.8% leverage ratio. When analysing these regulatory ratios, the impact of the change of year in the phase-in schedule (decrease in CET1 of approximately 84 basis points) should be factored in.

Regulatory risk-weighted assets (RWA) amounted to EUR 148,472 million, down EUR 469 million on December 2017.

The European Central Bank (ECB) and the national supervisor require CaixaBank to maintain regulatory CET1, Tier 1 and total capital ratios of 8.063%, 9.563% and 11.563%, respectively, at 31 March 2018 (including the phased-in implementation of the capital conservation and systemic risk buffers), which climb to 8.75%, 10.25% and 12.25% in a fully-loaded perspective.

The Group's current ratios show that the requirements imposed on the Group will not trigger any of the automatic restrictions envisaged in applicable capital adequacy regulations relating to payouts of dividends, variable remuneration and interest to holders of Additional Tier 1 capital instruments.

Risk management

Non-performing loans fell to EUR 13,695 million (EUR -610 million and EUR -2,440 million in the quarter and in the last 12 months, respectively).

Meanwhile, the CAIXABANK Group's NPL ratio was 5.8% (6.0% at 31 December 2017). The CAIXABANK Group's NPL coverage ratio was 55% versus 50% at 31 December 2017. The change in loan-loss provisions reflects the entry into force of IFRS 9 on 1 January 2018, which has had the effect of pushing up credit loss provisions by a total of EUR 758 million (some +5pp of added coverage).

The portfolio of net foreclosed assets available for sale in Spain totalled EUR 5,810 million (not including foreclosure rights at auctions of EUR 385 million, net). The coverage ratio (initial loan write-downs and charges to provisions associated with foreclosed real estate assets, divided by the debt repaid on foreclosure (sum of net carrying amount and coverage)) stood at 58% at 31 March 2018 and 31 December 2017.

Fewer additions to the portfolio of foreclosed real estate assets and high levels of sales (at sale price), reaching EUR 306 million in the first quarter of 2018 (up 3.4% on the same period of the previous year), with positive proceeds on sales since the fourth quarter of 2015.

The NPL ratio, the NPL coverage ratio and the coverage ratio with write-downs of foreclosed assets are unaudited Alternative Performance Measures (APMs). Please see the annex to this Registration Document for a list of definitions and their reconciliation with the audited consolidated financial statements.

Net foreclosed assets held for rent amounted to EUR 3,030 million, with an occupancy ratio of 87%.

20.6.2 If the Registration Document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, which may be unaudited, covering at least the first six months of the financial year (this fact must be stated where applicable)

Not applicable.

20.7. <u>Dividend policy</u>

As per the terms of the Significant Event published on 22 February 2018, the Board of Directors, at a meeting held on that same date, agreed to lay a motion before the Annual General Meeting proposing the distribution of an extra cash dividend of EUR 0.08, gross, per share out of 2017 profit. The Annual General

Meeting was held on 6 April 2018 and ratified the proposal submitted by the Board. The dividend was paid on 13 April 2018.

Following payment of the dividend, the total shareholder remuneration for 2017 amounted to EUR 0.15 per share (gross) and the total cash amount paid was equal to 53% of consolidated net profit, in line with the 2015-2018 Strategic Plan. Shareholder remuneration for 2017 therefore took the form of two cash payments of EUR 0.07 and EUR 0.08 per share, gross, the first of which was paid in November 2017 and the second in April 2018. Cash dividends are payable on a half-yearly basis under the terms of the dividend policy approved by the Board of Directors at a meeting held on 23 February 2017 and published also as a Significant Event (*hecho relevante*) on that same date. The dividend return for 2017 (EUR 0.15/share) to the share price at the end of the period was 3.9%.

As per the terms of the current dividend policy and as stated in the Significant Event published on 22 February 2018, shareholder remuneration for 2018 will take the form of two cash dividends, payable half-yearly in or around April and November. In line with the 2015-2018 Strategic Plan, CaixaBank has reiterated its intention of remunerating shareholders by distributing an amount in cash equal to or greater than 50% of consolidated net profit.

20.8. Legal and arbitration proceedings

At 31 December 2017, there were no legal or labour proceedings deemed individually significant. CAIXABANK and the other Group companies are party to claims and legal proceedings arising from the normal course of their business, including claims in connection with lending activities, relationships with employees and other commercial or tax matters. The outcome of court proceedings is inherently uncertain. Based on available information, the Group considers that at 31 December 2017 it had reliably estimated the obligations arising from each proceeding and had recognised, where appropriate, sufficient provisions to reasonably cover the liabilities that may arise as a result of these tax and legal situations. It also considers that any liability arising from these proceedings will not, as a whole, have a material adverse effect on the Group's businesses, financial position or results of operations.

CAIXABANK recognised provisions to cover any obligations that may arise from various ongoing legal proceedings, for a total of EUR 504 million at 31 December 2017. These provisions relate to several legal claims for amounts that are not individually material. Given the nature of these obligations, the expected timing of outflows of funds embodying economic benefits, should they arise, is uncertain.

Class action brought by the ADICAE association (floor clauses)

A class action is under way in which the claimants are seeking to disapply the use of floor causes in certain mortgage loans in the Bank's portfolio.

A judgment was delivered on 7 April 2016 rendering null and void the floor clauses in the general terms and conditions of the mortgage loan agreements entered into with consumers that were identical to those affected by the class action, due to a lack of transparency, with banks having to: eliminate said clauses from loan agreements; (ii) stop using them in an non-transparent manner; and (iii) repay to affected consumers the amounts unduly charged as a result of applying the null and void clauses as from the date of the Supreme Court judgment of 9 May 2013, plus any applicable interest payable by law. The Group eliminated these floor clauses in 2015, with an annual impact on net interest income of EUR -220 million.

This judgment is not final and has therefore been appealed by several parties, including CaixaBank. In its appeal, the ADICAE consumer association called for reimbursements not to be limited to the amounts collected since 9 May 2013 but to include, in each case, all amounts collected since each mortgage loan was arranged. The Public Prosecutor has opposed this request (unless the European Court of Justice rules otherwise). For the CaixaBank Group this means a maximum exposure of approximately EUR 1,250 million.

On 13 July 2016, the Advocate General of the European Union, which issued his opinion prior to the decision delivered by the Court of Justice of the European Union (CJEU), decided in favour of the Spanish Supreme Court's decision to limit repayments back to May 2013 (this being the doctrine applied by Commercial Court

11). However, on 21 December 2016 the judgment handed down by the CJEU failed to heed the reports issued by the Advocate General and upheld full retroactive reimbursement in relation to the abusive floor clauses.

Given the circumstances, in 2015 and 2016 the Group posted total provisions of EUR 625 million (EUR 515 and EUR 110 million, respectively) to cover the best estimated value of disbursements that it was expected could derive from these proceedings, based on: (i) what the Bank deemed to be the most probable outcome; (ii) how the case was unfolding; and (iii) the uncertainty surrounding the outcome, so as to cover any reasonably expected payouts based on best estimates. This amount is also sufficient for the scenario envisioned in Royal Decree Law 1 of 20 January 2017, on urgent measures to protect consumers in relation to floor clauses ("RDL 1/2017").

The best estimate on which this provision was calculated is based on an external report prepared by an independent expert (Ernst & Young), which contains experience-based analyses, projections and calculations that are useful here and that also address the impact of RDL 1/2017.

Although this new enhanced provision is based on best estimates, the Bank continues to closely monitor and analyse its sufficiency every three months while drawing on its experience and the lessons learned, and will increase and/or enhance the provision accordingly as and when needed. In accordance with RDL 1/2017, CaixaBank implemented a code of best practices in 2017, creating a specialised department or service to swiftly handle claims filed in relation to this Royal Decree-Law, and thereby attend and provide responses to its customers within three months. The established procedure has now been activated. Claims are still being reviewed and customers are being informed of the decisions made and disbursements are made when applicable. Total "Use of funds" includes, among others, EUR 241 million in returns relating to claims made under RDL 1/2017 at 31 December 2017. No new provisions were posted in 2017.

Last but not least, certain annual periods are open to inspection by the tax authorities and tax proceedings under way for which the relevant provisions have been duly allocated (for more information, see section 20.1 – *Legal and arbitration proceedings*).

Years open for review

The inspections for 2010 to 2012 were completed in 2017, with no material impact. Assessments signed in agreement were paid, while those signed under protest, which are still awaiting a ruling, have been duly provisioned for the amount of EUR 14,758 thousand.

Meanwhile, the main tax proceedings ongoing at year-end 2017 were as follows:

• In 2011, the tax authorities began an inspection of "la Caixa" for the main taxes applicable between 2007 and 2009. This inspection was completed in 2013 and assessments were issued, mainly in relation to temporary differences arising from divergences between accounting and tax standards.

Provisions of EUR 11,533 thousand have been allocated for assessments signed under protest, for which the following appeals have been lodged:

 • The income tax assessments are as yet unresolved by the National High Court (Audiencia Nacional).

 • During 2017, the National High Court delivered a ruling partially upholding the appeals lodged against VAT assessments, which has been contested before the Supreme Court.

• In 2008, the tax authorities began an inspection of "la Caixa" for the main taxes applicable between 2004 and 2006. This inspection was completed in 2010 and assessments were issued, mainly in relation to temporary differences arising from divergences between accounting and tax standards.

The Bank has allocated provisions for EUR 33,171 thousand to cover the maximum contingencies that may arise in relation to income tax and VAT assessments signed under protest. In 2017, the National High Court delivered rulings partially upholding the appeals lodged against VAT and income tax assessments, which have been contested before the Supreme Court.

Accordingly, CaixaBank has the year 2013 and following open for review for the main taxes applicable. Furthermore, as the successor of Banca Cívica and the savings banks that formerly contributed their assets comprising the financial activity to Banca Cívica, Banco de Valencia and Barclays Bank, these institutions are open to inspection for the main taxes applicable to them from 2010 and beyond.

The various interpretations that can be drawn from the tax regulations governing transactions carried out by financial institutions may give rise to certain contingent tax liabilities that cannot be objectively quantified. The Bank's management considers that the provision under "Provisions - Pending legal issues and tax litigation" in the balance sheet is sufficient to cover these contingent liabilities.

CAIXABANK is not aware of any governmental, legal or arbitration proceedings that could have a material effect, other than those disclosed in this document and the consolidated financial statements.

20.9. Significant changes in the issuer's financial or trading position

Since 31 March 2018, there have been no significant changes in the Company's financial or trading position or other significant events affecting the Company, beyond those described above or included in this Registration Document (for further information on the issuance of preference shares and the voluntary paid retirement and resignation plan, see *section 5.1.5. Important events in the development of the issuer's business*).

In any case, all material information on the Issuer has been duly disclosed to the CNMV through the filing of significant events (*hechos relevantes*) on the website www.cnmv.es. All such filings are deemed incorporated herein by reference.

21. ADDITIONAL INFORMATION

21.1 Share capital

21.1.1 Amount of issued capital, and for each class of share capital:

At the date of this Registration Document, CAIXABANK's share capital stands at EUR 5,981,438,031, represented by 5,981,438,031 shares, each having a par value of EUR 1, all belonging to the same class and series, all conferring the same voting and dividend rights, and all represented in book-entry form. The entity responsible for keeping account of the same is Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR). The shares into which CAIXABANK's share capital is divided are listed for trading on the Barcelona, Bilbao, Madrid and Valencia stock exchanges through the Automated Trading System (Continuous Market).

On 1 June 2017, CaixaBank announced the approval of an issue of contingent convertibles (convertible into new-issue shares) (Additional Tier 1) worth EUR 1,000 million, with the pre-emptive subscription right disapplied. The terms of the placement were decided that same day. The Issue, available only to qualified investors, was made at par value and the coupon on the CoCos, payment of which is subject to certain conditions and is also discretionary, was set at 6.75% per year for the first seven years. Thereafter, it will be revised to equal the applicable five-year EUR mid swap rate plus 649.8 basis points. Payment of the coupon (where payable) will be quarterly in arrears.

Subsequently, on 13 March 2018 to be precise, CaixaBank announced the approval of a second issuance of contingent convertibles (convertible into new-issue shares) (Additional Tier 1) worth EUR 1,250 million, with the pre-emptive subscription right disapplied. The terms of the placement were decided that same day. The Issue, available only to qualified investors and eligible counterparties (expressly excluding non-controlling interests), was made at par value and the coupon on the CoCos, payment of which is subject to certain conditions and is also discretionary, was set at 5.25% per year for the first eight years. Thereafter, it will be reviewed to equal the applicable five-year EUR mid swap rate plus 450.4 basis points. Payment of the coupon (where payable) will be quarterly in arrears.

While the CoCos are perpetual, they may be redeemed under specific circumstances at the option of CaixaBank. They will be converted into new-issue common shares of the Bank if CaixaBank or the CaixaBank Group reports a Common Equity Tier 1 ratio (CET1) of less than 5.125%, calculated in accordance with Regulation 575/2013 (EU) of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms.

The conversion price of the CoCos will be the highest of: (i) the volume-weighted daily average price of the CaixaBank share for the five trading days prior to the day the corresponding conversion is announced; (ii) EUR 2,803 (Floor Price) in respect of the CoCos issued in June 2017 and EUR 2,583 (Floor Price) in respect of those issued in March 2018; and (iii) the par value of the CaixaBank shares at the time of conversion (on today's date, the par value of the share is one euro (EUR 1)).

a) Number of shares authorised

In accordance with the provisions of article 297.1b) of the Corporate Enterprises Act, CAIXABANK's Annual General Meeting resolved on 23 April 2015 to authorise CAIXABANK's Board of Directors to increase share capital on one or more occasions and at any time within a period of five years from the date of that General Meeting. The increase was not to exceed EUR 2,857,477,950 (i.e. half total share capital at the date of the motion: 12 March 2015) and was to be effected through the issuance of new shares, with or without share premium and with or without voting rights and with consideration for these new shares to be paid in cash. The Board was granted powers to set the terms and conditions of the capital increase and the characteristics of the new shares and also allowed to freely offer any shares not subscribed within the preferential subscription period or periods, to determine that, in the event of incomplete subscription, capital would be increased only in the amount of the subscriptions made, and to reword the articles of the Bylaws governing capital and shares accordingly. The Board of Directors was also authorised to fully or partially disapply the preferential subscription right pursuant to article 506 of the Corporate Enterprises Act. The capital increases the Board is authorised to effect under this power when excluding the pre-emptive subscription right was limited to a total of EUR 1,142,991,180 (equivalent to 20% of share capital at the date of the motion, that is, 12 March 2015). The above notwithstanding, any capital increase approved by the Company's Board of Directors in order to cover the conversion of bonds for which the pre-emptive subscription right has been disapplied on issue, pursuant to the resolution to delegate powers to issue convertible bonds approved at the Annual General Meeting of 28 April 2016 under item 12 on the agenda, will not be subject to the maximum limit of 20% of share capital (EUR 1,142,991,180), with the applicable limit in this case to be half of total share capital (EUR 2,857,477,950). The Board of Directors is authorised to delegate any powers under that original authorisation to the Executive Committee and, as the case may be, to the director or directors it deems fit, insofar as those powers can be delegated.

At the date of this Registration Document, the Board of Directors' only action under this delegation of powers has been one issuance of contingent convertible instruments convertible into new-issue shares in CaixaBank (*Additional Tier 1*) for a total of EUR 1,000 million, with the pre-emptive subscription right disapplied and intended exclusively for accredited investors, and a further issuance of EUR 1,250 million, also aimed at accredited investors and eligible counterparties only (expressly excluding non-controlling interests), as described above.

b) Number of shares issued and fully paid and issued but not fully paid

There are no payments pending. All the shares into which the share capital of CAIXABANK is divided are fully subscribed and paid in.

c) Par value per share, or that the shares have no par value

All the shares into which the share capital of CAIXABANK is divided have a par value of EUR 1 each.

d) Reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact

The number of CAIXABANK shares outstanding at the date of this Registration Document is 5,981,438,031 .

At 1 January 2017, CAIXABANK's share capital amounted to EUR 5,981,438,031, divided into 5,981,438,031 shares each with a par value of EUR 1.

At 31 December 2017, CAIXABANK's share capital was unchanged, represented therefore by the same number of shares, with a par value of EUR 1 each and all fully subscribed and paid up.

21.1.2 If there are shares not representing capital, state the number and main characteristics of such shares

There are no shares that do not represent capital.

21.1.3 Number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer

At 31 December 2017 the CAIXABANK Group held a total of 3,565,959 treasury shares, representing 0.06% of its share capital.

The Annual General Meeting held on 28 April 2016 resolved to authorise the Board of Directors of CAIXABANK to proceed with the derivative acquisition of treasury shares, both directly and indirectly via its dependent companies, in the terms indicated below and with a term of validity of five years.

a) The acquisition may be made in the form of a sale, swap, dation in payment or any other legally admissible form, on one or more occasions, providing the combined par value of the acquired shares and those already held by the Company does not exceed 10% of the subscribed capital.
b) When the acquisition is for consideration, the price or equivalent value shall be the price of the Company share on the Continuous Market at the close of the day prior to the acquisition, +/-15%.

The shares acquired by virtue of this authorisation may be subsequently sold or redeemed, or else extended to employees and directors of the Company or its group as part of the remuneration systems set out in article 146 a), paragraph three of the Corporate Enterprises Act. The purpose of all of this is to improve the liquidity of the CAIXABANK share on the market and the stability of share prices, and any other purposes envisaged in the Internal Code of Conduct for Treasury Stock Transactions available on the electronic portal or corporate website of CAIXABANK (www.caixabank.com) and other requirements of the Spanish Companies Act.

The following table shows the balance of treasury shares at the end of each financial year covered by the historical financial information and also at 28 May 2018.

	No. shares	Amount (face value)	Percentage of capital	Average purchase price (€)	Average selling price (€)
Balance at 31/12/2014	2,656,651	2,656,651	0.05%		
Acquisitions	9,817,863	9,817,863	0.17%	3.929	
Sales	7,324,043	7,324,043	0.13%		4.092
Balance at 31/12/2015	5,150,471	5,150,471	0.09%		

	No. shares	Amount (face value)	Percentage of capital	Average purchase price (€)	Average selling price (€)
Acquisitions[(1)]	585,037,348	585,037,348	9.90%	3.434	
Sales	585,851,954	585,851,954	9.92%		2.927
Balance at 31/12/2016	4,335,865 [(3)]	4,335,865 [(3)]	0.07%		
Acquisitions	54,326	54,326	0.0%	3.421	
Sales	829,540	829,540	0.01%		3.412
Balance at 31/12/2017	**3,565,959**	**3,565,959**	**0.06%**		
Acquisitions	374,371	374,371	0.0063%	4.099	
Sales	1,060,852	1,060,852	0.017%		3.698
Balance at 28/05/2018[(2)]	**2,879,478** [(4)]	2,879,478 [(4)]	0.048%		

(1) Includes the acquisition of 584,811,827 under the terms of the asset swap agreement, as published in a Significant Event on 31 May 2016.

(2) Includes the placement of 585,000,000 shares with qualified investors, as published in a Significant Event on 22 September 2016.

(3) Includes 45,567 shares owned by subsidiary companies.

(4) Includes 279,114 shares owned by subsidiary companies.

21.1.4 Amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription

On 1 June 2017, a Significant Event filing was published announcing the approval of an issuance of contingent convertible instruments convertible into new-issue shares in CaixaBank (*Additional Tier 1*), with the pre-emptive subscription right disapplied. The issue is worth EUR 1,000 million and is intended exclusively for accredited investors. On 13 June 2017, all the instruments were confirmed as being fully subscribed for and paid up, having obtained approval for admission for trading on the AIAF Fixed-Income Market. On 13 March 2018, a Significant Event filing was published announcing the approval of a second issuance of contingent convertible instruments convertible into new-issue shares in CaixaBank (Additional Tier 1), with the pre-emptive subscription right disapplied. The issue is worth EUR 1,250 million and is intended exclusively for accredited investors and eligible counterparties, expressly excluding non-controlling interests. On 23 March 2018, all the instruments were confirmed as being fully subscribed for and paid up, having obtained approval for admission for trading on the AIAF Fixed-Income Market.

While the CoCos are perpetual, they may be redeemed under specific circumstances at the option of CaixaBank. They will be converted into new-issue common shares of the Bank if CaixaBank or the CaixaBank Group reports a Common Equity Tier 1 ratio (CET1) of less than 5.125%, calculated in accordance with Regulation 575/2013 (EU) of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms. The conversion price of the CoCos will be the highest of: (i) the volume-weighted daily average price of the CaixaBank share for the five trading days prior to the day the corresponding conversion is announced; (ii) EUR 2.803 (Floor Price) in respect of the CoCos issued in June 2017 and EUR 2.583 (Floor Price) in respect of those issued in March 2018; and

(iii) the par value of the CaixaBank share at the time of conversion (on today's date, the par value of the share is one euro (EUR 1)).

As the nominal amount of the June 2017 issuance amounts to one billion euros (EUR 1,000,000,000) and applying the Minimum Conversion Price of EUR 2.803 per share, the maximum number of shares to be issued would be three hundred and fifty-six million, seven hundred and sixty thousand six hundred and thirteen (356,760,613) common shares of the Bank, assuming that no anti-dilution adjustment is made and that the number of shares outstanding is the same as at the verification date of this Registration Document. Accordingly, if the shares are converted at the minimum price just discussed, the post-issue percentage of participation in the share capital of the preference share holders under the June 2017 issuance would be 5.63%. Turning to the second issuance of CoCos completed in March 2018, since the nominal amount of the issuance amounts to one billion, two hundred and fifty million euros (EUR 1,250,000,000) and applying the Minimum Conversion Price of EUR 2.583 per share, the maximum number of shares to be issued would be four hundred and eighty-three million, nine hundred and thirty-three thousand four hundred and ten (483,933,410) common shares of the Bank, assuming that no anti-dilution adjustment is made and that the number of shares outstanding is the same as at the verification date of this Registration Document. Accordingly, if the shares are converted at the minimum price just discussed, the post-issue percentage of participation in the share capital of the preference share holders under the March 2018 issuance would be 7.49%. For both issuances, this percentage would be 12.32%.

21.1.5 Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital

<u>Authorisations from the Annual General Meeting to issue securities convertible into CaixaBank shares</u>.

A resolution was passed at the Annual General Meeting of CAIXABANK held on 28 April 2016 to authorise the Board of Directors to issue securities convertible into CAIXABANK shares, or securities directly or indirectly entitling their holders to subscribe or acquire CAIXABANK shares, including warrants. These instruments may be additionally or alternatively exchangeable for CAIXABANK shares. This includes the authority to increase capital and, as the case may be, to disapply the pre-emptive subscription right. The Board of Directors may make use of this delegation of powers on one or more occasions over the maximum term of five (5) years, i.e. until 28 April 2021, and subject to a cap of three billion euros (EUR 3,000,000,000) or equivalent value in another currency. It was agreed under this same authorisation to proceed with the placements of contingent convertibles described in section 21.1.4.

Aside from the above, there are no further acquisition rights and/or obligations at the date of this Registration Document in respect of authorised but unissued capital or any undertaking to increase the capital.

21.1.6 Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate

At the verification date of this Registration Document, there is no option attaching to the capital of CAIXABANK or any Group company.

21.1.7 A history of share capital, highlighting information about any changes, for the period covered by the historical financial information

During the period covered by the historical financial information, CAIXABANK's share capital undergone the following modifications:

	Initial balance	Increase / reduction	Date	Amount	Shares	Closing balance
1	5,714,955,900 euros	Scrip issue	23/03/2015	53,331,614 euros	53,331,614	5,768,287,514 euros 5,768,287,514

2	5,768,287,514 euros	Scrip issue	28/09/15	55,702,803 euros	55,702,803	5,823,990,317 euros 5,823,990,317
3	5,823,990,317 euros	Scrip issue	21/03/16	86,252,367 euros	86,252,367	5,910,242,684 euros 5,910,242,684
4	5,910,242,684 euros	Scrip issue	13/12/16	71,195,347 euros	71,195,347	5,981,438,031 euros 5,981,438,031

21.2 Memorandum and articles of association

21.2.1. Description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association

The Annual General Meeting of CAIXABANK held on 23 April 2015 approved the amendment of article 2 of the Bylaws on the corporate object, with a view to including an express provision on the development of activities both in Spain and abroad, as it had been doing in practice. This amendment, subject to the system of authorisations envisaged in article 10 of Royal Decree 84/2015, of 13 February, which implements the LOSSEAR, was authorised by means of a resolution dated 27 July 2015. The deed of amendment was authorised on 8 September 2015 by Barcelona notary, Tomás Giménez Duart, under number 2,256 of his protocol, and is recorded as entry 797 at the Barcelona Companies Registry.

Below is a transcription of Article 2 of the Bylaws on the corporate object of CAIXABANK, as approved at the Annual General Meeting held on 23 April 2015.

"Article 2.- Corporate object

1. The following activities are the corporate object of the Company:

(i) all manner of activities, operations, acts, contracts and services related to the banking sector in general or directly or indirectly related thereto, permitted by current legislation, including the provision of investment services and ancillary services and performance of the activities of an insurance agency, either exclusively or in association, without simultaneous exercise of both activities;

(ii) receiving public funds in the form of irregular deposits or in other similar formats, for the purposes of application on its own account to active credit and microcredit operations, i.e. the granting of loans without collateral in a bid to finance small business initiatives by individuals and legal entities which, in view of their social and economic circumstances, have difficulty in gaining access to traditional finance from banks, and to other investments, with or without pledged collateral, mortgage collateral or other forms of collateral, pursuant to business laws and customs, providing customers with services including dispatch, transfer, custody, mediation and others in relation to these, in connection with business commissions; and

(iii) acquisition, holding, enjoyment and disposal of all manner of securities and drawing up takeover bids and sales of securities, and of all manner of ownership interests in any entity or company.

2. The activities which make up the corporate object may be carried out, in both Spain and abroad, totally or partially in an indirect fashion, in any format permitted by law, especially through the holding of shares or ownership interests in companies or other entities the object of which is identical or similar, ancillary or complementary to such activities.

21.2.2. A summary of any provisions of the issuer's articles of association, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory bodies

It was agreed by shareholders at the Annual General Meeting of CAIXABANK held on 6 April 2018 to modify paragraphs 2 and 5 of article 4 of the Bylaws for the following purposes: (i) to explicitly include in the Bylaws the power of the Board of Directors to relocate the registered office within national territory pursuant to the terms of article 285 of the Corporate Enterprises Act, as introduced by Royal Decree-Law 15/2017, of 6 October, on urgent measures regarding the mobility of economic operators within national territory; and (ii) to bring article 4.5 of the Bylaws in line with the requirements that credit institutions have a corporate website under the terms of article 29 of Act 10/2014, of 26 June, on the planning, supervision and solvency of credit institutions. The new version of the Bylaws approved at the Annual General Meeting on 6 April and featuring the new modifications is available on CAIXABANK's corporate website (www.caixabank.com).

Meanwhile, CAIXABANK's Board of Directors, at a meeting held on 22 February 2018, approved a series of amendments to articles 14 ("*The Audit and Control Committee and the Risks Committee*"), 15 ("*The Appointments Committee and the Remuneration Committee*") and 37 ("*Relations with auditors*"). The aim of these changes is to update the rules contained in the Bylaws on the composition, competencies and functioning of the Audit and Control Committee so as to take account of the criteria and basic principles contained in Technical Guide 3/2017 on Audit Committees at public-interest entities released by the CNMV in June 2017 and, in relation to that process, to explicitly incorporate certain recommendations set out in the Good Governance Good ("GGC"), with which the Company confirmed compliance in its 2017 Annual Corporate Governance Report. The amendments are also intended to develop and update the rules contained in the Bylaws on the competencies of the Appointments Committee, granting it authority to monitor and oversee compliance with the diversity policy in relation to the Board of Directors, pursuant to the terms of Royal Decree-Law 18/2017. Certain technical clarifications and further information were also added to the Bylaws. The modifications and the new version of the Regulations resulting from the changes were made available to shareholders and reported at CAIXABANK's Annual General Meeting held on 6 April 2018, pursuant to article 529 of the Corporate Enterprises Act.

The Regulations of the Board of Directors contain the terms of reference and internal regulations of CAIXABANK's Board of Directors and of its various committees. They therefore set out the principles guiding the actions of the Board of Directors, along with the basic rules governing its structure and functioning and the code of conduct expected of Board members.

The Bylaws and the Regulations of the Board of Directors of CAIXABANK contain the following key provisions relating to the members of the governing, management and supervisory bodies of CAIXABANK:

a) The Board of Directors will be composed of a minimum of twelve (12) and a maximum of twenty-two (22) members.
b) It is not necessary for directors to be shareholders of the Company.
c) The Board of Directors, when exercising its powers to lay motions before the General Meeting and when covering vacancies by means of co-option, shall ensure that the composition of the Board of Directors is such that the number of external or non-executive directors constitutes a broad majority when compared to the number of executive directors, and that the latter comprise only the minimum number strictly needed.
d) No shareholder may be represented on the Board of Directors by a number of proprietary directors exceeding 40% of total Board members, without prejudice to the right of all shareholders to be represented at the Company in proportion to their stake, in accordance with applicable law.
e) Directors shall hold office for a term of four years, without prejudice to their reappointment or removal by the General Meeting at any time in accordance with the law and as envisaged also in the Company's Bylaws. However, independent directors will not remain as such for a continuous period of more than 12 years.
f) The Board of Directors shall appoint, in light of a report received from the Appointments Committee and with the executive directors abstaining from the vote, a Lead Director from among the independent directors. The Lead Director will have the powers conferred upon them by the Bylaws and the Regulations of the Board of Directors and will invariably have the powers prescribed by law where the Chairman of the Board is an executive director.
g) The Board of Directors will appoint from among its ranks a Chairman and one or more Deputy Chairmen, following a report from the Appointments Committee. It shall likewise appoint, following a

report from the Appointments Committee, a Secretary and, optionally, a Deputy Secretary, neither of whom need not be Board members.

h) The Board will be validly convened when a majority of its members are either present at the meeting or represented by proxy and resolutions will be carried by an absolute majority of votes cast by the directors present or represented by proxy, except where the law or the Bylaws state otherwise. In the event of a tie, the Chairman will have the casting vote.

i) The Board of Directors shall meet at least eight (8) times a year, holding at least one meeting every quarter. It shall also meet, at the Chairman's discretion, as often as the Chairman deems necessary or desirable to ensure the good running of the Company. The Board of Directors shall also meet when requested to do so by at least two of its members or one of its independent directors. If the Chairman fails to call a meeting within one month of receiving the request without good reason, and provided the request is supported by at least one third of the members of the Board of Directors, the directors who requested the meeting may call the meeting insofar as they represent at least one third of the total Board members.

j) The Board of Directors may set up an Executive Committee or appoint one or more Chief Executive Officers from among its ranks, without prejudice to its authority to confer upon any person any or all of the powers that can be lawfully delegated, whether on a temporary or permanent basis.

CAIXABANK has an Internal Code of Conduct in place to ensure compliance with the terms of the Spanish Securities Market Act and applicable regulations on market abuse. The aim of the Internal Rules of Conduct is to ensure that the actions of CAIXABANK and CaixaBank Group companies (the former as a listed credit institution and all of them as issuers and providers of investment services), including the actions of their governing and management bodies, employees and agents, are compliant with applicable rules of conduct on activities relating to the securities market, as contained in Regulation (EU) No 596/2014 of the European Parliament and of the Council, of 16 April, on market abuse (the "MAR"), and in the Spanish Securities Market Act and its implementing rules and regulations. The ultimate purpose is to improve transparency in the markets and to protect, at all times, the legitimate interests of investors.

The main features of the Internal Rules of Conduct are as follows:

a) The following persons are subject to the Internal Rules of Conduct: (i) members of the Company's Board of Directors and the Secretary and Deputy Secretary of the Board of Directors if they are not Board members, as well as the General Secretary if not the same person as the Secretary to the Board of Directors; (ii) members of the Management Committee of the Company and other entities subject to the Code, and those senior executives who have regular access to inside information directly or indirectly concerning entities subject to the Code and with managerial responsibilities to make decisions that affect the Company's future performance and the business outlook of entities subject to the Code; (iii) those executives and employees who carry out their work in areas relating to securities markets and/or who have regular access to inside information, as well as those individuals rendering services in a separate area (as discussed in the Code of Conduct) and who meet the aforementioned conditions, and also those persons who, while not directly involved in the securities market, should nevertheless be made temporarily subject to the Code due to their involvement or knowledge of transactions involving inside information; and (iv) any other person at the entities subject to the code who the Code of Conduct Regulations Committee -on a proposal from Regulatory Compliance- believes should fall within the scope of this Code of Conduct in view of the prevailing circumstances in each case. Meanwhile, the section on duties regarding inside information, market abuse and the reporting of suspicious transactions applies to all employees of CAIXABANK and other entities subject to the Code and applies also to the wider CAIXABANK Group.

b) Restrictions and conditions are in place for transactions carried out by persons subject to the Internal Code of Conduct, including restrictions, among other things, on the purchase or sale of CAIXABANK securities or financial instruments and of negotiable securities issued by public or private persons or entities. It also imposes obligations to disclose certain transactions.

   The duties in relation to inside information include those of abstention, safeguarding and communication. Separate areas and departments have been set up at which different activities related to securities markets are to be carried out, thus establishing physical separation measures and specific procedures to protect inside information and control the flow of information. The treatment of inside information is also regulated in the form of an insiders list.

In relation to relevant information, processing and publication measures are in place and authorised contact persons are nominated to liaise with the CNMV.

Any person who is subject to the Internal Code of Conduct and, in general, all CAIXABANK employees must not prepare or engage in any kind of practices, acts and conduct that might interfere with the free formation of prices on the securities markets. Measures are also in place to analyse and report suspicious transactions.

c) CAIXABANK's policy on conflicts of interests defines the situations and especially the services that can give rise to conflicts of interest, setting general management criteria and procedures for resolving those conflicts.

d) In the context of treasury share operations, transactions involving CAIXABANK shares must always pursue a legitimate purpose, such as contributing to the liquidity of the shares on the market or reducing price fluctuations, or any other admissible purposes in accordance with the regulations in force. Under no circumstances may they seek to distort the free formation of prices on the market or favour certain shareholders of the Company. The Code of Conduct contains a set of restrictions on the volume, price and performance of transactions involving treasury shares.

Specific rules of conduct are established in relation to depositary services, with a specific duty to implement procedures in relation to related-party transactions and to comply with rules on the separation of functions.

e) The Board of Directors, the Management Committee, the ICC Committee, Regulatory Compliance and the heads of the separate areas are tasked with the functions contained in the Code of Conduct, which essentially relate to approval, implementation, control and monitoring.

21.2.3. A description of the rights, preferences and restrictions attaching to each class of the existing shares

All currently outstanding shares representing the capital of CAIXABANK belong to the same class and series and grant their holders the same voting and dividend rights, which are the full voting and dividend rights attaching to those shares as set out in the Corporate Enterprises Act and the Bylaws. The above notwithstanding, please see section 21.2.7 below with regard to the communications concerning the acquisition of significant stakes in CAIXABANK, due to its status as a listed credit institution.

Given that the Company has interests in entities that operate in highly regulated industries such as the financial sector and the insurance sector, the acquisition of a significant percentage of shares in CAIXABANK, where that acquisition means acquiring a significant stake in any of those entities, could be subject to authorisation by, or the obtaining of a no-objection certificate from, the competent regulatory authorities.

21.2.4 Description of what action is necessary to change the rights of holders of the shares, indicating where the conditions are more significant than is required by law

Any change to the rights of holders of CAIXABANK shares will require the relevant modification to the Bylaws. If the change affects some but not all of the shares and involves discriminating between shares, it must be approved by shareholders representing the majority of the shares affected. The Bylaws of CAIXABANK contain no special or further provisions beyond the terms of the Corporate Enterprises Act.

21.2.5. A description of the conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are called including the conditions of admission

The conditions described in this section governing how annual and extraordinary General Meetings are called, including attendance requirements, are set out in CAIXABANK's current Bylaws and Regulations of the Annual General Meeting.

The Annual General Meeting must meet within the legally established term in each financial year in order to approve the Company's management and the accounts for the preceding year and decide on the application of earnings. It also approves, if applicable, the consolidated accounts and carries resolutions on any other matter within its remit, provided it appears on the agenda contained in the announcement of the meeting or is legally appropriate and provided also the General Meeting has been formed with the required share capital in attendance. Any General Meeting other than the one envisaged above will be considered an extraordinary General Meeting.

The General Meeting will be convened by the Board of Directors by means of an announcement published in the Companies' Registry Gazette or in one of the widely distributed newspapers in Spain, on the Company's corporate website (www.caixabank.com) and on the website of the CNMV. This announcement must be published at least one month ahead of the date of the meeting. Nevertheless, and where legally permissible, extraordinary General Meetings may be called a minimum of fifteen (15) days in advance. The announcement must state the name of the Company and the date, time and venue of the meeting, and will list all the items on the agenda and the position of the person or persons sending the announcement. It may also state the date of second call, where applicable. At least 24 hours must elapse between scheduled first and second meetings.

Shareholders owning at least 1,000 shares, whether individually or when pooled with other shareholders, and whose ownership of those shares is recorded in book-entry format at least five days ahead of the date of the meeting, may attend the General Meeting in person. Likewise, a representative wishing to attend the General Meeting in person must hold and/or represent one or more shareholders owning, on aggregate, a minimum number of 1,000 shares. The above notwithstanding, all shareholders may cast their vote by post or via electronic channels without having to hold a minimum number of shares.

Members of the Board of Directors must attend General Meetings, although their absence for any reason will not prevent the General Meeting in question from being validly held. Likewise, the Chairman of the General Meeting may authorise persons providing services at or for the company to attend and allow them to speak when the Chairman considers their involvement to be in the interests of the General Meeting. The Chairman of the General Meeting may also authorise the presence of the media, financial analysts and other experts. Likewise, the Chairman of the Board of Directors may invite any other person he or she sees fit to invite.

Notwithstanding the right of legal persons shareholders to attend via an authorised natural-person representative, shareholders may be represented by another person, even if he/she is not a shareholder. This proxy must be granted for each specific meeting and may be granted in writing or via remote means that duly guarantee the identity of the represented entity, subject to the rules prescribed by the Corporate Enterprises Act, the Bylaws and the Regulations of the Annual General Meeting.

Shareholders will be entitled to request information in accordance with applicable law, the Bylaws and the Regulations of the Annual General Meeting. The Chairman and Secretary of the Board of Directors will act as Chairman and Secretary at the General Meeting. Where they are absent or unable to attend, or where either position is vacant, the corresponding Deputy Chairman and Deputy Secretary of the Board of Directors, according to their respective ranking where more than one exists, will assume the posts. If there is no such Deputy Chairman or Secretary, the General Meeting will be chaired instead by the oldest director while he youngest director will act as Secretary.

The Chairperson will submit the items on the agenda for deliberation and steer discussions. The General Meeting will adopt resolutions by a simple majority of votes cast by shareholders, except when the law establishes a higher quorum and/or majority. Those matters that are substantially independent, including, in all cases, the appointment, ratification, re-election or removal of directors as well as amendments of the Bylaws, will be voted on separately.

21.2.6 Brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer

There are no bylaw provisions or internal regulations that delay, defer or prevent a change in control of CAIXABANK.

However, in its capacity as a credit institution, the direct or indirect acquisition of stakes the law considers to be significant in the share capital of CAIXABANK will require prior notice to be given to the Bank of Spain under the terms of the LOSS. Pursuant to article 16 of the LOSS, "significant stake" means any equity interest that directly or indirectly accounts for at least 10% of the capital or voting rights of a credit institution. The term also extends to any interest which, while failing to reach the aforementioned percentage, still enables the holder to exert considerable influence at a credit institution.

21.2.7 An indication of the articles of association, statutes, charter or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed

There is no provision in the Bylaws of CAIXABANK requiring shareholders with a significant stake to disclose that circumstance, notwithstanding applicable legal requirements, particularly Royal Decree 1333/2005, of 11 November, on market abuse; Royal Decree 1362/2007 of 19 October, implementing the Securities Market Act, in relation to transparency requirements regarding information on issuers whose securities are listed for trading on an official secondary market or other regulated market of the European Union; and in CNMV Circular 8/2015 of 22 December.

However, given its status as a credit institution, please note that Royal Decree 84/2015, of 13 February, implementing Act 10/2014, of 26 June, on the structuring, supervision and capital adequacy of credit institutions, also requires CAIXABANK to inform the Bank of Spain of its capital structure.

21.2.8. Description of the conditions imposed by the memorandum and articles of association statutes, charter or bylaw governing changes in the capital, where such conditions are more stringent than is required by law

The conditions to be met when modifying the share capital of CAIXABANK and the respective rights attaching to the shares comprising that capital are governed by the law, with the Bylaws imposing no special conditions in that regard.

However, given its status as a credit institution, please keep in mind the provisions of section 21.2.6 above.

22. RELEVANT CONTRACTS

At the date of this document, there are no relevant contracts outside the Company's normal business. There is also no contract in effect with any Group member that contains a clause whereby a member of the Group assumes an obligation or right that is material for the Group, beyond those described below.

Internal Protocol governing Relations between "la Caixa" and CAIXABANK

On 1 July 2011, the then Caixa d'Estalvis i Pensions de Barcelona, "la Caixa", and CAIXABANK signed an Internal Protocol governing the basic principles of the relationship between "la Caixa", CAIXABANK and their respective groups. The protocol is there to ensure that, in a transparent manner, CAIXABANK carries out the financial activity of "la Caixa" indirectly based on the required principles of good corporate governance. A certain framework of measures was devised to achieve this. However, following the entry into force of Act 26/2013 of 27 December, on savings banks and banking foundations, "la Caixa" became a banking foundation, whose primary activity is to manage and carry out welfare projects and appropriately manage its stake in CAIXABANK. Consequently, the arrangement whereby "la Caixa" indirectly carried out its financial activity indirectly through CAIXABANK was extinguished. Accordingly, the protocol (as originally worded) was also rendered null and void once "la Caixa" stopped indirectly carrying out its financial activity indirectly through CAIXABANK. Therefore, on 16 June 2014 “la Caixa” and CAIXABANK agreed to renew the Internal Relations Protocol between the two under all the terms and conditions that were not affected by “la Caixa” ceasing to operate indirectly as a credit institution through CAIXABANK until the new relations protocol between CAIXABANK and the Banking Foundation is adopted. On 19 December 2016, “la Caixa” Banking Foundation, Criteria Caixa and CAIXABANK entered into a new relations protocol under the terms of the Protocol for Managing the Financial Investment.

On 26 September 2017, the Governing Council of the European Central Bank reached a decision pursuant to which Criteria Caixa is no longer under its supervision. The new responsible group is the one headed by CaixaBank. Accordingly, Criteria in longer a mixed financial holding company since it has met the conditions prescribed by the ECB for the prudential deconsolidation of Criteria Caixa from CaixaBank. With the deconsolidation process now complete and in accordance with the Protocol for Managing the Financial Investment, “la Caixa” Banking Foundation and Criteria Caixa on the one side and CaixaBank on the other entered into a new Internal Relations Protocol in February 2018, superseding the agreement previously signed on 19 December 2016, so as to bring the protocol in line with the deconsolidation conditions prescribed by the European Central Bank. The main aim of the new protocol is to manage related-party transactions arising from business or services that the “la Caixa” Banking Foundation Group provides, or may provide in future, to CaixaBank Group companies and those that CaixaBank Group companies provide, or may provide in future, to companies belonging to the “la Caixa” Banking Foundation Group. The protocol sets out general rules and criteria for these relationships within a framework of autonomy, transparency, reciprocity and subjection to market conditions. It also includes mechanisms to prevent conflicts of interest deriving from the fact that the “la Caixa” Banking Foundation is the indirect shareholder of CaixaBank through Criteria Caixa, while providing a flow of adequate information so as to ensure that “la Caixa” Banking Foundation, Criteria Caixa and CaixaBank are able to draw up their financial statements and comply with their respective obligations as before regulators and public authorities. Significantly, the protocol also reflects the parties’ acceptance and commitment to meet the conditions prescribed by the European Central Bank for the purposes of Criteria Caixa’s prudential deconsolidation from CaixaBank.

Tax consolidation agreement

Caixa d’Estalvis i Pensions de Barcelona, “la Caixa” has filed consolidated corporate income tax returns since 1991.

With effects from 1 July 2011, “la Caixa” (now “la Caixa” Banking Foundation) and CAIXABANK renewed the tax consolidation agreement governing their tax relations. The tax consolidation agreement regulates the apportionment of the tax burden among Group companies in accordance with accounting and tax regulations, and the rules for the payment of any payables and receivables that may arise out of the apportionment of the tax burden among Group companies in accordance with tax and accounting regulations.

Following the entry into force on 28 December 2013 of Act 26/2013, governing savings banks and banking foundations, and given that in 2013 the stake held by “la Caixa” in CAIXABANK fell below 70%, CAIXABANK assumed the position of parent of the tax group, while “la Caixa” (now “la Caixa” Banking Foundation) became a subsidiary, with effects from 1 January 2013.

Deconsolidation of CAIXABANK from Criteria for prudential purposes

On 26 September 2017, the Governing Council of the European Central Bank, acting on a proposal from the Supervisory Board, confirmed that CriteriaCaixa no longer exercised control or dominant influence over CaixaBank and was therefore no longer its parent company, on the understanding that the conditions announced on 26 May 2016 for the prudential deconsolidation of CaixaBank from CriteriaCaixa had been met.

As a result, CaixaBank is now the parent company of the financial conglomerate comprising all regulated group entities. CaixaBank is now classified as a significant supervised entity and forms, together with the credit institutions belonging to its group, a significant supervised group at which CaixaBank is the entity to have undergone the greatest prudential consolidation.

23. DECLARATIONS OF ANY INTEREST

23.1. Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorised the contents of that part of the registration document

Not applicable

23.2. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer shall identify the source(s) of the information

Not applicable

24. DOCUMENTS ON DISPLAY

During the validity period of this Registration Document, the following documents can be inspected at the locations likewise described below:

Document	CNMV	Companies Registry of Barcelona
Company's charter/memorandum	No	Yes
Current bylaws Link to CaixaBank web page: https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo/estatutos_es.html	No	Yes
Regulations of the Board of Directors Link to CaixaBank web page: https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo/reglamentodelconsejodeadministracion_es.html Link to CNMV web page: http://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=2&nif=A-08663619	Yes	Yes
Regulations of the Annual General Meeting Link to CaixaBank web page: https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo/reglamentodelajuntageneraldeaccionistas_es.html Link to CNMV web page: http://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=4&nif=A-08663619	Yes	Yes
Individual annual financial statements, management report and audit report for 2015, 2016 and 2017 Links to CaixaBank web page: https://www.caixabank.com/informacionparaaccionistaseinversores/informacioneconomicofinanciera/informefinancieroanualysemestral/2015_es.html	Yes	Yes

Document	CNMV	Companies Registry of Barcelona
https://www.caixabank.com/informacionparaaccionistaseinversores/informacioneconomicofinanciera/informefinancieroanualysemestral/2016_es.html https://www.caixabank.com/informacionparaaccionistaseinversores/informacioneconomicofinanciera/informefinancieroanualysemestral/2017_es.html Link to CNMV web page: http://www.cnmv.es/Portal/Consultas/IFA/ListadoIFA.aspx?id=0&nif=A-08663619		
Consolidated annual financial statements, management report and audit report for 2015, 2016 and 2017 Links to CaixaBank web page: https://www.caixabank.com/informacionparaaccionistaseinversores/informacioneconomicofinanciera/informefinancieroanualysemestral/2015_es.html https://www.caixabank.com/informacionparaaccionistaseinversores/informacioneconomicofinanciera/informefinancieroanualysemestral/2016_es.html https://www.caixabank.com/informacionparaaccionistaseinversores/informacioneconomicofinanciera/informefinancieroanualysemestral/2017_es.html Link to CNMV web page: http://www.cnmv.es/Portal/Consultas/IFA/ListadoIFA.aspx?id=0&nif=A-08663619	Yes	Yes
Quarterly financial report (first quarter 2018) Link to CaixaBank web page: https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Inversores_institucionales/IPP_1T18_ESP.pdf Link to CNMV web page: http://www.cnmv.es/Portal/Consultas/IFI/ListaIFI.aspx?nif=A-08663619	Yes	No
Directors' remuneration report for 2015, 2016 and 2017 Link to CaixaBank web page: https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo/remuneracionesdelosconsejeros_es.html Link to CNMV web page: http://www.cnmv.es/Portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=6&nif=A-08663619	Yes	No
Significant events reported to the market by CaixaBank on the website of the CNMV Link to CaixaBank web page: https://www2.caixabank.com/apl/informacion_caixabank/index_es.html?t=1 Link to CNMV web page: http://www.cnmv.es/Portal/HR/ResultadoBusquedaHR.aspx?nif=A-08663619&division=1	Yes	No

The documents just listed will also be made available to interested parties at CAIXABANK's registered office and on the relevant web page indicated, with the exception of the memorandum of association, which can only be consulted at the Company's registered office. The above documents are also available on the relevant web page of the CNMV as indicated.

25. INFORMATION ON HOLDINGS

Details of the Company's significant investees, their names, country of incorporation, and the ownership interests held therein are provided in sections 6.2 and 7.2.

ANNEX – ALTERNATIVE PERFORMANCE MEASURES

In addition to the financial information contained herein, as prepared in accordance with International Financial Reporting Standards (IFRSs), this document includes certain Alternative Performance Measures (APMs), as defined in the Guidelines on Alternative Performance Measures released by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057) (the "ESMA Guidelines"), further to the ESMA recommendation and particularly as regards the justification and reconciliation with the annual financial statements. CAIXABANK relies on certain APMs, which have not been audited, to provide a better understanding of the Company's financial performance. These measures are considered additional disclosures and in no case replace the financial information prepared under IFRSs. Moreover, the way the Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. Accordingly, they may not be comparable.

The ESMA Guidelines define an APM as a financial measure of historical or future performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

In accordance with these guidelines, following is a list of the APMs used by the issuer, including their reconciliation with the audited financial statements.

1. Profitability and cost-to-income:

a) ROE:

Explanation: profit attributable to the Group (adjusted by the amount of the Additional Tier 1 coupon after tax, reported in equity) divided by average shareholder equity for the last 12 months.

Purpose: allows the Bank to monitor the return obtained on own funds.

ROE (Return on equity)		1T17	2T17	3T17	4T17	1T18
Numerator	Profit attributable to the Group (12M)	1.177	1.246	1.551	1.658	**1.946**
Denominator	Average equity (12M)	23.016	23.212	23.675	23.897	**24.058**
	ROE (%)	5,1%	5,4%	6,6%	6,9%	8,1%

b) ROTE:

Explanation: quotient between:

- Profit attributable to the Group (adjusted by the amount of the Additional Tier 1 coupon after tax reported in equity); and
- 12-month average shareholder equity deducting intangible assets using management criteria (calculated as the value of intangible assets in the public balance sheet, plus the intangible assets and goodwill associated with investees, net of provisions, recognised in Investments in joint ventures and associates in the public balance sheet).

Purpose: metric used to measure the return on a company's tangible equity.

ROTE (Return on tangible equity)		1T17	2T17	3T17	4T17	1T18
Numerator	Profit attributable to the Group (12M)	1.177	1.246	1.551	1.658	**1.946**
Denominator	Average tangible equity (12M)	18.843	19.098	19.508	19.679	**19.805**
	ROTE (%)	6,2%	6,5%	8,0%	8,4%	9,8%

c) ROA:

Explanation: net profit (adjusted by the amount of the Additional Tier 1 coupon after tax reported in equity) divided by average total assets for the last 12 months.

Purpose: measures the level of return relative to assets.

ROA (Return on assets)		1T17	2T17	3T17	4T17	1T18
Numerator	Net proffit (12M)	1.194	1.265	1.588	1.693	**2.004**
Denominator	Average total assets (12M)	344.392	351.935	360.645	372.905	**377.313**
	ROA (%)	0,3%	0,4%	0,4%	0,5%	0,5%

d) RORWA:

Explanation: net profit (adjusted by the amount of the Additional Tier 1 coupon after tax reported in equity) divided by average total risk-weighted assets for the last 12 months.

RORWA (Return on risk weighted assets)		1T17	2T17	3T17	4T17	1T18
Numerator	Net profit (12M)	1.194	1.265	1.588	1.693	**2.004**
Denominador	Average regulatory risk-weighted assets (12M)	138.256	141.861	145.567	149.060	**150.211**
	RORWA (%)	0,9%	0,9%	1,1%	1,1%	1,3%

Purpose: measures the return based on risk weighted assets.

e) Cost-to-income ratio:

Explanation: operating expenses (administrative expenses, depreciation and amortisation) divided by gross income for the last 12 months.

The Bank also uses a variant of this indicator that does not count extraordinary operating expenses in the numerator.

Purpose: ratio widely used in the banking sector to compare the cost to income generated.

Cost to income ratio		1T17	2T17	3T17	4T17	1T18
Numerator	Administrative expenses, depreciation and amortisation (12M)	4.214	4.436	4.450	4.577	**4.628**
Denominator	Gross income (12M)	7.798	8.058	8.379	8.222	**8.591**
	Cost to income ratio	54,0%	55,1%	53,1%	55,7%	53,9%

Cost to income ratio stripping out extraordinary expenses		1T17	2T17	3T17	4T17	1T18
Numerator	Recurring Administrative expenses, depr. and amortisation (12M)	4.083	4.209	4.340	4.467	**4.525**
Denominator	Gross income (12M)	7.798	8.058	8.379	8.222	**8.591**
	Cost to income ratio stripping out extraordinary expenses	52,4%	52,2%	51,8%	54,3%	52,7%

2- Risk management:

a) Cost of risk

Explanation: total allowance for insolvency risk (12 months) divided by average lending, gross, plus contingent liabilities, using management criteria.

Purpose: indicator used to monitor and track the cost of insolvency allowances on the loan book.

The ratio for 3Q17 and previous quarters excludes the release of EUR 676 million in provisions carried out in the fourth quarter of 2016.

Cost of risk					
		31/12/2015	31/12/2016	31/12/2017	31/12/2018
Numerator	Allowances for insolvency risk (12M)	1.593	990	799	**689**
Denominator	Average of gross loans plus contingent liabilities (12M)	220.863	216.867	236.772	**237.648**
	Cost of risk	0,72%	0,46%	0,34%	0,29%

b) NPL ratio:

Explanation: quotient between:

- non-performing loans and advances to customers and contingent liabilities, using management criteria.
- total gross loans to customers and contingent liabilities, using management criteria.

Purpose: indicator used to monitor and track the change and quality of the loan portfolio.

NPL						
		1T17	2T17	3T17	4T17	1T18
Numerator	Non-performing loans and contingent liabilities	16.135	15.492	15.286	14.305	13.695
Denominator	Gross loans and contingent liabilities	239.818	240.165	237.403	237.934	236.218
	NPL (%)	6,7%	6,5%	6,4%	6,0%	5,8%

c) Coverage ratio:

Explanation: quotient between:

- total credit loss provisions for loans to customers and contingent liabilities, using management criteria.
- non-performing loans and advances to customers and contingent liabilities, using management criteria.

Purpose: indicator used to monitor NPL coverage via provisions.

Coverage ratio						
		1T17	2T17	3T17	4T17	1T18
Numerator	Impairment allowances on loans and contingent liabilities	7.985	7.732	7.630	7.135	7.597
Denominator	Non-performing loans and contingent liabilities	16.135	15.492	15.286	14.305	13.695
	Coverage ratio (%)	49%	50%	50%	50%	55%

d) Real estate available for sale coverage ratio:

Explanation: quotient between:

- gross debt cancelled at the foreclosure or surrender of the real estate asset less the present net book value of the real estate asset; and
- gross debt cancelled at the foreclosure or surrender of the real estate asset.

Purpose: reflects the coverage level via write-downs and accounting provisions on foreclosed real estate assets available for sale.

Real estate available for sale coverage ratio						
		1T17	2T17	3T17	4T17	1T18
(a)	Gross debt cancelled at foreclosure	15.356	15.073	14.596	14.112	13.999
(b)	Net Book Value of Real Estate asset	6.285	6.258	6.145	5.878	5.810
Numerator	**Gross debt cancelled at foreclosure less NBV of RE asset (a-b)**	**9.071**	**8.815**	**8.451**	**8.234**	**8.189**
Denominator	**Gross debt cancelled at the foreclosure**	**15.356**	**15.073**	**14.596**	**14.112**	**13.999**
	Real estate available for sale coverage ratio (%)	**59%**	**58%**	**58%**	**58%**	**58%**

e) Real estate available for sale coverage ratio with accounting provisions

Explanation: quotient between:

- Accounting provision: charges to provisions of foreclosed assets.
- Book value of the foreclosed asset: sum of net carrying amount and the accounting provision.

Purpose: indicator of accounting provisions covering foreclosed real estate assets available for sale.

Real estate available for sale coverage ratio with accounting provisions						
		1T17	2T17	3T17	4T17	1T18
Numerator	**Charges to provisions of foreclosed assets**	**6.196**	**6.088**	**5.930**	**5.811**	**5.780**
(a)	Net Book Value of Real Estate asset	6.285	6.258	6.145	5.878	5.810
(b)	Charges to provisions of foreclosed assets	6.196	6.088	5.930	5.811	5.780
Denominator	**Book value of the foreclosed asset, gross (a+b)**	**12.481**	**12.346**	**12.075**	**11.689**	**11.590**
	Real estate available for sale coverage ratio with accounting provisions (%)	**50%**	**49%**	**49%**	**50%**	**50%**

3- Liquidity:

a) Total liquid assets

Explanation: sum of HQLAs (High Quality Liquid Assets within the meaning of Commission Delegated Regulation of 10 October 2014) plus the available balance under the facility with the Central Bank (non-HQLA).

Purpose: shows the Bank's liquidity position.

Total liquid assets						
		1T17	2T17	3T17	4T17	1T18
(a)	**High Quality Liquid Assets (HQLA's)**	36.769	50.197	53.466	53.610	54.026
(b)	**Available balance under the facility with the Central Bank non HQLA's**	18.487	15.397	18.115	19.165	19.190
	Total liquid assets (a + b)	**55.256**	**65.594**	**71.581**	**72.775**	**73.216**

b) Loan-to-deposits:

Explanation: quotient between:

- net loans and advances to customers using management criteria excluding brokered loans (funded by public institutions); and
- customer deposits on the balance sheet.

Purpose: indicator of the retail funding structure (percentage of customer funds used to finance customer lending).

Loan to Deposits						
		1T17	2T17	3T17	4T17	1T18
Numerator	**Net loans and adv. To customers excluding brokered loans (a-b-c)**	**216.070**	**216.643**	**213.625**	**211.769**	**210.789**
(a)	Net loans to customers, gross	227.934	228.435	225.166	223.951	223.249
(b)	Allowance fund	7.617	7.420	7.345	6.832	7.299
(c)	Credit mediation	4.247	4.372	4.196	5.350	5.161
Denominator	**On-balance sheet customer funds**	**191.721**	**200.838**	**199.563**	**196.611**	**197.296**
	Loan to Deposits (%)	**112,7%**	**107,9%**	**107,0%**	**107,7%**	**106,8%**

Barcelona, 11 July 2018

CAIXABANK, SA

P.p.

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Matthias Bulach
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