BASE PROSPECTUS

CAIXABANK, S.A.

(*incorporated as a limited liability company (sociedad anónima) in Spain*)

EURO 10,000,000,000
Euro Medium Term Note Programme

Under this Euro 10,000,000,000 Euro Medium Term Note Programme (the **Programme** described in this Base Prospectus (which replaces the previous Base Prospectus dated 9 June 2015, in respect of the Programme)), CaixaBank, S.A. (the **Issuer** or **CaixaBank**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below) subject to any applicable legal or regulatory restrictions. CaixaBank, and its subsidiaries compose the CaixaBank Group (the **CaixaBank Group** or **the Group**).

The Final Terms (as defined below) for each Tranche (as defined on page 47) of Notes will state whether the Notes of such Tranche are to be (a) Senior Notes or (b) Subordinated Notes and, if Subordinated Notes, whether such Notes are (i) Senior Subordinated Notes or (ii) Tier 2 Subordinated Notes.

The maximum aggregate original nominal amount of all Notes from time to time outstanding under the Programme will not exceed Euro 10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Potential investors should note the statements on pages 127 – 132 regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by Law 10/2014 (as defined below) on the Issuer. In particular, payments on the Notes may be subject to Spanish withholding tax if certain information relating to the Notes is not received by the Issuer in timely manner.

This document has been approved as a base prospectus by the Central Bank of Ireland (the **CBI**) in its capacity as competent authority under Directive 2003/71/EC, as amended including by Directive 2010/73/EU) (the **Prospectus Directive**). The CBI only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to Notes that are to be admitted to trading on the regulated market of the Irish Stock Exchange (the **Main Securities Market**) or on another regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**) or that are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange for Notes to be admitted to its official list (the **Official List**) and trading on the Main Securities Market. References in the Base Prospectus to the Notes being "listed" (and all related references) shall mean that such Notes have been admitted to listing on the Official List of the Irish Stock Exchange and admitted to trading on its regulated market or, as

the case may be, a regulated market for the purposes of Directive 2004/39/EC. The regulated market of the Irish Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC, as amended. This document may be used to list Notes on the regulated market of the Irish Stock Exchange pursuant to the Programme.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the Main Securities Market and have been admitted to the Official List.

The requirement to publish a prospectus under the Prospectus Directive and any relevant implementing measure in a relevant Member State of the European Economic Area only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)).

Notice of the aggregate original nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which will be delivered to the CBI and, where listed, the Irish Stock Exchange. Copies of Final Terms in relation to Notes to be listed on the Irish Stock Exchange will also be published on the website of the Irish Stock Exchange (www.ise.ie).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer.

The Issuer's long term ratings are BBB (stable outlook) by Standard & Poor's Credit Market Services Europe Limited (**Standard & Poor's**), Baa2 (negative outlook) by Moody's Investors Services España, S.A. (**Moody's**), BBB (positive outlook) by Fitch Ratings España, S.A.U. (**Fitch**) and A (low) (stable) by DBRS Ratings Limited (**DBRS**). Each of Standard and Poor's, Moody's, Fitch and DBRS is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such each of Standard & Poor's, Moody's, Fitch and DBRS is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at *http://www.esma.europa.eu/page/List-registered-and-certified-CRAs*) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger

BARCLAYS

Dealers

Banco Bilbao Vizcaya Argentaria, S.A.	**Santander Global Corporate Banking**
Barclays	**BofA Merrill Lynch**
BNP PARIBAS	**CaixaBank, S.A.**
Citigroup	**Commerzbank**
Crédit Agricole CIB	**Credit Suisse**
Deutsche Bank	**Goldman Sachs International**
HSBC	**J.P. Morgan**
Mediobanca - Banca di Credito Finanziario S.p.A.	**NATIXIS**
Morgan Stanley	**Société Générale Corporate & Investment Banking**
Nomura	**UBS Investment Bank**

The date of this Base Prospectus is 13 June 2016.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus for the purposes of the Prospectus Directive and any relevant implementing measure in a relevant Member State of the European Economic Area.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to

the contrary in the applicable Final Terms, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the United Kingdom, Spain, Republic of Italy, France and Japan, see "*Subscription and Sale*".

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

PRESENTATION OF INFORMATION

In this Base Prospectus, all references to:

- **U.S. dollars** refer to United States dollars;
- **Sterling** and **£** refer to pounds sterling; and

- **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

The language of the prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

CONTENTS

Section **Page**

1. Overview of the Programme 8
2. Risk Factors 14
3. Documents Incorporated by Reference 43
4. Form of the Notes 44
5. Form of Final Terms 47
6. Terms and Conditions of the Notes 60
7. Use of Proceeds 96
8. Description of the Issuer 97
9. Taxation 127
10. Subscription and Sale 133
11. General Information 136

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, and, if appropriate, a supplement to the Base Prospectus or a new Base Prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004, as amended implementing the Prospectus Directive (the **Prospectus Regulation**).

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	CaixaBank, S.A. The Issuer is a Spanish bank and, together with its subsidiaries, forms the CaixaBank Group (the **CaixaBank Group** or the **Group**). The Issuer is itself a controlled company in a consolidated group, the controlling company of which is Criteria Caixa, S.A., Sociedad Unipersonal which is considered to be a mixed financial holding company and parent of a financial conglomerate (**CriteriaCaixa** and, together with its subsidiaries including the CaixaBank Group, the **CriteriaCaixa Group**). The CriteriaCaixa Group in turn forms part of the Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Banking Foundation Group, the parent of which is the Caixa d'Estalvis i Pensions de Barcelona, (**"la Caixa" Banking Foundation**). As at the date of this Base Prospectus, the scope of prudential consolidation is the CriteriaCaixa Group, excluding "La Caixa" Banking Foundation. On 26 May 2016 CriteriaCaixa and "La Caixa" Banking Foundation announced their intention to take steps to meet the conditions set by the ECB in order to deconsolidate CaixaBank and CriteriaCaixa for prudential purposes before the end of 2017. Please see "*Description of the Issuer - Proposed deconsolidation of CaixaBank from the CriteriaCaixa Group"* for further information.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include certain risks relating to the structure of particular Series of Notes and certain market risks.
Description:	Euro Medium Term Note Programme
Arranger:	Barclays Bank PLC
Dealers:	Banco Bilbao Vizcaya Argentaria, S.A. Banco Santander, S.A.

	Barclays Bank PLC BNP Paribas CaixaBank, S.A. Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Merrill Lynch International Mediobanca - Banca di Credito Finanziario S.p.A. Morgan Stanley & Co. International plc NATIXIS Nomura International plc Société Générale UBS Limited and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus.
Issuing and Principal Paying Agent:	BNP Paribas Securities Services, Luxembourg Branch.
Programme Size:	Up to EUR 10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) in aggregate original nominal amount of all Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in euro, Sterling, U.S. dollars, yen and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer.
Maturities:	Any maturity greater than one month in the case of Senior Notes, a minimum maturity of more than one year in the case of Senior Subordinated Notes and a minimum maturity of five years in the case of Tier 2 Subordinated Notes, as indicated in the applicable Final Terms or such other minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or

the relevant Specified Currency.

Issue Price: Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes: The Notes will be in bearer form and will on issue be represented by either a temporary global Note or a permanent global Note as specified in the applicable Final Terms. Temporary global Notes will be exchangeable either for (a) interests in a permanent global Note or (b) for definitive Notes as indicated in the applicable Final Terms. Permanent global Notes will be exchangeable for definitive Notes upon either (i) not less than 60 days' written notice from Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent as described therein or (ii) only upon the occurrence of an Exchange Event as described under "*Form of the Notes*".

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer. Fixed Reset Notes may also be issued.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of the reference rate set out in the applicable Final Terms.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Zero Coupon Notes: Zero Coupon Notes (with a maturity of less than 12 months) will be offered and sold at a discount to their original nominal amount and will not bear interest.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons, following an Event of Default and, in the case of Tier 2 Subordinated Notes, following a Capital Event or, in the case of Senior Subordinated Notes, an Eligible Liabilities Event) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Subordinated Notes may not be redeemed (other than following an Event of Default) prior to their original maturity other than in compliance with Applicable Banking Regulations (as defined in the Conditions) then in force and with the consent of the Regulator (as this term is defined in the Conditions), if required. See Condition 6 (*Redemption and Purchase*).

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) in the case of Notes to be admitted to trading on a regulated market as defined in Article 4, paragraph 1, point 14 of the Markets in Financial Instruments Directive.

Taxation:

All amounts payable in respect of Notes by the Issuer will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will, save in certain limited circumstances (please refer to Condition 7 (*Taxation*) of the Terms and Conditions of the Notes) be required to pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.

The Issuer considers that, according to the simplified information procedures set out in Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011 of 29th July (**Royal Decree 1965/2007**), the Issuer is not obliged to identify Noteholders as described in "*Taxation – Spain – Simplified information procedures*". For further information regarding the interpretation of Royal Decree 1065/2007 please refer to "*Risk Factors – Risks relating to the Spanish withholding tax regime*".

	All payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto.
Negative Pledge:	The terms of the Senior Notes will contain a negative pledge provision as further described in Condition 3 (*Negative Pledge*). The terms of the Subordinated Notes will not contain a negative pledge provision.
Cross Default:	The terms of the Senior Notes will contain a cross default provision as further described in Condition 9 (*Events of Default*). The terms of the Subordinated Notes will not contain a cross default provision.
Status of the Notes:	Notes may be either Senior Notes or Subordinated Notes and, in the case of Subordinated Notes, Senior Subordinated Notes or Tier 2 Subordinated Notes and will rank all as more fully described in Condition 2 (*Status of the Senior Notes And Subordinated Notes*).
Rating:	The Issuer's long term ratings are BBB (stable outlook) by Standard & Poor's; Baa2 (negative outlook) by Moody's; BBB (positive outlook) by Fitch and A (low) (stable) by DBRS. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing:	This Base Prospectus has been approved by the CBI as competent authority under the Prospectus Directive. Application has been made for Notes issued under the Programme to be listed on the Official List of the Irish Stock Exchange. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. The applicable Final Terms will state on which stock exchanges and/or markets the relevant Notes are to be listed and/or admitted to trading.
Governing Law:	The Notes and any non-contractual obligations arising out of or in

	connection with the Notes will be governed by, and shall be construed in accordance with, English law, except the provisions relating to the status of the Notes (and any non-contractual obligations arising out of or in connection with it), the capacity of the Issuer and the relevant corporate resolutions, which are governed by Spanish law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the United Kingdom, Spain, Japan, the Republic of Italy, France and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".
United States Selling Restrictions:	Regulation S. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

Risks relating to Group operations

The economic recovery strengthens at a moderate pace in the European Union, although existing risks, both external and internal, could materialise and have a material adverse effect on the Group's business, financial condition and results of operations

The world economy is continuing its recovery in 2016, after the financial turbulence seen at the beginning of the year. Advanced economies are expected to grow at a similar pace to the previous year, while emerging economies are expected to grow at a slightly higher rate. This tendency, which is expected to continue in 2017, is based on the substantial correction of imbalances in advanced economies, a loose monetary policy that will support economic growth and a gradual increase in the price of oil. In the euro area, the GDP is back to its pre-crisis level after eight years. The European economy is recovering at a very gradual pace, with a low inflation level that should gradually increase and approach ECB’s objective. Growth in the euro area is being sustained by solid domestic demand, especially private consumption and to a lesser extent investment and public consumption. The contribution made by foreign demand will be limited in scope due to the slowdown in world trade. The factors that supported growth in 2015 are changing: low oil prices continued to be a boost for a few months (although they are gradually rising) and the ECB's accommodative monetary policy has intensified, keeping interest rates low and the euro's real exchange rate weaker (than without the accommodative monetary policy).

The economic recovery of the Spanish economy remains strong. Private consumption and investment have become the main growth drivers while exports perform strongly. The Spanish economy grew at a 3.2% rate in 2015 and solid growth prospects are projected for 2016 and 2017, even if a at a slightly lower rate than in 2015. Higher employment and easier financing conditions should support domestic demand; growth and the recovery of the euro area is also expected to continue to support export demand. The Spanish economy has made progress in reducing its economic and financial imbalances and implementing important structural reforms. Current account surpluses, the adjustment in the real state sector and advanced deleveraging of the private sector have contributed to improving the Spanish economy. Nevertheless, public fiscal accounts are adjusting slowly: the deficit stood at 5.0% in 2015 (above the target of 4.2%) and it is not expected to fall below the EU ceiling of 3% until 2017. High public deficits have pushed public debt to 99.2% of GDP in 2015 but despite the adverse dynamics, the level of public debt in Spain is not far from the euro area average (90.7% of GDP in 2015). The banking system is accelerating the pace of new lending as a result of increased demand and improved financial conditions. After the clean-up and restructuring efforts of the past years, the

main challenge now is to achieve sustainable profitability levels through a combination of higher revenues from increased business volumes, lower funding costs, additional capacity adjustments and a lower cost-of-risk.

However, the scenario for the European and Spanish economies could be affected by several risks, both external and internal. External risks include a greater slowdown in the emerging economies, another episode of financial volatility and several political and geopolitical risks. In addition, the growing level of global debt makes global growth more sensitive to unforeseen events. Internal risks in the euro area include a possible exit by the UK from the EU (Brexit), which could have effects on the rest of EU economies through real and financial channels. While the direct exposure of the European economy to the UK through these channels appears to be relatively small, the impact could be larger due to its impact on consumer and business confidence. These risks could materially affect the European and global economy, and substantially disrupt capital, interbank, banking and other markets, among other effects, any of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In addition, tensions among EU Member States, and growing Euro-scepticism in certain EU countries, intensified by the refugee crisis, could pose additional difficulties in the EU's ability to react to any of those economic risks. An internal risk to the Spanish economy arises from political fragmentation and the uncertainty about the results of the new general elections which may slow down the pace of reforms and fiscal adjustment. Significant delays in the formation of a new government would eventually have a cost in terms of confidence and economic growth in Spain.

While the economic recovery is ongoing in Spain and the European Union, several risks, both external and internal, could materialise and have an adverse impact to their economic prospects. In that case, the economic situation could deteriorate and adversely affect the Group's business, financial condition and results of operations**.**

The Group's business could be affected if its capital is not effectively managed (capital adequacy risk)

Effective management of the Group's capital position is important to its ability to operate its business and to pursue its business strategy. However, in response to the 2008 financial crisis, a number of changes to the regulatory capital framework have been adopted or are being considered. For example, the regulation governing capital requirements according to the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the **CRD IV Directive**) and Regulation 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation 648/2012 (the **CCR**), which came into force in January 2014, with certain requirements in the process of being phased in until 1 January 2019.

As these and other changes are implemented or future changes are considered or adopted that limit the Group's ability to manage its balance sheet and capital resources effectively or to access funding on commercially acceptable terms, the Group may experience a material adverse effect on its financial condition and regulatory capital position.

Debt and equity investors, analysts and other market professionals may also require higher capital buffers than those required under current or proposed future regulations due to, among other things, the continued general uncertainty involving the financial services industry and the uncertain global economic conditions. Any such market perception, or any concern regarding compliance with future capital adequacy requirements, could increase the Group's borrowing costs, limit its access to capital markets or result in a downgrade in its credit ratings, which could have a material adverse effect on its business, financial condition and results of operations.

The financial problems faced by the Group's customers could adversely affect the Group

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Group's businesses.

Continued market turmoil and economic recession, especially in Spain, could materially and adversely affect the liquidity, businesses and/or financial conditions of the Group's borrowers, which could in turn increase the Group's own non-performing loan (**NPL**) ratios, devalue the Group's loan and other financial assets and result in decreased demand for borrowings in general. In the context of the uneven global recovery from the recent market turmoil and economic recession, and the possibility of continued economic contraction in continental Europe combined with continued high unemployment and low consumer spending, the value of assets collateralising the Group's secured loans, including homes and other real estate, could decline significantly, possibly resulting in the impairment of the value of the Group's loan assets. In addition, the Group's customers may further significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect the Group's fee and commission income.

Any of the conditions described above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's exposure to the Spanish real estate market makes it more vulnerable to adverse developments in the Spanish market

Prior to 2008, demand for housing and mortgage financing in Spain increased significantly driven by, among other things, economic growth and historically low interest rates in the Eurozone. During late 2007, however, the housing market began to adjust in Spain as a result of excess supply and higher interest rates. From 2008 until 2014, as economic growth came to a halt in Spain, housing demand and prices declined leading to a persistent oversupply, while mortgage defaults increased.

Since 2015 the Spanish real estate market shows signs of recovery as housing prices are stabilising after deflating for six years and sales are increasing owing to pent-up demand, the improvement in employment rates and easier credit conditions. Expected housing demand recovery will push sales up, in a context of record low new completions, which will allow for a gradual reduction of excess supply and increasing real estate prices. However, the geographical distribution of the current housing stock will drive distinct price dynamics and construction activity among different regions, leading to an unequal recovery. Despite the upturn in the Spanish real estate market, its recovery is at its early stages. As a consequence, deterioration in economic conditions could have a material adverse impact on the Group's mortgage default rates, which in turn could have a material adverse effect on its business, financial condition and results of operations.

The Group has lending exposure to risks in the property development and construction sector, with loans for property construction and/or development amounting to approximately €9,294 million (4.5% of the Group's total gross loans and receivables) at 31 March 2016. NPL ratio on loans to real-estate developers at such date stands at 41.6% and provisions for this exposure amounted to approximately €2,024 million, 52.4% of NPL coverage at 31 March 2016.

Additionally, at 31 March 2016, the Group portfolio of foreclosed real estate assets available for sale stood at €7,194 million, net (€596 million real estate assets in the process of foreclosure are not considered since the Bank does not have possession of the asset). The Group’s real estate assets held for rent stood at €1,960 million.

Any defaults by borrowers in the property construction or development sector, as well as the evolution of the Spanish real estate market, could have a material adverse effect on the Group's business, financial condition and results of operations.

Despite the Group's risk management policies, procedures and methods, the Group may nonetheless be exposed to unidentified or unanticipated risks

The Group's risk management techniques and strategies may not be fully effective in mitigating the Group's risk exposure in all economic market environments or against all types of risk, including risks that the Group fails to identify or anticipate. Some of the Group's qualitative tools and metrics for managing risk are based upon the Group's use of observed historical market behaviour. The Group applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. These qualitative tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the Group did not anticipate or correctly evaluate in its statistical models. This would limit the Group's ability to manage its risks and could result in the Group's losses being significantly greater than the historical measures indicate. In addition, the Group's quantified modelling does not take all risks into account. The Group's more qualitative approach to managing those risks could prove insufficient, exposing it to material unanticipated losses. If existing or potential customers believe the Group's risk management is inadequate, they could take their business elsewhere. This could harm the Group's reputation as well as its revenues and profits.

The Group is exposed to risks faced by other financial institutions

The Group routinely transacts with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Defaults by, and even rumours or questions about the solvency of, certain financial institutions and the financial services industry generally have led to market-wide liquidity problems and could lead to losses or defaults by other institutions. These liquidity concerns have had, and may continue to have, an unsettling effect on inter-institutional financial transactions in general. Many of the routine transactions the Group enters into expose it to significant credit risk in the event of default by one of the Group's significant counterparties. Despite the risk control measures the Group has in place, a default by a significant financial counterparty, or liquidity problems in the financial services industry in general, could have a material adverse effect on the Group's business, financial condition and results of operations.

Market risks associated with fluctuations in bond and equity prices and other market factors are inherent in the Group's business. Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and leading to material losses

The performance of financial markets may cause changes in the value of the Group's investment and trading portfolios. In some of the Group's business, protracted adverse market movements, particularly asset price decline, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the Group cannot close out deteriorating positions in a timely way. This may especially be the case for assets of the Group for which there are less liquid markets. Assets that are not traded on stock exchanges or other public trading markets, such as derivative contracts between banks, may have values that the Group calculates using models other than publicly quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses that the Group does not anticipate. The volatility of world equity markets due to recent economic uncertainty has had a particularly strong impact on the financial sector. Continued volatility may affect the value of the Group's investments in entities in this sector and, depending on their fair value and future recovery expectations could become a permanent impairment which would be subject to write-offs against the Group's results, which in turn may have a material adverse effect on the Group's business, financial condition and results of operations.

Increased competition in the countries where the Group operates may adversely affect the Group's growth prospects and operations

The markets in which the Issuer operates are highly competitive. Financial sector reforms in these markets (mainly in Spain) have increased competition among both local and foreign financial institutions, and it believes that this trend will continue. In addition, the trend towards consolidation in the banking industry has

created larger and stronger banks with which it must now compete, some of which have recently received public capital.

The Issuer also faces competition from non-bank competitors, such as department stores (for some credit products), automotive finance corporations, leasing companies, factoring companies, mutual funds, pension funds, insurance companies, and public debt.

If the Group is unable to provide competitive product and service offerings, it may fail to attract new customers and/or retain existing customers, experience decreases in its interest, fee and commission income, and/or lose market share, the occurrence of any of which could have a material adverse effect on its business, financial condition and results of operations.

Changes in interest rates may negatively affect the Group's business

The Group's results of operations depend upon the level of its net interest income, which is the difference between interest income from loans and other interest-earning assets and interest expense paid to its depositors and other creditors on interest-bearing liabilities. Interest rates are highly sensitive to many factors beyond the Issuer's control, including fiscal and monetary policies of governments and central banks and regulation of the financial sectors in the markets in which it operates, as well as domestic and international economic and political conditions and other factors.

Changes in market interest rates may affect the spread between interest rates charged on interest-earning assets and interest rates paid on interest-bearing liabilities and subsequently affect the Group's results of operations. An increase in interest rates, for instance, could cause the Group's interest expense on deposits to increase more significantly and quickly than its interest income from loans, resulting in a reduction in its net interest income as often its liabilities will re-price more quickly than its assets. Further, an increase in interest rates could result in a reduction in the demand for loans and the Group's ability to originate loans, and also contribute to an increase in credit default rates among the Group's customers. Conversely, a decrease in the general level of interest rates could adversely affect the Group through, among other things, increased pre-payments on its loan and mortgage portfolio, lower net interest income from deposits, reduced demand for deposits and increased competition for deposits and loans to clients. Fluctuations in interest rates may therefore have a material adverse effect on the Group's business, financial condition and results of operations.

Operational risk is inherent in the Group's business

Operational risk includes the risk of loss arising from inadequate or failed internal processes, personnel and internal systems or from unforeseen external events, including legal risk. The Group's businesses depend on the ability to process a large number of transactions efficiently and accurately. Losses can result from inadequate personnel, inadequate or failed internal control processes and systems, the failure of due application of necessary compliance measures or from external events that interrupt normal business operations. The Group also faces the risk that the design of its controls and procedures prove to be inadequate or are circumvented. There can be no assurance that the Group will not suffer material losses from operational risk in the future.

Credit, market and liquidity risks may have an adverse effect on the Group's credit ratings and the Group's cost of funds. Any reduction in the Group's credit rating could increase the Group's cost of funding and adversely affect the Group's interest margins

Credit ratings affect the cost and other terms upon which the Group is able to obtain funding. Rating agencies regularly evaluate the Group and their ratings of its long-term debt are based on a number of factors, including the Group's financial strength as well as conditions affecting the financial services industry generally.

Credit ratings are subject to the evaluation of the financial strength of a company in accordance with the methodology applied by rating agencies. In addition, the Issuer's rating is affected by the sovereign rating of Spain, which is the maximum level achievable by the Issuer.

Any downgrade in the Group's ratings could increase its borrowing costs, and require it to post additional collateral or take other actions under some of its derivative contracts, and could limit its access to capital markets and adversely affect Group's commercial business. For example, a ratings downgrade could adversely affect the Group's ability to sell or market certain of its products, engage in business transactions particularly longer-term and derivatives transactions and retain its customers, particularly customers who need a minimum rating threshold in order to invest. This, in turn, could reduce the Group's liquidity and have an adverse effect on its operating results and financial condition.

In light of the difficulties in the financial services industry and the financial markets, there can be no assurance that the rating agencies will maintain their current ratings or outlooks. With regard to those rating agencies which have a negative outlook on the Group, there can be no assurances that such agencies will revise such outlooks upward. The Group's failure to maintain favourable ratings and outlooks could increase the cost of its funding and adversely affect the Group's interest margins and results of operations.

The Issuer has a continuous demand for liquidity to fund its business activities. The Issuer may suffer during periods of market-wide or firm-specific liquidity constraints, and liquidity may not be available to it even if its underlying business remains strong (liquidity risk)

Liquidity and funding continues to remain a key area of focus for the Group and the industry as a whole. Should the Group, due to exceptional circumstances, be unable to continue to source sustainable funding, its ability to fund its financial obligations could be affected.

CaixaBank's financial position could be adversely affected if access to liquidity and funding is limited or becomes more expensive for a prolonged period of time. Under extreme and unforeseen circumstances, such as the closure of financial markets and uncertainty as to the ability of a significant number of firms to ensure they can meet their liabilities as they fall due, the Group's ability to meet its financial obligations as they fall due or to fulfil its commitments to lend could be affected through reduced access to liquidity (including government and central bank facilities). In such extreme circumstances the Group may not be in a position to continue to operate without additional funding support, which it may be unable to access. These factors may have a material adverse effect on the Group's regulatory position, including its ability to meet its regulatory minimum liquidity requirements. These risks can be exacerbated by operational factors such as an over-reliance on a particular source of funding or changes in credit ratings, as well as market-wide phenomena such as market dislocation, regulatory change or major disasters.

Additionally, corporate and institutional counterparties may seek to reduce aggregate credit exposures to the Issuer (or to all banks), which could increase the Group's cost of funding and restrict its access to liquidity. The funding structure employed by the Group may also prove to be inefficient, thus giving rise to a level of funding cost where the cumulative costs are not sustainable over the longer term. The funding needs of the Group may increase and such increases may be material to the Group's operating results, financial condition or prospects.

Withdrawals of deposits or other sources of liquidity may make it more difficult or costly for the Group to fund its business on favourable terms

Historically, one of the Group's major sources of funds has been savings and demand deposits. Large-denomination time deposits may, under some circumstances, such as during periods of significant interest rate-based competition for these types of deposits, be a less stable source of deposits than savings and demand deposits. The level of wholesale and retail deposits may also fluctuate due to other factors outside the Group's control, such as a loss of confidence (including as a result of political initiatives, including bail-in and/or confiscation and/or taxation of creditors' funds) or competition from investment funds or other

products. Furthermore, there can be no assurance that, in the event of a sudden or unexpected withdrawal of deposits or shortage of funds in the banking systems or money markets in which the Group operates, the Group will be able to maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of its assets. In addition, if public sources of liquidity, such as the ECB extraordinary measures adopted in response to the financial crisis since 2008, are removed from the market, there can be no assurance that the Group will be able to maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of its assets or taking additional deleverage measures.

Since CaixaBank needs to comply with evolving liquidity regulatory requirements, it may need to implement changes in business practices that could affect the profitability of its business activities

The liquidity coverage ratio (**LCR**) is a quantitative liquidity standard developed by the Basel Committee on Banking Supervision (**BCBS**) to ensure that those banking organisations to which this standard is to apply have sufficient high-quality liquid assets to cover expected net cash outflows over a 30-day liquidity stress period. The final standard was announced in January 2013 by the BCBS and, since January 2015, is being phased-in until 2018. As at the date of this Base Prospectus, the banks to which this standard applies must comply with a minimum LCR requirement of 70 per cent. and gradually increase the ratio by 10 percentage points per year to reach 100 per cent. by January 2018.

The BCBS's net stable funding ratio (**NSFR**) has a time horizon of one year and has been developed to provide a sustainable maturity structure of assets and liabilities such that banks maintain a stable funding profile in relation to their on- and off-balance sheet activities that reduces the likelihood that disruptions to a bank's regular sources of funding will erode its liquidity position in a way that could increase the risk of its failure. The BCBS contemplates that the NSFR, including any revisions, will be implemented by member countries as a minimum standard by January 2018, with no phase-in scheduled.

Various elements of the LCR and the NSFR, as they are implemented by national banking regulators and complied with by CaixaBank may cause changes that affect the profitability of business activities and require changes to certain business practices. These changes may also require significant management attention and resources of the Issuer to implement any necessary changes.

The Group's business could also be significantly affected by a failure to monitor concentration and spread of risks

The principal banking business conducted by the Issuer consists of retail banking including, amongst other things, retail financial services such as taking customer deposits and customer lending, as well as the provision of insurance services, securities transactions and foreign exchange transactions. This part of the Issuer's business, in addition to the Issuer's investments in the same, are subject to certain inherent risks in the financial sector which in turn depend on a series of macroeconomic variables beyond the Issuer's control.

The risks arising from the Group's business in this respect are typically classified as: (i) credit risk (which includes sovereign risk, counterparty risk due to treasury positions and risk associated with the investment portfolio), (ii) market risk, (iii) structural interest rate risk and exchange rate risk, (iv) liquidity risk, (v) actuarial risk, (vi) capital adequacy risk**,** (vii) regulatory risk, (viii) operational risk, (ix) compliance risk and (x) reputational risk.

Although the Group monitors its risk concentration by geographic area and by business activity, a failure to monitor and adequately remedy any significant imbalances in the spread of the Group's risk concentration could adversely affect the Group's operations in an affected particular geographical region or business sector, or both.

Credit Risk

Credit risk is the most significant risk item on the Group's balance sheet and, primarily, such risks are of concern in respect of the Group's business activities in the banking, insurance, treasury and investee portfolio sectors. In recent years, the main items in the consolidated assets of the Group that are subject to credit risk have been fluctuating. The movements thereof have been shaped by the integration of Banca Cívica, Banco de Valencia, S.A. (**Banco de Valencia**) and Barclays Bank S.A.U. on the Group's balance sheet in 2012, 2013 and 2015 respectively, and the deleveraging process in connection therewith.

Payment defaults by clients and other counterparties may arise from events and circumstances that are unforeseeable or difficult to predict or detect. Market turmoil and economic weakness, especially in Spain, could have a material adverse effect on the liquidity, business and financial conditions of the Group's clients, which could in turn impair its loan portfolio. Adverse changes in the credit quality of CaixaBank's borrowers and counterparties could affect the recoverability and value of CaixaBank's assets and require an increase in provisions for bad and doubtful debts and other provisions. In addition, collateral and security provided to the Group may be insufficient to cover the exposure or the obligations of others to the Group. Accordingly, any of the foregoing could have a material adverse effect on the Group's business, financial condition or results of operations.

Sovereign Risk

Any decline in Spain's credit ratings could adversely affect the value of certain respective securities held by the Group in its various portfolios and could also adversely impact the extent to which the Group can use Spanish government bonds it holds as collateral for ECB refinancing and, indirectly, for refinancing with other securities, should it choose to do so. Likewise any permanent reduction in the value of Spanish government bonds would adversely affect its ability to access liquidity, raise capital and meet minimum regulatory capital requirements. As such, a downgrade or series of downgrades in the sovereign rating of Spain and any resulting reduction in the value of Spanish government bonds may have a material adverse effect on the Group's business, financial condition and results of operations. Furthermore, any downgrades of Spain's ratings may increase the risk of a downgrade of the Group's credit ratings by the rating agencies.

Besides Spain, the main countries where the Group has investment securities exposure to are Italy and Belgium, with investments of €4,186 million and €15 million respectively, as of 31 December 2015.

Market Risk

The Group is exposed to market risk as a consequence of its trading activities in financial markets and through the asset and liability management of its overall financial position. Therefore, the Group is exposed to losses arising from adverse movements in levels and volatility of interest rates, foreign exchange rates, and commodity and equity prices. The Group uses a number of qualitative tools, metrics and models which may fail to predict future risk exposures and, to the extent they do, such predictions may be inaccurate. If the Group were to suffer substantial losses due to any such market volatility, it would adversely affect the Group's results of operations, financial performance or financial condition.

Actuarial Risk

Actuarial risk refers to the risk of increase in the value of commitments assumed through insurance contracts with customers and employee pension plans due to the differences between the claims estimates and actual performance.

A new solvency framework for insurance and reinsurance companies operating in the European Union, referred to as "Solvency II" has entered into force, as of 1 January 2016, and it is currently being developed.

The establishment of this new solvency framework started with the adoption of the European Directive 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance of 25 November 2009, as amended by Directive 2013/58/EU of 11 December and by Directive 2014/51/EU of 16 April (the **Solvency II Directive**).

The Solvency II Directive has been implemented in Spain through Law 20/2015, of 14 July, on the regulation, supervision and solvency of insurance and reinsurance undertakings (*Ley 20/2015, de 14 de julio, de ordenación supervision y solvencia de las entidades aseguradoras y reaseguradoras*) and Royal Decree 1060/2015, of 2 December on the regulation, supervision and solvency of insurance and reinsurance undertakings (*Real Decreto 1060/2015, de 20 de noviembre, de ordenación, supervision y solvencia de las entidades aseguradoras y reaseguradoras*).

The changes introduced by this recent regulation may have an impact on the capital and liquidity requirements of the insurance business of the Group. Given the recent entry into force of the Solvency II regime and how regulators will interpret it, it is difficult to calculate its precise impact of such regime on the Group. As the Group implements the new regulation it might affect how the Group performs its insurance business activities and also have an adverse effect on the Group's business operations, its performance or its financial position.

The Group is subject to substantial regulation, and regulatory and governmental oversight. Adverse regulatory developments or changes in government policy could have a material adverse effect on its business, results of operations and financial condition (regulatory risk)

The financial services industry is among the most highly regulated industries in the world. The Group's operations are subject to ongoing regulation and associated regulatory risks, including the effects of changes in laws, regulations, policies and interpretations, in Spain and the other markets in which it operates. This is particularly the case in the current market environment, which is witnessing increased levels of government and regulatory intervention in the banking sector which is expected to continue for the foreseeable future. The regulations which most significantly affect the Group include, amongst others regulations relating to capital requirements or provisions, as described below. In addition, the Group is subject to substantial regulation relating to other matters such as liquidity. The Issuer cannot predict if increased liquidity standards, if implemented, could require the Group to maintain a greater proportion of its assets in highly-liquid but lower-yielding financial instruments, which would negatively affect its net interest margin.

The Group is subject to the supervision and/or regulation of the Bank of Spain (*Banco de España*), the ECB, the Spanish Securities Exchange Commission (*Comisión Nacional del Mercado de Valores*) (the **CNMV**) and the Directorate General of Insurance and Pension Funds (*Dirección General de Seguros y Fondos de Pensiones*) are the main regulators of the operations of the Group. The operations of the Group outside of Spain are subject to direct oversight by the local regulators in those jurisdictions. In addition, many of the operations of the Group are dependent upon licenses issued by financial authorities.

As further described below (see "*Risks relating to the Issuer arising from applicable legislation and regulation*"), the regulations which most significantly affect the Group, or which could most significantly affect the Group in the future, include regulations relating to capital and provisions requirements, which have become increasingly strict in the past three years, steps taken towards achieving a fiscal and banking union in the EU. These risks are discussed in further detail below. In addition, the Group is subject to substantial regulation relating to other matters such as liquidity. The Issuer considers that future liquidity standards could require maintaining a greater proportion of its assets in highly-liquid but lower-yielding financial instruments, which would negatively affect the Issuer's net interest margin. The Group is also subject to other regulations, such as those related to anti-money laundering, privacy protection and transparency and fairness in customer relations.

Moreover, the regulators of the Group, as part of their supervisory function, periodically review the Group's allowances for loan losses. Those regulators may require the Group to increase such allowances, to recognise

further losses or to increase the **regulatory** risk weighting of assets, or may increase its combined buffer requirement. Any such measures, as required by these regulatory agencies, whose views may differ from those of the management of the Group, could have an adverse effect on its earnings and financial condition, including on the Issuer's Common Equity Tier 1 ratio and on its ability to pay distributions.

Adverse regulatory developments or changes in government policy relating to any of the foregoing or other matters could have a material adverse effect on the Group's business, results of operations and financial condition. Furthermore, regulatory fragmentation, with some countries implementing new and more stringent standards or regulation, could adversely affect the Group's ability to compete with financial institutions based in other jurisdictions which do not need to comply with such new standards or regulation.

The Group is exposed to risk of loss from legal and regulatory claims

The Group is and in the future may be involved in various claims, disputes, legal proceedings and governmental investigations in jurisdictions where the Group is active. These types of claims and proceedings may expose the Group, as the case may be, to monetary damages, direct or indirect costs or financial loss, civil and criminal penalties, loss of licenses or authorisations, or loss of reputation (reputational risk), as well as the potential for regulatory restrictions on the Group's businesses, all of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

CaixaBank mantains provisions covering the obligations that may arise from such ongoing lawsuits totalling €216 million as of 31 December 2015. These provisions mainly relate to different litigations which unit value is not material. However, given the nature of these obligations, the expected timing of these economic outflows, if any, is uncertain.

Additionally, there is an ongoing legal procedure to exercise a class action, subject to appeal, regarding the application of interest rate floor clauses on certain mortgages provided by CaixaBank. On 7 April 2016, a ruling was passed in the aforementioned proceedings declaring such interest rate floor clauses, contained in the general conditions of signed mortgage contracts with customers, null and void due to a lack of transparency, and by which banks must (i) eliminate the abovementioned clauses of the contracts, (ii) cease using them in a non-transparent way, and (iii) reimburse affected consumers for amounts that they overpaid under clauses declared void from the date of publication of the judgment of the Supreme Court on 9 May 2013, together with any interests in accordance with applicable law. During 2015 the Group removed these interest rate floor clauses and proceeded to record a provision of approximately €500 million for the expected cost of returning the amounts received from May 2013 until such removal. As at the date of this Base Prospectus, this judgment is not final, as it has been appealed by various parties. In its appeal, the consumer association ADICAE is requesting that the reimbursement of amounts is not limited to those charged from 9 May 2013 but that it extends in each case to the date when the mortgage was granted.

The voluntary tender offer for Banco BPI, S.A. (Banco BPI) is subject to conditions and, if successful, may not generate expected synergies

On 18 April 2016, CaixaBank announced the launching of a voluntary tender offer for the acquisition of shares of Banco BPI (the **Offer**) following the takeover offer withdrawn in June 2015. As of 23 May 2016 CaixaBank owns 44.81% of the issued share capital of Banco BPI. The Offer has been conditioned by CaixaBank on the fulfillment of two conditions (i) the removal of the 20% shareholder voting cap established in the articles of association of Banco BPI and (ii) having a number of acceptance statements so that CaixaBank becomes owner of more than 50% of the share capital of Banco BPI. The Offer is also subject to regulatory approvals and authorisations.

The Group has identified certain potential synergies which the Group believes may be achievable if the Offer is successful, including, among others, sharing of technology and harmonisation of best practices. Whilst the Group believes the underlying assumptions on which it has based its estimates are reasonable, the degree of

its success in achieving such synergies remains subject to uncertainties and could vary significantly. There can be no assurance that such potential synergies or other anticipated benefits will be realised in the near future.

Risks relating to the Issuer arising from applicable legislation and regulation

The Issuer is not able to determine the impact that the following legislation and regulations and that any additional regulations may have. There can be no assurance that the implementation of these requirements will not adversely affect the Issuer's ability to pay dividends, or require the Issuer to issue additional securities that qualify as regulatory capital, to liquidate assets, to deleverage its business or to take any other actions, any of which may have adverse effects on the business, financial condition, results of operations and prospects of the Issuer. Furthermore, increased capital requirements may negatively affect the Issuer's return on equity and other financial performance indicators.

In addition, there can be no assurance that additional capital or provision requirements will not be adopted by the authorities of the jurisdictions where the Issuer operates and, as some of the banking laws and regulations have been recently adopted, the manner in which those laws and related regulations are applied to the operations of financial institutions is still evolving. Failure to comply with existing or new legislation regarding capital or provision requirements could have a material adverse effect on the business, financial condition, results of operations and prospects of the Issuer.

Increasingly onerous capital requirements constitute one of the Issuer's main regulatory challenges.

As a Spanish financial institution, the Issuer is subject to Regulation (EU) 575/2013, of 26 June, on prudential requirements for credit institutions and investment firms (the **CRR**), Directive 2013/36/EU of the European Parliament and of the Council, of 26 June, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (the **CRD IV Directive**) and any CRD IV Implementing Measures (as defined in the Terms and Conditions of the Notes and any or any combination of the CRD IV Directive, the CRR, and any CRD IV Implementing Measures being **CRD IV**) through which the European Union is implementing the Basel III capital reforms. CRD IV will be generally phased in between 1 January 2014 and 1 January 2019. The key implementing legislation is the CRR, which is complemented by several binding technical standards, all of which are directly applicable in all EU member states without the need of national implementation measures.

The scope of prudential consolidation is the Criteria Caixa Group. Criteria Caixa is a mixed financial holding company and parent of a financial conglomerate to which the Issuer belongs. This implies that solvency requirements are applied to Criteria Caixa Group on a consolidated basis and also to CaixaBank on both an individual and subconsolidated basis.

The implementation of the CRD IV Directive in Spain has largely taken place through Royal Decree-Law 14/2013, of 29 November, on urgent measures to adapt Spanish law to European Union regulations on the subject of supervision and solvency of financial entities (the **RD-L 14/2013**), Law 10/2014, of 26 June, on organisation, supervision and solvency of credit entities (the **Law 10/2014**), Royal Decree 84/2015, of 13 February, implementing Law 10/2014 (the **RD 84/2015**), and Bank of Spain Circulars 2/2014, of 31 January and 2/2016, of 2 February, to credit entities, on supervision and solvency, which completes the adaptation of Spanish law to CRR and the CRD IV Directive (the **Bank of Spain Circular 2/2016**).

The new regulatory regime has, among other things, increased the level of capital required by means of a combined set of capital buffers that entities must comply with from 2016 onwards. Article 68 of Law 10/2014 also contemplates that in addition to the "Pillar 1" capital requirements, supervisory authorities may impose further capital requirements to cover other risks, including those not considered to be fully captured by the "Pillar 1" minimum "own funds" requirements under CRD IV or to address macro-prudential considerations. This may result in the imposition of further common equity tier 1 (CET1), Tier 1 and total

capital requirements on the Issuer and/or the Group pursuant to this "Pillar 2" framework. This may also have the result of increasing the regulatory minimum capital requirement under CRD IV (with the increased CET1 requirements that any applicable capital buffers may impose then applying over and above any such increased minimum capital requirement).

Following the introduction of the Single Supervisory Mechanism (the **SSM**) and the European Central Bank (the **ECB**) stress testing of European banking institutions, the ECB is in charge of assessing additional "Pillar 2" capital requirements to be complied with by each of the European banking institutions now subject to the SSM, such as the Issuer and its Group. Although CaixaBank currently meets "Pillar 2" requirements, there can be no assurance that the Issuer and/or the Group, as applicable, will be able to comply with any such additional own funds requirements as updated in the future.

The European Banking Authority (the **EBA**) published guidelines on 19 December 2014 addressed to the European competent supervisors on common procedures and methodologies for the supervisory review and evaluation process (**SREP**) which contained guidelines proposing a common approach to determining the amount and composition of additional own funds requirements to be implemented from 1 January 2016. The guidelines also contemplate that competent supervisors should not set additional own funds requirements in respect of risks which are already covered by capital buffer requirements and/or additional macro-prudential requirements; and, accordingly, the combined buffer requirement is in addition to the minimum own funds requirement and to the additional own funds requirement. Accordingly, any additional "Pillar 2" own funds requirement that may be imposed on the Issuer and/or the Group by the ECB pursuant to the SREP will require the Issuer and/or the Group to hold capital levels above the minimum "Pillar 1" capital requirements and the combined buffer requirement.

As a result of the most recent SREP carried out by the ECB in 2015, the Issuer has been informed by the ECB that it is required to maintain a CET1 phased-in capital ratio of 9.25 per cent. on a consolidated basis. This CET1 capital ratio of 9.25 per cent. includes the minimum CET1 capital ratio required under "Pillar 1" (4.5 per cent.) and the additional own funds requirement under "Pillar 2" including the capital conservation buffer (4.75 per cent.) at any point in time. In addition to the SREP decision, the Bank of Spain has imposed an additional requirement for the Issuer derived from its classification as an "other systemically important institution" (**O-SII**) (0. 25%) to be phased-in over four years starting from 2016. Overall the phased-in CET1 requirement applicable to the Issuer in 2016 is 9.3125 per cent (9.5 per cent. fully loaded).

Any failure by the Issuer and/or the Group to maintain its minimum "Pillar 1" capital requirements, any "Pillar 2" additional own funds requirements and/or any "combined buffer requirement" could result in administrative actions or sanctions, which, in turn, may have a material adverse effect on the Group's results of operations. In particular, any failure to maintain any additional capital requirements pursuant to the "Pillar 2" framework or any other capital requirements to which the Issuer and/or the Group is or becomes subject (including the "combined buffer requirement"), may result in the imposition of restrictions or prohibitions on "discretionary payments" by the Issuer, including dividend payments.

According to Article 48 of Law 10/2014, Article 73 of RD 84/2015 and Rule 24 of Bank of Spain Circular 2/2016, those entities failing to meet the "combined buffer requirement" or making a distribution in connection with CET1 capital to an extent that would decrease its CET1 capital to a level where the "combined buffer requirement" is no longer met will be subject to restrictions on (i) distributions relating to CET1 capital, (ii) payments in respect of variable remuneration or discretionary pension revenues and (iii) distributions relating to additional tier 1 capital, until the Maximum Distributable Amount calculated according to CRD IV (i.e., the firm's "distributable profits", calculated in accordance with CRD IV, multiplied by a factor dependent on the extent of the shortfall in CET1 capital) (the **Maximum Distributable Amount**) has been calculated and communicated to the Bank of Spain and thereafter, any such distributions or payments will be subject to such Maximum Distributable Amount for entities (a) not meeting the "combined buffer requirement" or (b) in relation to which the Bank of Spain has adopted any of the measures set forth in Article 68.2 of Law 10/2014 aimed at strengthening own funds or limiting or prohibiting the distribution of dividends.

As set out in the "Opinion of the European Banking Authority on the interaction of Pillar 1, Pillar 2 and combined buffer requirements and restrictions on distributions" published on 16 December 2015 (the **December 2015 EBA Opinion**), in the EBA's opinion, competent authorities should ensure that the CET1 capital to be taken into account in determining the CET1 capital available to meet the "combined buffer requirement" for the purposes of the Maximum Distributable Amount calculation is limited to the amount not used to meet the "Pillar 1" and "Pillar 2" own funds requirements of the institution. In addition, the opinion advises the European Commission (i) to review Article 141 of the CRD with a view to avoiding differing interpretations of Article 141(6) and thus ensuring greater consistency of the maximum distributable amount framework with the stacking order described in the opinion and in the EBA SREP guidelines and (ii) to review the prohibition on distribution, notably in so far as it relates to additional tier 1 instruments, in all circumstances when no profits are made in any given year. There can be no assurance as to how and when binding effect will be given to the December 2015 EBA Opinion in Spain, including as to the consequences for an institution of its capital levels falling below those necessary to meet these requirements. In the meantime, the ECB stated on 5 January 2016 that it would follow the December 2015 EBA Opinion for the application of the Maximum Distributable Amount (although the ECB carried on to state that this approach might nonetheless be revisited, in relation to future regulatory developments or to the application of the EBA guidelines, in order to ensure consistency and harmonisation).

The ECB has also set out in its recommendation of 17 December 2015 on dividend distribution policies, that credit institutions should establish dividend policies using conservative and prudent assumptions in order, after any distribution, to satisfy the applicable capital requirements.

Any failure by the Issuer and/or the Group to comply with its regulatory capital requirements could also result in the imposition of further "Pillar 2" requirements and the adoption of any early intervention or, ultimately, resolution measures by resolution authorities pursuant to Law 11/2015, of 18 June, on the Recovery and Resolution of Credit Institutions and Investment Firms (**Law 11/2015**), which, together with Royal Decree 1012/2015, of 6 November, implementing Law 11/2015 (**RD 1012/2015**) has implemented Directive 2014/59/EU, of 15 May, establishing a framework for the recovery and resolution of credit institutions and investment firms (the **RRD**) into Spanish law, which could have a material adverse effect on the Group's business and operations.

At its meeting of 12 January 2014, the oversight body of the BCBS endorsed the definition of the leverage ratio set forth in CRD IV, to promote consistent disclosure, starting on 1 January 2015. Such definition of the leverage ratio was introduced in the European Union via Commission Delegated Regulation 2015/62 in January 2015. There will be a mandatory minimum capital requirement on 1 January 2018, with a currently indicated initial minimum leverage ratio of 3 per cent. (with the level to be further discussed at the BCBS ahead of 2018) that can be raised after calibration, if European authorities so decide.

In addition to the minimum capital requirements under CRD IV, the RRD regime prescribes that banks shall hold a minimum level of capital and eligible liabilities in relation to total liabilities and own funds (known as **MREL**). On 3 July 2015 the EBA published the final draft technical standards on the criteria for determining MREL (the **Draft MREL Technical Standards**). The level of capital and eligible liabilities required under MREL will be set by the resolution authority for each bank (and/or group) based on certain criteria including systemic importance. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by a non-EU law, they must be able to be written down or converted under that law (including through contractual provisions).

The MREL requirement came into force on 1 January 2016. However, the EBA has recognised the impact which this requirement may have on banks' funding structures and costs. On 23 May 2016 The EU Commission adopted draft regulatory technical standards on assessment criteria relating to the methodology for setting the minimum requirement for MREL (the **draft EC Delegated Regulation on MREL calibration**). The draft EC Delegated Regulation on MREL calibration is intended to provide resolution authorities with detailed guidance for setting MREL requirements for banks, while enabling authorities to exercise discretion on the minimum level and composition of MREL as appropriate for each bank.

According to the draft EC Delegated Regulation on MREL calibration, a transitional period made as short as possible is expected. The draft EC Delegated Regulation on MREL calibration is subject to a three month objection period by the EU Council and Parliament and will enter into force on the twentieth day following publication in the Official Journal.

On 9 November 2015 the Financial Stability Board (**FSB**) published its final Total Loss-Absorbing Capacity (**TLAC**) Principles and Term Sheet, proposing that global systemically important institutions (**G-SIBs**) maintain significant minimum amounts of liabilities that are subordinated (by law, contract or structurally) to certain prior ranking liabilities, such as guaranteed insured deposits, and which forms a new standard for G-SIBs. The TLAC Principles and Term Sheet contains a set of principles on loss absorbing and recapitalisation capacity of G-SIBs in resolution and a term sheet for the implementation of these principles in the form of an internationally agreed standard. The FSB will undertake a review of the technical implementation of the TLAC Principles and Term Sheet by the end of 2019. The TLAC Principles and Term Sheet requires a minimum TLAC requirement to be determined individually for each G-SIB at the greater of (a) 16 per cent. of risk weighted assets as of 1 January 2019 and 18 per cent. as of 1 January 2022, and (b) 6 per cent. of the Basel III Tier 1 leverage ratio requirement as of 1 January 2019, and 6.75 per cent. as of 1 January 2022.

Although the Issuer has not been classified as a G-SIB by the FSB, it cannot be disregarded that this may change in the future or that TLAC requirements are finally extended to non-G-SIBs which could create additional minimum capital requirements for the Issuer and/or the Group.

In this regard, the EBA will submit a report to the European Commission by 31 October 2016, which reviews the application of MREL and seeks to bring its implementation closer to that of the TLAC requirement that was published by the FSB in November 2015 and that applies to G-SIBs. On the basis of this report the European Commission may, if appropriate, submit by 31 December 2016 to the European Parliament and the Council a legislative proposal on the harmonised application of MREL, with the possibility of introducing more than one harmonised minimum MREL, and to make any appropriate adjustments to the parameters of this requirement. According to SRB, MREL requirements are expected to be set during the second half of 2016.

In light of the above, it would be reasonable not to disregard that new and more demanding additional capital requirements may be applied in the future.

Basel III implementation differs across jurisdictions in terms of timing and the applicable rules. The lack of uniformity in implemented rules may lead to an uneven playing field and to competition distortions. Moreover, a lack of regulatory coordination, with some countries bringing forward the application of Basel III requirements or increasing such requirements, could adversely affect a bank with global operations such as the Issuer and could undermine its profitability. In order to address this, the ECB has issued Regulation (EU) 2016/445 of the European Central Bank of 14 March 2016 on the exercise of options and discretions available in Union law. There can be no assurance that new additional regulations will not be introduced that could have an impact on capital position.

In December 2014, the BCBS published a consultative paper relating to the design of a capital floor framework based on standardised approaches. This framework will replace the current transitional floor, which is based on the Basel I standard. The new capital floor framework will be based on the revised Basel II/III standardised approaches, and allows for a more coherent and integrated capital framework.

Finally, there can be no assurance that the implementation of these new standards or recommendations will not adversely affect the Issuer's ability to make discretionary payments as set out above, or require it to issue additional securities that qualify as regulatory capital, to liquidate assets, to curtail business or to take any other actions, any of which may have adverse effects on the Issuer's business, financial condition and results of operations. Furthermore, increased capital requirements may negatively affect the Issuer's return on equity and other financial performance indicators.

In addition to introducing new capital requirements, CRD IV provides that deferred tax assets (**DTAs**) that rely on the future profitability of a financial institution must be deducted from its regulatory capital (specifically its core capital or CET1 capital) for prudential reasons, as there is generally no guarantee that DTAs will retain their value in the event of the institution facing difficulties.

This new deduction introduced by CRD IV has a significant impact on Spanish banks due to the particularly restrictive nature of certain aspects of Spanish tax law. For example, in some EU countries when a bank reports a loss, the tax authorities refund a portion of taxes paid in previous years, but in Spain the bank must earn profits in subsequent years in order for this set-off to take place. Additionally, Spanish tax law does not recognise as tax-deductible certain amounts recorded as costs in the accounts of a bank, unlike the tax legislation of other EU countries.

Due to these differences and the impact of the requirements of CRD IV on DTAs, the Spanish regulator implemented certain amendments to Law 27/2014, of 27 November, on corporate income tax (the **Corporate Income Tax Law**) through RD-L 14/2013, which also provided for a transitional regime for DTAs generated before 1 January 2014. These amendments enable certain DTAs to be treated as a direct claim against the tax authorities if a Spanish bank is unable to reverse the relevant differences within 18 years or if it is liquidated, becomes insolvent or incurs accounting losses. This will, therefore, allow a Spanish bank not to deduct such DTAs from its regulatory capital. The transitional regime provides for a period in which only a percentage (which increases yearly) of the applicable DTAs will have to be deducted. This transitional regime has also been included in Law 27/2014.

However, in 2015 it was agreed that the Corporate Income Tax Law would be amended by means of the 2016 State Budget Law to ensure that the fiscal rules regarding DTAs which have originated from temporary differences between tax and accounting criteria with a government guarantee (also referred to as differed tax credits (**DTCs)**), are compatible with European law on state aid and therefore are not subject to the previous uncertainty regarding DTCs deductibility from a bank's regulatory capital.

Impact of financial transaction taxes

On 14 February 2013, the European Commission published a proposal (the **Commission's proposal**) for a Directive for a common Financial Transaction Tax (**FTT**) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate. The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary' market transactions) in certain circumstances.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear.

On 4 July 2014, Royal Decree-Law 8/2014, of 4 July was introduced in Spain setting forth a tax rate of 0.03 per cent. on bank deposits in Spain. Such tax was established in 2013 (but previously with a 0 per cent. rate) and is payable annually by Spanish banks. There can be no assurance that additional national or transnational bank levies or financial transaction taxes will not be adopted by the authorities of the jurisdictions where the Issuer operates. Any such additional levies and taxes could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Steps taken towards achieving an EU fiscal and banking union

The project of achieving a European banking union was launched in the summer of 2012. Its main goal is to resume progress towards the European single market for financial services by restoring confidence in the European banking sector and ensuring the proper functioning of monetary policy in the Eurozone.

Banking union will be achieved through new harmonised banking rules (the single rulebook) and a new institutional framework with stronger systems for both banking supervision and resolution that will be managed at the European level. Its two main pillars are the SSM and the SRM.

The SSM will help to make the banking sector more transparent, unified and safe. The SSM Regulation was passed in October 2013 with effect from 3 November 2013. On 4 November 2014, the ECB assumed its new supervisory responsibilities within the SSM, in particular direct supervision of the 120 largest European banks (including the Issuer). In preparation for this step, between November 2013 and October 2014 the ECB conducted, together with national supervisors, a comprehensive assessment of 130 banks, which together hold more than 80 per cent. of Eurozone banking assets. The exercise consisted of three elements: (i) a supervisory risk assessment, which assessed the main balance sheet risks including liquidity, funding and leverage; (ii) an asset quality review, which focused on credit and market risks; and (iii) a stress test to examine the need to strengthen capital or take other corrective measures. On 26 October 2014, the ECB announced the results of the comprehensive assessment.

On 24 February 2016, the EBA announced new methodology and macroeconomic scenarios for the 2016 EU-wide stress test which will cover over 70 per cent. of the EU banking sector and will assess EU banks' ability to meet relevant supervisory capital ratios during an adverse economic shock. Similar to the 2014 stress test, the 2016 EU-wide stress test is primarily focused on the assessment of the impact of risk drivers on the solvency of banks. The EBA expects to publish the results early in the third quarter of 2016. CaixaBank, as part of Criteria Group takes part in this exercise.

The Issuer cannot provide assurance that it will not be subject to recommendations from the 2016 EU-wide stress test or similar regulatory exercises which could have an impact on its current asset valuation policies, the classification of some of its exposures or cause other relevant effects.

The SSM has represented a significant change in the approach to bank supervision at a European and global level, even if it has not resulted nor is it expected to result in any radical change in bank supervisory practices in the short term. The SSM has resulted in the direct supervision of more than 120 financial institutions, among them the Bank, and indirect supervision of around 3,500 financial institutions. The SSM is one of the largest authorities in the world in terms of assets under supervision. The SSM is working to establish a new supervisory culture importing best practices from the 19 national supervisory authorities that are part of the SSM. Several steps have already been taken in this regard such as the recent publication of the Supervisory Guidelines and the creation of the SSM Framework Regulation. In addition, the SSM represents an extra cost for the financial institutions that will fund it through payment of supervisory fees.

The other main pillar of the EU banking union is the SRM, the main purpose of which is to ensure a prompt and coherent resolution of failing banks in Europe at minimum cost. Regulation (EU) No. 806/2014 of the European Parliament and the Council (the **SRM Regulation**), passed on 15 July 2014 and with legal effect from 1 January 2015, establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the SRM and a Single Resolution Fund (as defined below). This Regulation complements the SSM which established a centralised power of resolution entrusted to the single resolution board (the **SRB**) and to the national resolution authorities as an integral part of the process of harmonisation of the resolution regime provided for by the RRD. The SRB began operation on 1 January 2015 and fully assumed its resolution on 1 January 2016. From that date a single resolution fund (the **Single Resolution Fund**) has also been in place, funded by contributions from European banks.

The Single Resolution Fund is intended to reach a total amount of €55 billion by 2024 and to be used as a separate backstop only after 8 per cent. total liabilities and own funds (or 20 per cent. risk weighted assets in certain cases) have already been bailed-in (in line with the RRD).

By allowing for the consistent application of EU banking rules through the SSM, the agreed banking union is expected to help resume momentum towards economic and monetary union. In order to complete such union a single deposit guarantee scheme is still needed which may require a change to the existing European treaties. This is the subject of continued negotiation by European leaders to ensure further progress is made in European fiscal, economic and political integration.

Regulations adopted towards achieving a banking and/or fiscal union in the EU and decisions adopted by the ECB in its capacity as the Issuer's main supervisory authority may have a material impact on the Issuer's business, financial condition and results of operations. In particular, the RRD and Directive 2014/49/EU on deposit guarantee schemes (implemented into Spanish law through Law 11/2015, of 18 June, on the Recovery and Resolution of Credit Institutions and Investment Firms (**Law 11/2015**) and Royal Decree 1012/2015, of 6 November, implementing Law 11/2015 (**RD 1012/2015**)). A minimum 8 per cent. bail-in of a bank's total liabilities and own funds (or, where applicable, 20 per cent. of risk-weighted assets) will be required as a precondition for access to any direct recapitalisation by the European Stability Mechanism (**ESM**), as agreed by the Eurozone members in December 2014. Additionally, on 24 November 2015, the European Commission has proposed a draft regulation to amend Regulation (EU) 806/2014, in order to establish a European deposit insurance scheme for bank deposits.

In addition, on 29 January 2014, the European Commission released its proposal on the structural reforms of the European banking sector that will impose new constraints on the structure of European banks. The proposal aims at ensuring the harmonisation between the divergent national initiatives in Europe. It includes a prohibition on proprietary trading similar to that contained in Section 619 of the Dodd-Frank Act (also known as the Volcker Rule) and a mechanism to potentially require the separation of trading activities (including market making) such as in the Financial Services (Banking Reform) Act 2013, complex securitisations and risky derivatives.

There can be no assurance that regulatory developments related to the EU fiscal and banking union, and initiatives undertaken at EU level, will not have a material adverse effect on the Issuer's business, financial condition and results of operations.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features including factors which may occur in relation to any Notes:

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

An optional redemption feature (including any redemption of the Notes for taxation reasons pursuant to Condition 6.2 (*Redemption for tax reasons*) and, in the case of Subordinated Notes, upon the occurrence of a Capital Event or an Eligible Liabilities Event (each as defined in Conditions 6.4 (*Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes*) and 6.5 (*Redemption at the option of the Issuer (Eligible Liabilities Event): Senior Subordinated Notes*), respectively, as the case may be) is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem Notes, or during which there is an actual or perceived increased likelihood that the Issuer may elect to redeem the Notes, the

market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

It is not possible to predict whether or not any further change in the laws or regulations of Spain, Applicable Banking Regulations (as defined in the Conditions) or, in the case of a redemption of the Notes for taxation reasons, the application thereof, or any of the other events referred to above, will occur and so lead to the circumstances in which the Issuer is able to elect to redeem the Notes, and if so whether or not the Issuer will elect to exercise such option to redeem the Notes or, in the case of Subordinated Notes, as applicable, any prior consent of the Regulator (as defined in the Conditions) required for such redemption will be given. There can be no assurances that, in the event of any such early redemption, Noteholders will be able to reinvest the proceeds at a rate that is equal to the return on the Notes.

Notes may be redeemed prior to maturity for tax reasons. The Subordinated Notes may be redeemed prior to maturity at the Issuer's option for taxation reasons or upon the occurrence of a Capital Event or an Eligible Liabilities Event, subject to certain conditions

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority therein having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions. In respect of Subordinated Notes only, the Notes may be also redeemed for taxation reasons if the Issuer would not be entitled to claim a deduction in computing taxation liabilities in Spain in respect of any payment of interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer would be materially reduced, in each case as a result of any change in, or amendment to, the laws or regulations of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and in any event only if so permitted by the Applicable Banking Regulations then in force and subject to the permission of the Regulator, as further described in Condition 6.2 (*Redemption for tax reasons*).

If a Capital Event occurs as a result of a change (or any pending change which the Regulator considers sufficiently certain) in Spanish law, Applicable Banking Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date, the Issuer may redeem all, and not some only, of any Series of the Tier 2 Subordinated Notes subject to such redemption being permitted by the Applicable Banking Regulations then in force and subject to the permission of the Regulator, as further described in Condition 6.4 (*Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes*).

If an Eligible Liabilities Event occurs as a result of a change (or any pending change which the Regulator considers sufficiently certain) in Spanish law or Applicable Banking Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date, the Senior Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, subject to such redemption being permitted by the Applicable Banking Regulations then in force, and subject to the prior consent of the Regulator (if required pursuant to such regulations), as further described in Condition 6.5 (*Redemption at the option of the Issuer (Eligible Liabilities Event): Senior Subordinated Notes*).

The redemption of Tier 2 Subordinated Notes (as defined in the Conditions) of the Issuer at the option of the Issuer is subject to the Regulator's consent and such consent will be given only if either of the following conditions is met:

(a) on or before such redemption of the Tier 2 Subordinated Notes, the Issuer replaces the Tier 2 Subordinated Notes with Tier 2 instruments of an equal or higher quality on terms that are sustainable for the income capacity of the Issuer; or

(b) the Issuer has demonstrated to the satisfaction of the Regulator that its Tier 1 capital and Tier 2 Capital would, following such redemption, exceed the capital ratios required under CRD IV by a margin that the Regulator may consider necessary on the basis set out in CRD IV.

It is not possible to predict whether or not any further change in the laws or regulations of Spain or, in the case of a redemption of the Notes for taxation reasons, the application thereof, or any of the other events referred to above, will occur and so lead to the circumstances in which the Issuer is able to elect to redeem the Notes, and if so whether or not the Issuer will elect to exercise such option to redeem the Notes or, in the case of Subordinated Notes, as applicable, any prior consent of the Regulator (as defined under "*Terms and Conditions of the Notes*") required for such redemption will be given.

If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

The interest rate on Fixed Reset Notes will reset on each Reset Date, which can be expected to affect interest payments on an investment in Fixed Reset Notes and could affect the market value of Fixed Reset Notes

Fixed Reset Notes will initially bear interest at the Initial Interest Rate until (but excluding) the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the Reset Margin as determined by the Principal Paying Agent on the relevant Reset Determination Date (each such interest rate, a Subsequent Reset Rate). The Subsequent Reset Rate for any Reset Period could be less than the Initial Interest Rate or the Subsequent Reset Rate for prior Reset Periods and could affect the market value of an investment in the Fixed Reset Notes.

Risks relating to Floating Rate Notes

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant

reference rate. Should the reference rate be at any time negative, it could, notwithstanding the existence of the relevant margin, result in the actual floating rate be lower than the relevant margin.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their original nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Risks Related to Early Intervention and Resolution

The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 could materially affect the rights of the Noteholders under, and the value of, any Notes

The RRD (which has been implemented in Spain through Law 11/2015 and RD 1012/2015 is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing credit institution or investment firm (each an **institution**) so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

In accordance with article 20 of Law 11/2015, an institution will be considered as failing or likely to fail in any of the following circumstances: (i) it is, or is likely in the near future to be, in significant breach of its solvency or any other requirements necessary for maintaining its authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances). The determination that an institution is no longer viable may depend on a number of factors which may be outside of that institution's control.

As provided in the RRD, Law 11/2015 contains four resolution tools and powers which may be used alone or in combination where the FROB, the SRM or, as the case may be and according to Law 11/2015, the Bank of Spain or the CNMV or any other entity with the authority to exercise any such tools and powers from time to time (each, a **Relevant Spanish Resolution Authority**) as appropriate, considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest.

The four resolution tools are: (i) sale of business - which enables the Relevant Spanish Resolution Authority to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables the Relevant Spanish Resolution Authority to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables the Relevant Spanish Resolution Authority to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives the Relevant Spanish Resolution Authority the right to exercise certain of the Spanish Bail-in Powers (as defined below). This includes the ability of the Relevant Spanish Resolution Authority to write down and/or convert into equity or other securities or obligations (which equity, securities and obligations could also be subject to any future application of the Spanish Bail-in Powers) certain unsecured debt claims including both the Senior Notes and Subordinated Notes.

The **Spanish Bail-in Power** is any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with any laws, regulations, rules or requirements in effect in Spain, relating to the transposition of the RRD, as amended from time to time, including, but not limited to (i) Law 11/2015, as amended from time to time, (ii) RD 1012/2015, as amended from time to time, (iii) the SRM Regulation, as amended from time to time, and (iv) any other instruments, rules or standards made in connection with either (i), (ii) or (iii), pursuant to which any obligation of an institution can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such institution or any other person (or suspended for a temporary period).

In accordance with Article 48 of Law 11/2015 (and subject to any exclusions that may be applied by the Relevant Spanish Resolution Authority under Article 43 of Law 11/2015), in the case of any application of the Spanish Bail-in Power, the sequence of any resulting write-down or conversion shall be as follows: (i) CET1 instruments; (ii) Additional Tier 1 instruments; (iii) Tier 2 instruments; (iv) other subordinated claims that do not qualify as Additional Tier 1 capital or Tier 2 capital; and (v) eligible senior liabilities prescribed in Article 41 of Law 11/2015.

In addition to the Spanish Bail-in Power which can be applied in respect of any of the Notes, the RRD and Law 11/2015 also provide for the Relevant Spanish Resolution Authority to permanently write down or convert into equity capital instruments (such as the Tier 2 Subordinated Notes) at the point of non-viability (**Non-Viability Loss Absorption**). The point of non-viability is the point at which the Relevant Spanish Resolution Authority determines that the institution or its group meets the conditions for resolution or will no longer be viable unless the relevant capital instruments (such as the Tier 2 Subordinated Notes) are written down or converted into equity or extraordinary public support is provided and without such support the Relevant Spanish Resolution Authority determines that the institution would no longer be viable. Non-Viability Loss Absorption may be imposed prior to or in combination with any exercise of any other Spanish Bail-in Power or any other resolution tool or power (where the conditions for resolution referred to above are met).

The powers set out in the RRD as implemented through Law 11/2015 and RD 1012/2015 will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Pursuant to Law 11/2015, Noteholders may be subject to, among other things, on any application of the Spanish Bail-in-Power a write-down or conversion into equity or other securities or obligations of amounts due under such Notes and, in the case of the Tier 2 Subordinated Notes, may be subject to any Non-Viability Loss Absorption. The exercise of any such powers may result in such Noteholders losing some or all of their investment or otherwise having their rights under such Notes adversely affected. For example, the Spanish Bail-in Power may be exercised in such a manner as to result in Noteholders receiving a different security, which may be worth significantly less than the Notes. Moreover, the exercise of the Spanish Bail-in Power with respect to the Notes or the taking by an authority of any other action, or any suggestion that the exercise or taking of any such action may happen, could materially adversely affect the rights of Noteholders, the market price or value or trading behaviour of any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes. Furthermore, the exercise of the Spanish Bail-in Power and any Non-Viability Loss Absorption by the Relevant Spanish Resolution Authority with respect to the Notes is likely to be inherently unpredictable and may depend on a number of factors which may also be outside of the Issuer's control. In addition, as the Relevant Spanish Resolution Authority will retain an element of discretion, Noteholders may not be able to refer to publicly available criteria in order to anticipate any potential exercise of any such Spanish Bail-in Power and any Non-Viability Loss Absorption. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of any such powers by the Relevant Spanish Resolution Authority may occur.

This uncertainty may adversely affect the value of the Notes. The price and trading behaviour of the Notes may be affected by the threat of a possible exercise of any power under Law 11/2015 (including any early intervention measure before any resolution) or any suggestion of such exercise, even if the likelihood of such exercise is remote. Moreover, the Relevant Spanish Resolution Authority may exercise any such power without providing any advance notice to the Noteholders.

In addition, the EBA's preparation of certain regulatory technical standards and implementing technical standards to be adopted by the European Commission and certain other guidelines is pending. These acts could be potentially relevant to determining when or how a Relevant Spanish Resolution Authority may exercise the Spanish Bail-in Powers and impose Non-Viability Loss Absorption. The pending acts include guidelines on the treatment of shareholders in bail-in or the write-down and conversion of capital instruments, and on the rate of conversion of debt to equity or other securities or obligations in any bail-in. No assurance can be given that, once adopted, these standards will not be detrimental to the rights of a Noteholder under, and the value of a Noteholder's investment in, the Notes.

Noteholders will not be able to exercise their rights on an event of default in the event of the adoption of any early intervention, restructuring or resolution measure under Law 11/2015

The Issuer may be subject to a procedure of early intervention, restructuring or resolution pursuant to the RRD as implemented through Law 11/2015 and RD 1012/2015 if the Issuer or its group of consolidated credit entities is in breach (or due, among other things, to a rapidly deteriorating financial condition, it is likely in the near future to be in breach) of applicable regulatory requirements relating to solvency, liquidity, internal structure or internal controls or if the conditions for resolution referred to above are met (see *"Risks Related to Early Intervention and Resolution – The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 could materially affect the rights of the Noteholders under, and the value of, any Notes"*).

Pursuant to Law 11/2015 the adoption of any early intervention, restructuring or resolution procedure shall not itself constitute an event of default or entitle any counterparty of the Issuer to exercise any rights it may otherwise have in respect thereof. Any provision providing for such rights shall further be deemed not to apply, although this does not limit the ability of a counterparty to declare any event of default and exercise its rights accordingly where an event of default arises either before or after the exercise of any such procedure and does not necessarily relate to the exercise of any relevant measure or power which has been applied pursuant to Law 11/2015.

Any enforcement by a Noteholder of its rights under the Notes upon the occurrence of an Event of Default following the adoption of any early intervention or any resolution procedure will, therefore, be subject to the relevant provisions of the RRD and Law 11/2015 and RD 1012/2015 in relation to the exercise of the relevant measures and powers pursuant to such procedure, including the resolution tools and powers referred to above (see *"Risks Related to Early Intervention and Resolution – The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 could materially affect the rights of the Noteholders under, and the value of, any Notes"*). Any claims on the occurrence of an Event of Default will consequently be limited by the application of any measures pursuant to the provisions of Law 11/2015 and RD 1012/2015. There can be no assurance that the taking of any such action would not adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes and the enforcement by a holder of any rights it may otherwise have on the occurrence of any Event of Default may be limited in these circumstances.

Risks applicable to Senior Notes

Claims of Holders under the Senior Notes are effectively junior to those of certain other creditors

The Senior Notes are unsecured and unsubordinated obligations of the Issuer. Upon the insolvency of the Issuer, subject to statutory preferences and provided they do not qualify as subordinated claims pursuant to article 92 of the Insolvency Law (as defined in the Conditions of the Notes), the Senior Notes will rank equally with any of the Issuer's other unsecured and unsubordinated indebtedness but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights. In the event of insolvency of the Issuer, under the Insolvency Law, claims relating to Senior Notes (which are not subordinated pursuant to article 92 of the Insolvency Law) will be ordinary credits (*créditos ordinarios*) as

defined in the Insolvency Law. Ordinary credits rank below credits against the insolvency state (*créditos contra la masa*) and credits with a privilege (*créditos privilegiados*) (including, without limitation, any deposits for the purposes of Additional Provision 14.1º of Law 11/2015) which shall be paid in full before ordinary credits. Therefore, the Senior Notes will be effectively subordinated to all of the Issuer's secured indebtedness, to the extent of the value of the assets securing such indebtedness, and other preferential obligations under the Insolvency Law.

The Senior Notes are also structurally subordinated to all indebtedness of subsidiaries of the Issuer insofar as any right of the Issuer to receive any assets of such companies upon their winding-up will be effectively subordinated to the claims of the creditors of those companies in the winding-up.

Moreover, the RRD and Law 11/2015 contemplate that Senior Notes may be subject to the exercise of certain of the Spanish Bail-in Powers by the Relevant Spanish Resolution Authority. This may involve the variation of the terms of the Senior Notes or a change in their form, if necessary, to give effect to, the exercise of the Spanish Bail-in Powers by the Relevant Spanish Resolution Authority. (see *"Risks Related to Early Intervention and Resolution – The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 could materially affect the rights of the Noteholders under, and the value of, any Notes" above*).

Risks applicable to Subordinated Notes

An investor in Subordinated Notes assumes an enhanced risk of loss in the event of the Issuer's insolvency

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to all unsubordinated obligations of the Issuer. There is an enhanced risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become (i) subject to resolution under the RRD (as implemented through Law 11/2015 and RD 1012/2015) and the Subordinated Notes become subject to the application of the Spanish Bail-in Power (including, in the case of Tier 2 Subordinated Notes, Non-Viability Loss Absorption) or (ii) insolvent.

In the case of any exercise of certain of the Spanish Bail-in Powers by the Relevant Spanish Resolution Authority, the sequence of any resulting write-down or conversion of the Notes under Article 48 of the RRD and Article 48 of Law 11/2015 provides for the principal amount of Tier 2 instruments (such as the Tier 2 Subordinated Notes) to be written-down or converted into equity or other securities or obligations prior to the principal amount of subordinated debt that is not Additional Tier 1 or Tier 2 capital (such as the Senior Subordinated Notes) in accordance with the hierarchy of claims provided in the Insolvency Law and for the latter to be written-down or converted into equity or other securities or obligations prior to any write-down or conversion of the principal amount or outstanding amount of any eligible liabilities (such as the Senior Notes), in accordance with the hierarchy of claims provided in the Insolvency Law. Tier 2 Subordinated Notes may be subject to Non-Viability Loss Absorption, which may be imposed prior to or in combination with any exercise of the Spanish Bail-in Power. See "*Risks related to Early Intervention and Resolution - Risks Related to Early Intervention and Resolution*

The Notes may be subject to the exercise of the Spanish Bail-in Power by the Relevant Spanish Resolution Authority. Other powers contained in Law 11/2015 could materially affect the rights of the Noteholders under, and the value of, any Notes."

In an insolvency scenario, after payment in full of unsubordinated claims, but before distributions to shareholders, under article 92 of the Insolvency Law read in conjunction with Additional Provision 14.2º of Law 11/2015, the Issuer will meet subordinated claims in the following order and pro-rata within each class:

(i) late or incorrect claims. The following claims shall not be subordinated for this cause and shall be classified according to their respective nature: (a) those credits arising from article 86.3 of the Insolvency Law, (b) those credits whose existence arises from the documentation of the Issuer, (c)

those arising from an executive title, (d) those guaranteed by an in rem guarantee registered with a public registry, (e) those that are in any way recorded in the insolvency proceedings or in any other judicial proceedings, or (f) those that require inspection action by the Public Administrations to be determined;

(ii) contractually subordinated debts. Pursuant to Additional Provision 14.2º of Law 11/2015 contractually subordinated debt will be classified into three different categories with the following ranking: firstly, principal amount of subordinated debt not qualifying as Additional Tier 1 instruments or Tier 2 instruments, secondly principal amount of subordinated debt qualifying as Tier 2 instruments and, thirdly, principal amount of subordinated debt qualifying as Additional Tier 1 instruments;

(iii) interest (including accrued and unpaid interest due on the Subordinated Notes);

(iv) fines;

(v) claims of creditors which are specially related to the Issuer as provided for under the Spanish Insolvency Law. Creditors that have converted into equity directly or indirectly all or part of their credits pursuant to a refinancing agreement adopted in accordance with article 71 bis or the fourth additional disposition of the Insolvency Law, will not be regarded as persons especially related (*personas especialmente relacionadas*) to the Issuer, for the purpose of qualifying the credits held against the debtor as a result of the refinancing granted by virtue of such agreement;

(vi) detrimental claims against the Issuer where a Spanish Court has determined that the relevant creditor has acted in bad faith (*rescisión concursal*); and

(vii) claims arising from contracts with reciprocal obligations as referred to in articles 61, 62, 68 and 69 of the Insolvency Law, wherever the court rules, prior to the administrators' report of insolvency (*administración concursal*) that the creditor repeatedly impedes the fulfilment of the contract against the interest of the insolvency.

Under the Insolvency Law, accrual of interest on the Notes shall be suspended from the date of the declaration of insolvency of the Issuer.

Subordinated Notes may not be redeemed prior to maturity at the option of Noteholders, including in the event of non-payment of principal or interest

Pursuant to the CRR, the Issuer is prohibited from including in the terms and conditions of any Tier 2 instruments, terms that would oblige it to redeem such Tier 2 instruments prior to their stated maturity at the option or request of holders of such Tier 2 instruments. As a result, the terms and conditions of the Tier 2 Subordinated Notes do not include provisions allowing for early redemption of such Subordinated Notes at the option of Noteholders. Furthermore, holders of Subordinated Notes will not have any rights under the terms and conditions of such Subordinated Notes to request the early redemption of such Subordinated Notes in the event of any failure by the Issuer to pay principal or interest in respect of such Subordinated Notes or in the case of default by the Issuer or any company within its group under any other indebtedness. In addition, pursuant to the CRR, the Issuer shall require the permission of the Regulator to effect the call, redemption, repayment or repurchase of Tier 2 instruments prior to the date of their contractual maturity.

No limitation on issuing or guaranteeing debt, including debt ranking senior to, or pari passu with, the Subordinated Notes

Apart from the Programme size limit referred to on the cover page of this Base Prospectus, there is no restriction under the Programme on the amount of unsecured debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect

of indebtedness of third parties, including indebtedness or guarantees that rank senior in priority of payment to, or pari passu with, the Subordinated Notes. If the Issuer's financial condition were to deteriorate, the relevant Noteholders could suffer direct and materially adverse consequences, including deferral of interest and, if the Issuer were liquidated (whether voluntarily or involuntarily), loss by the relevant Noteholders of their entire investment.

Risks Relating to the Insolvency Law

The Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the last official publication of the court order declaring the insolvency (if the insolvency proceeding is declared as abridged, the term to report may be reduced to fifteen days), (ii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency may not be enforceable, and (iii) interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall cease to accrue as from the date of the declaration of insolvency and any amount of interest accrued up to such date (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated.

The Insolvency Law, in certain instances, also has the effect of modifying or impairing creditors' rights even if the creditor, either secured or unsecured, does not consent to the amendment. Secured and unsecured dissenting creditors may be written down not only once the insolvency has been declared by the judge as a result of the approval of a creditors' agreement (*convenio concursal*), but also as a result of an out-of-court restructuring agreement (*acuerdo de refinanciación pre-concursal*) without insolvency proceedings having been previously opened (e.g., refinancing agreements which satisfy certain requirements and are validated by the judge), in both scenarios (i) to the extent that certain qualified majorities are achieved and unless (ii) some exceptions in relation to the kind of claim or creditor apply (which would not be the case for the Notes).

The majorities legal regime envisaged for these purposes also hinges on (i) the type of the specific restructuring measure which is intended to be imposed (e.g., extensions, debt reductions, debt for equity swaps, etc.) as well as (ii) on the part of claims to be written-down (i.e. secured or unsecured, depending on the value of the collateral as calculated pursuant to the rules established in the Insolvency Law).

In no case shall subordinated creditors be entitled to vote upon a creditors' agreement during the insolvency proceedings, and accordingly, shall be always subject to the measures contained therein, if passed. Additionally, liabilities from those creditors considered specially related persons for the purpose of Article 93.2 of the Insolvency Law would not be taken into account for the purposes of calculating the majorities required for the out-of-court restructuring agreement (*acuerdo de refinanciación pre-concursal*).

Risks related to Notes generally

Risks relating to the Spanish withholding tax regime

Article 44 of Royal Decree 1065/2007 sets out the reporting obligations applicable to preference shares and debt instruments issued under Law 10/2014 (the **Simplified Information Procedures**). The procedures apply to interest deriving from preferred securities (*participaciones preferentes*) and debt instruments to which Law 10/2014 refers, including debt instruments issued at a discount for a period equal to or less than twelve months.

According to the literal wording of Article 44.5 of Royal Decree 1065/2007, income derived from securities originally registered with the entities that manage clearing systems located outside Spain, and are recognised by Spanish law or by the law of another OECD country (such as Euroclear or Clearstream), will be paid free of Spanish withholding tax provided that the Paying Agent appointed by the Issuer submits a statement to the Issuer, the form of which is included in the Agency Agreement, with the following information:

(i) identification of the securities;

(ii) income payment date (or refund if the Notes are issued at a discount or segregated);

(iii) total amount of income (or total amount to be refunded if the Notes are issued at a discount or segregated); and

(iv) total amount of the income corresponding to each clearing system located outside Spain.

These obligations refer to the total amount paid to investors through each foreign clearing house. For these purposes, "income" means interest and the difference, if any, between the aggregate amount payable on the redemption of the Notes and the issue price of the Notes.

In accordance with Article 44 of Royal Decree 1065/2007, the relevant Issuing and Principal Paying Agent should provide the Issuer with the statement on the business day immediately prior to each interest payment date. The statement must reflect the situation at the close of business of that same day. In the event that on such date, the entity(ies) obliged to provide the declaration fail to do so, the Issuer or the Issuing and Principal Paying Agent on its behalf will make a withholding at the general rate (currently 19%) on the total amount of the return on the relevant Notes otherwise payable to such entity.

The Issuer considers that, according to Royal Decree 1065/2007, any payments under the Notes will be made by the Issuer free of Spanish withholding tax, provided that the Simplified Information Procedures described above (which do not require identification of the Noteholders) are complied with by the Issuer and the Issuing and Principal Paying Agent. However, the interpretation of Royal Decree 1065/2007 and in particular the absence of a withholding tax obligation for the Issuer in respect of Spanish resident individuals, and to disclose certain tax information to the Spanish Tax Authorities about those Noteholders who are Spanish Individual Income Tax or Corporate Income Tax taxpayers, or non-Spanish residents operating in Spain through a permanent establishment is currently subject to debate. The Spanish Tax Authorities may eventually issue a tax ruling to clarify the interpretation of the currently applicable procedures and it cannot be completely discarded that such ruling determines that the Issuer should apply a withholding on payments to individuals with tax residence in Spain and to obtain and disclose certain information to the tax authorities. If this is the case, identification of Noteholders may be required and the procedures, if any, for the collection of relevant information will be applied by the Issuer (to the extent required) so that it can comply with its obligations under the applicable legislation as clarified by the Spanish Tax Authorities.

If, following clarification by the Spanish Tax Authorities, procedures for the collection of the Noteholders information are to apply, the Noteholders will be informed of such new procedures and their implications.

Similarly if following clarification by the Spanish Tax Authorities, Noteholders who are Spanish Individual Income Tax Payers become subject to withholding tax, the Issuer will apply the relevant withholding on payments to individuals with tax residence in Spain. The Issuer will not pay any additional amounts in respect of any such withholding tax.

Notwithstanding the above, in the case of Notes held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments in respect of such Notes may be subject to withholding by such depositary or custodian at the current rate of 19 per cent.

Noteholders must seek their own advice to ensure that they comply with all procedures to ensure the correct tax treatment of their Notes. None the Issuer, the Dealers, the Issuing and Principal Paying Agent or any clearing system (including Euroclear and Clearstream, Luxembourg) assume any responsibility therefore.

The procedure described in this Base Prospectus for the provision of information required by Spanish laws and regulations is a summary only and neither of the Issuer or the Dealers, assumes any responsibility

therefore. In the event that the currently applicable procedures are modified, amended or supplemented by, among other things, any Spanish law, regulation, interpretation or ruling of the Spanish tax authorities, the Issuer will notify the holders of such information procedures and their implications, as the Issuer may be required to apply withholding tax on distributions in respect of the relevant securities if the holders do not comply with such information procedures.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Reliance on Euroclear and Clearstream, Luxembourg procedures

The Notes will be represented on issue by Global Notes that will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Notes, investors will not be entitled to receive Notes in definitive form. Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

While the Notes are represented by the Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Conflicts of interest between the Calculation Agent and Noteholders

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders (including a Dealer acting as a Calculation Agent), including with respect to certain determinations and judgements that such Calculation Agent may make pursuant to the Conditions which may influence the amounts that can be received by the Noteholders during the term of the Notes and upon their redemption.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive

evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CBI shall be incorporated in, and form part of, this Base Prospectus:

(a) the audited consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (**IFRS-EU**) (including the auditors´ report thereon) for the financial year ended 31 December 2014 of the Issuer (available at http://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/MEM_GRUPCAIXABANK_201412_WEB_INGLES.pdf);

(b) the audited consolidated financial statements prepared in accordance with IFRS-EU (including the auditor´s report thereon) for the financial year ended 31 December 2015 of the Issuer (available at https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/MEMGRUPCAIXABANKWEBING.pdf);

(c) the unaudited management accounts for the three months ended 31 March 2016 of the Issuer (available at https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/Informacion_accionistas_inversores/IPP01T16_ENG.pdf); and

(d) the terms and conditions of the Notes contained in previous Base Prospectuses dated 9 June 2015 at pages 53-87 (inclusive) and 15 October 2013 at pages 48-82 (inclusive) prepared by the Issuer in connection with the Programme (available at http://www.ise.ie/debt_documents/Base%20Prospectus_b8eaae8e-f8ab-4f22-9139-85f9560f6e2f.PDF and http://www.ise.ie/debt_documents/Base%20Prospectus_c4de75df-1e9c-433c-bb5e-7248964f991d.PDF respectively.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CBI in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Issuing and Principal Paying Agent for the time being in Luxembourg.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will:

(i) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**); and

(ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described

therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9 (*Events of Default*)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available, or (iii) the Notes are required to be removed from both Euroclear and Clearstream, Luxembourg and no alternative clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes (other than the Temporary Global Notes) and on all interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Except in relation to Notes issued in NGN form, any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms. A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 13 June 2016 and executed by the Issuer.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, a supplement to the Base Prospectus or a new Base Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

Initial Issue of Notes

If the Global Notes are stated in the applicable Final Terms to be issued in NGN form, on or prior to the original issue date of the Tranche the Global Notes or Global Certificates will be delivered to a Common Safekeeper and Euroclear and Clearstream, Luxembourg will be informed whether or not the Notes are intended to be held as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem (**Eurosystem eligible collateral**).

Depositing the Global Notes intended to be held as Eurosystem eligible collateral with a Common Safekeeper does not necessarily mean that the Notes will be recognised as Eurosystem eligible collateral either upon issue, or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met. In the case of Notes issued in NGN form which are not intended to be held as Eurosystem eligible collateral as of their issue date, should the Eurosystem eligibility criteria be amended in the future so that such Notes are capable of meeting the eligibility criteria, such Notes may then be deposited with Euroclear or Clearstream, Luxembourg as Common Safekeeper.

FORM OF FINAL TERMS

NOTES WITH A DENOMINATION OF €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY) OR MORE

[Date]

CaixaBank, S.A.

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
under the EUR 10,000,000,000]
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 13 June 2016 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive and any relevant implementing measure in a relevant Member State of the European Economic Area (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the Central Bank of Ireland's website at *http://www.centralbank.ie* and on the website of the Irish Stock Exchange at *www.ise.ie*. In addition, if the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange, copies of the Final Terms will be published on the website of the Irish Stock Exchange at *www.ise.ie.*

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [original date] [and the supplement to it dated [date]] which are incorporated by reference in the Base Prospectus dated 13 June 2016. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 13 June 2016 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive and any relevant implementing measure in a relevant Member State of the European Economic Area (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus[1]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus has been published on the Central Bank of Ireland's website at http://www.centralbank.ie and on the website of the Irish Stock Exchange at *www.ise.ie*.

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.*]

1. Issuer: CaixaBank, S.A.

[1] *When preparing Final Terms prepared in relation to an issuance of Notes to be listed on a non-regulated market, Prospectus Directive references are to be removed.*

2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 26 below, which is expected to occur on or about [*date*]][Not Applicable]
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)
6.	(a)	Specified Denominations:	[ ] *(N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent) and be in integral multiples of the specified minimum denomination)*
	(b)	Calculation Amount:	[ ]
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] *(N.B. An Interest Commencement Date will not be relevant for certain Notes for example, Zero Coupon Notes)* *(N.B. For Zero Coupon Notes, Maturity Date cannot fall more than 12 months after the Issue Date (or, in the case of subsequent Tranches, the Issue Date of the first Tranche)).*
8.	Maturity Date:		[*Specify date*/*or for Floating rate notes* - Interest Payment Date falling in or nearest to [*specify month and year*]]
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [Fixed Reset Notes] [[[ ] month [LIBOR/EURIBOR]] +/- [ ] per cent. Floating Rate] [Zero Coupon]

			(see paragraph 14/17/18 below)
10.	Redemption Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their nominal amount
11.	Change of Interest Basis:		[*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 18 below and identify there*][Not Applicable]
12.	Put/Call Options:		Investor Put pursuant to Condition 6.6 is [Applicable/Not Applicable][see paragraph 21 below] Issuer Call pursuant to Condition 6.3 is [Applicable/Not Applicable][see paragraph 22 below] Issuer Call – Capital Event (Tier 2 Subordinated Notes) pursuant to Condition 6.4 is [Applicable/Not Applicable] Issuer Call – Eligible Liabilities Event (Senior Subordinated Notes) pursuant to Condition 6.5 is [Applicable/Not Applicable]
13.	(a)	Status of the Notes:	[Senior Notes/Subordinated Notes - Senior Subordinated Notes/Subordinated Notes - Tier 2 Subordinated Notes]
	(b)	Date [Board] approval for issuance of Notes obtained:	[ ] [and [ ], respectively]] [Not Applicable] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
	(c)	Fixed Coupon Amount(s):	[ ] per Calculation Amount
	(d)	(Applicable to Notes in definitive form.)	

	(e)	Broken Amount(s):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(f)	(Applicable to Notes in definitive form.)	(*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount*)
15.	Day Count Fraction:		[30/360 or 30/360 (ISDA)] [Actual/Actual (ICMA)][Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Not Applicable]
16.	[Determination Date(s):		[[ ] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)
17.	Fixed Reset Provisions:		[Applicable/Not Applicable]
	(a)	Initial Interest Rate:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date]
	(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date]
	(c)	Fixed Coupon Amount to (but excluding) the First Reset Date:	[[ ] per Calculation Amount/Not Applicable]
	(d)	Broken Amount(s):	[[ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(e)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA)]
	(f)	Determination Date(s):	[[ ] in each year][Not Applicable]
	(g)	First Reset Date:	[ ]
	(h)	Second Reset Date:	[ ]/[Not Applicable]
	(i)	Subsequent Reset Date(s):	[ ] [and [ ]]
	(j)	Mid Swap Rate:	[ ]
	(k)	Reset Margin:	[+/-][ ] per cent. per annum
	(l)	Relevant Screen Page:	[ ]
	(m)	Floating Leg Reference Rate:	[ ]
	(n)	Floating Leg Screen Page:	[ ]
	(o)	Initial Mid-Swap Rate:	[ ] per cent. per annum (quoted on a[n annual/semi-

			annual basis])
18.	Floating Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below /, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
	(c)	Additional Business Centre(s):	[ ]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]
	(f)	Screen Rate Determination:	
		(i) Reference Rate:	[ ] month [[*currency*] LIBOR/EURIBOR]
		(ii) Interest Determination Date(s):	[ ] *(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
		(iii) Relevant Screen Page:	[ ] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
	(g)	ISDA Determination:	
		(i) Floating Rate Option:	[ ]
		(ii) Designated Maturity:	[ ]
		(iii) Reset Date:	[ ] (*In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period*)

	(h)	Linear Interpolation:	[Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	(i)	Margin(s):	[+/-] [ ] per cent. per annum
	(j)	Minimum Rate of Interest:	[ ] per cent. per annum
	(k)	Maximum Rate of Interest:	[ ] per cent. per annum
	(l)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
19.	Zero Coupon Note Provisions		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

20.	Notice periods for Condition 6.2 [*Redemption for tax reasons*]:		Minimum period: [ ] days Maximum period: [ ] days
21.	Call Option Capital Event (Condition 6.4)		[Applicable/Not Applicable] (*may only be applicable for Tier 2 Subordinated Notes*)
	Eligible Liabilities Event (Condition 6.5)		[Applicable/Not Applicable] (*may only be applicable for Senior Subordinated Notes*)
	Issuer Call (Condition 6.3):		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[ ] per Calculation Amount

	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]
		(ii) Maximum Redemption Amount:	[ ]
	(d)	Notice periods:	Minimum period: [ ] days Maximum period: [ ] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 5 clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*)
22.	Investor Put:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[ ] per Calculation Amount (*NB: The Optional Redemption Amount cannot be other than a specified amount per Calculation Amount*)
	(c)	Notice periods:	Minimum period: [ ] days Maximum period: [ ] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*)
23.	Final Redemption Amount:		[ ] per Calculation Amount [ ] per Calculation Amount
24.	Early Redemption Amount payable on redemption for taxation reasons, on an event of default or upon the occurrence of a Capital Event or upon the occurrence of an Eligible Liabilities Event:		(*N.B. If the Final Redemption Amount is 100 per cent. of the original nominal amount (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the original nominal amount, consideration should be given as to what the Early Redemption Amount should be*.)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	
	(a) Form:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event [including/excluding] the exchange event described in paragraph (iii) of the definition in the Permanent Global Note]]
	(b)	[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
	(c)	[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event [including/excluding] the exchange event described in paragraph (iii) of the definition in the Permanent Global Note]]
	(d) New Global Note:	[Yes][No]
26.	Additional Financial Centre(s):	[Not Applicable/*give details*] (*Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which sub-paragraph 17(c) relates*)
27.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of CaixaBank, S.A.:

By: .....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(a)	Listing:	[Application [has been/will be] made by the Issuer (or on its behalf) to the Irish Stock Exchange for the Notes to be admitted to the [Official List of the Irish Stock Exchange] and admitted to trading on the [Regulated Market of the Irish Stock Exchange] with effect from [ ].] [Application is [has been/is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to listing on [*specify relevant listing venue (i.e. listing on an official list (for example, the Official List of the UK Listing Authority)*] with effect from [ ].]
(b)	Admission to trading:	[Application [has been/will be] made by the Issuer (or on its behalf) to the Official List of the Irish Stock Exchange for the Notes to be admitted to trading on its [Regulated Market] with effect from [ ].] [Application [has been/will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated or unregulated market (for example the Bourse de Luxembourg or the London Stock Exchange's regulated market) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)*] with effect from [ ].] (*When documenting a fungible issue need to indicate that original Notes are already admitted to trading*.)
(c)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

	Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]: [*insert details*]] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. [[*Insert the legal name of the relevant CRA entity*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).

[As such [*insert the legal name of the relevant CRA entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]]

[[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended)[. [*Insert the legal name of the relevant non-EU CRA entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation].]

[[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). The ratings have been endorsed by [insert the legal name of the relevant EU-registered CRA entity] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU CRA entity*] is established in the European Union and registered under the CRA Regulation]. As such [*insert the legal name of the relevant EU CRA entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].] The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant EU CRA entity that applied for registration*] may be used in the EU by the relevant market participants.]

[[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**), but it [is]/[has applied to be] certified in accordance with the CRA Regulation[[[EITHER:] and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] [[OR:] although notification of the corresponding certification decision has not yet been provided by the European Securities and Markets Authority and [*insert the legal name of the relevant non-EU CRA entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

[[*Insert the legal name of the relevant CRA entity*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority [and [*insert the legal name of the relevant CRA entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation].]

[[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU CRA entity that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU CRA entity*][, although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority and [*insert the legal name of the relevant EU CRA entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].] The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant EU CRA entity that applied for registration*] may be used in the EU by the relevant market participants.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

(*N.B. When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.*)

4. YIELD (Fixed Rate Notes only)

Indication of yield:	[ ]
	The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR/*replicate other as specified in the Conditions*] rates can be obtained from [Reuters].

6. OPERATIONAL INFORMATION

(a)	ISIN:	[ ]
(b)	Common Code:	[ ]
(c)	Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(d)	Delivery:	Delivery [against/free of] payment
(e)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(f)	[Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB

being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

(a)	Method of distribution:	[Syndicated/Non-syndicated]
(b)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(c)	Date of [Subscription] Agreement:	[ ]
(d)	Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
(e)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(f)	U.S. Selling Restrictions:	Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by CaixaBank, S.A. (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note; and

(c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 13 June 2016 and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/71/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 13 June 2016 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange the applicable Final Terms will be published on the website of the Irish Stock Exchange (*www.ise.ie*). The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions:

euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended; and

Calculation Amount has the meaning given in the applicable Final Terms.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Fixed Reset Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may also be a Senior Note or a Subordinated Note and, in the case of a Subordinated Note, a Senior Subordinated Note or a Tier 2 Subordinated Note, all as indicated in the applicable Final Terms.

Definitive Notes are issued with Coupons attached unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes and shall not be required to obtain any proof thereof or as to the identity of such bearer but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal

amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. STATUS OF THE SENIOR NOTES AND SUBORDINATED NOTES

The applicable Final Terms will indicate whether the Notes are Senior Notes or Subordinated Notes and, in the case of Subordinated Notes, the applicable subordination provisions.

2.1 Status of the Senior Notes

The Senior Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer. Upon the insolvency (*concurso*) of the Issuer, Senior Notes will rank pari passu among themselves and with all other unsecured and unsubordinated obligations of the Issuer (except for obligations which by law and/or their terms, and to the extent permitted by Spanish law, rank senior) unless they qualify as subordinated claims pursuant to article 92 of the Insolvency Law, and subject to any applicable legal and statutory exceptions and subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise).

In the event of insolvency (concurso) of the Issuer, under the Insolvency Law (as defined above), claims relating to Senior Notes (which are not subordinated pursuant to article 92 of the Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Insolvency Law. Ordinary credits rank below credits against the insolvency state (créditos contra la masa) and credits with a privilege (créditos privilegiados) (including, without limitation, any deposits for the purposes of Additional Provision 14.1º of Law 11/2015 (as defined below)) which shall be paid in full before ordinary credits. The claims of all creditors against the Issuer considered as "ordinary credits" will be satisfied pro rata in insolvency. Ordinary credits rank above subordinated credits and the rights of shareholders.

Pursuant to article 59 of the Insolvency Law, interest shall cease to accrue from the date of declaration of the insolvency of any Issuer. Claims of Senior Noteholders in respect of interest accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the provisions of article 92 of the Insolvency Law (including without limitation, after claims on account of principal in respect of contractually subordinated obligations of the Issuer).

2.2 Status of the Subordinated Notes

The payment obligations of the Issuer under the Subordinated Notes whether on account of principal, interest or otherwise, constitute direct, unconditional and subordinated obligations of the Issuer. In accordance with Article 92 of the Insolvency Law and Additional Provision 14.2º of Law

11/2015 (but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise)), upon the insolvency of the Issuer the payment obligations of the Issuer under the Subordinated Notes in respect of principal (unless they qualify as subordinated claims pursuant to Articles 92.4º to 92.7º of the Insolvency Law), will rank:

(a) in the case of Senior Subordinated Notes:

(i) **senior** to (i) any claims for principal in respect of contractually subordinated obligations of the Issuer qualifying as Additional Tier 1 Instruments or Tier 2 Instruments; (ii) any subordinated obligations of the Issuer under Articles 92.3º to 92.7º of the Insolvency Law; and (iii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank junior to the Issuer's obligations under the Senior Subordinated Notes;

(ii) ***pari passu*** among themselves and with (i) all other claims for principal in respect of contractually subordinated obligations of the Issuer not qualifying as Additional Tier 1 instruments or Tier 2 Instruments of the Issuer and which are not subordinated obligations under Articles 92.4º to 92.7º of the Insolvency Law; and (ii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* to the Issuer's obligations under the Senior Subordinated Notes; and

(iii) **junior** to (i) any unsubordinated obligations of the Issuer; (ii) any subordinated obligations of the Issuer under Article 92.1 of the Insolvency Law; and (iii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank senior to the Issuer's obligations under the Senior Subordinated Notes.

(b) in the case of Tier 2 Subordinated Notes, for so long as the obligations of the Issuer in respect of the Tier 2 Subordinated Notes constitute a Tier 2 Instrument of the Issuer:

(i) **senior to** (i) any claims for principal in respect of contractually subordinated obligations of the Issuer qualifying as Additional Tier 1 instruments; (ii) any subordinated obligations of the Issuer under Articles 92.3º to 92.7º of the Insolvency Law, and (iii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank junior to the Issuer's obligations under the Tier 2 Subordinated Notes;

(ii) ***pari passu*** among themselves and with (i) any other claims for principal in respect of contractually subordinated obligations of the Issuer qualifying as Tier 2 Instruments and which are not subordinated obligations under Articles 92.4º to 92.7º of the Insolvency Law, and (ii) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Issuer's obligations under the Tier 2 Subordinated Notes; and

(iii) **junior** to (i) any unsubordinated obligations of the Issuer; (ii) any subordinated obligations of the Issuer under Article 92.1 of the Insolvency Law; (iii) any claim for principal in respect of other contractually subordinated obligations of the Issuer not qualifying as Additional Tier 1 instruments or Tier 2 Instruments (such as the Senior Subordinated Notes, if and as applicable) and which are not subordinated obligations under Articles 92.4º to 92.7º of the Insolvency Law; and (iv) any other subordinated obligations which by law and/or by their terms, and to the extent permitted by Spanish law, rank senior to the Issuer's obligations under the Tier 2 Subordinated Notes.

To the extent the obligations of the Issuer in respect of the Tier 2 Subordinated Notes cease to constitute a Tier 2 Instrument of the Issuer, the payment obligations of the Issuer under the Tier 2 Subordinated Notes will rank as if the Tier 2 Subordinated Notes were Senior Subordinated Notes.

In the Conditions:

Applicable Banking Regulations means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then applicable to the Issuer and/or the Group including, without limitation to the generality of the foregoing, CRD IV, the RRD and those regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then in effect of the Regulator, in each case to the extent then in effect in Spain (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group).

Additional Tier 1 Capital means Additional Tier 1 capital (*capital de nivel 1 adicional*) as provided under Applicable Banking Regulations.

Additional Tier 1 Instrument means any contractually subordinated obligation of the Issuer constituting an Additional Tier 1 instrument (*instrumento de capital de nivel 1 adicional*) in accordance with Applicable Banking Regulations.

CRD IV means any or any combination of the CRD IV Directive, the CRR, and any CRD IV Implementing Measures.

CRD IV Directive means Directive 2013/36/EU of the European Parliament and of the Council of 26th June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC or such other directive as may come into effect in place thereof.

CRD IV Implementing Measures means any regulatory capital rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Regulator, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a stand-alone basis) or the Group (on a consolidated basis) and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a stand-alone or consolidated basis) including, without limitation, Law 10/2014, as amended from time to time, RD 84/2015, as amended from time to time, and any other regulation, circular or guidelines implementing CRD IV.

CRR means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26th June 2013 on the prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 or such other regulation as may come into effect in place thereof.

Insolvency Law means Law 22/2003 of 9 July, 2003 (*Ley Concursal*), as amended.

Law 10/2014 means Law 10/2014, of 26 June on the organisation, supervision and solvency of credit institutions (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*).

Law 11/2015 means Law 11/2015 of 18 June on the Recovery and Resolution of Credit Institutions and Investment Firms (*Ley de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*).

RD 1012/2015 means Royal Decree 1012/2015 of 6 November 2015, implementing Law 11/2015, as amended.

RD 84/2015 means Royal Decree 84/2015, of 13 February, implementing Law 10/2014, as amended.

Regulator means the *European Central Bank* or such other or successor authority exercising primary bank supervisory authority, or any other entity or institution carrying out such duties on its/their behalf (including the Bank of Spain), in each case with respect to prudential matters in relation to the Issuer and/or the Group.

RRD means Directive 2014/59/EU of 15 May 2014 establishing the framework for the recovery and resolution of credit institutions and investment firms or such other directive as may come into effect in place thereof, as implemented into Spanish law by Law 11/2015 and RD 1012/2015, as amended or replaced from time to time and including any other relevant implementing regulatory provisions.

Tier 2 Capital means Tier 2 capital (*capital de nivel 2*) as provided under the Applicable Banking Regulations.

Tier 2 Instrument means any contractually subordinated obligation of the Issuer constituting a Tier 2 instrument (*instrumentos de capital de nivel 2*) in accordance with the Applicable Banking Regulations.

In the event of insolvency (concurso) of the Issuer under the Insolvency Law, or in the case of any voluntary or mandatory Issuer liquidation procedure, claims by Subordinated Noteholders against the Issuer will fall within the category of subordinated credits (as defined in the Insolvency Law) and will rank as indicated above.

As indicated above, claims of Subordinated Noteholders in respect of interest accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims of the Issuer ranking in accordance with the provisions of article 92 of the Insolvency Law. Under Spanish Law, accrual of interest on the Subordinated Notes shall be suspended from the date of the declaration of insolvency of the Issuer.

The obligations of the Issuer under the Subordinated Notes are also subject to the exercise of any power pursuant to Law 11/2015, RD 1012/2015 or other applicable laws relating to recovery and resolution of credit institutions and investment firms in Spain.

3. NEGATIVE PLEDGE

3.1 Negative Pledge for the Senior Notes

This Condition 3.1 applies to the Senior Notes only. So long as any Senior Note remains outstanding (as defined in the Agency Agreement), the Issuer will:

(a) not grant any preference or priority or create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertakings, assets, property or revenues (including uncalled capital), present or future, to secure (i) payment of any Relevant Indebtedness or (ii) payment under any Guarantee granted by the Issuer in respect of any Relevant Indebtedness;

(b) procure that no Relevant Subsidiary of the Issuer will grant any preference or priority or create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertakings, assets, property or revenues (including uncalled capital), present or future, to secure (i) payment of any Relevant

Indebtedness or (ii) payment under any Guarantee granted by the Relevant Subsidiary in respect of any Relevant Indebtedness;

(c) not give any Guarantee (except a Permitted Guarantee) of Relevant Indebtedness of any Person (other than a Relevant Subsidiary of the Issuer); and

(d) not permit any Person to give any Guarantee (except a Permitted Guarantee) of Relevant Indebtedness of the Issuer or any of its Relevant Subsidiaries,

without (in the case of paragraphs 3.1(a) and (b)) at the same time or prior thereto securing such Notes equally and rateably therewith or providing such other security for such Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) at a meeting of Noteholders of the relevant Series of Notes.

3.2 Definitions

In these Conditions:

Banking Business means, in relation to any entity:

(a) banking business as ordinarily carried on or permitted to be carried on at the relevant time by banking institutions in the country in which such entity is incorporated or carries on business; or

(b) the seeking or obtaining from members of the public of moneys by way of deposit; or

(c) any other part of the business of such entity which an expert (which expression shall for this purpose include any officer of the Issuer) nominated in good faith for such purpose by the Issuer or such entity shall certify to the Agent to be part of, or permitted to be part of, such entity's banking business.

Group means the Issuer and its Subsidiaries.

Guarantee means any obligation of any Person to pay any Relevant Indebtedness of another Person including (without limitation):

(a) any obligation to purchase such Relevant Indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Relevant Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Relevant Indebtedness; and

(d) any other agreement to be responsible for such Relevant Indebtedness.

Permitted Guarantee means any guarantee arising by operation of law or in the ordinary course of Banking Business.

Permitted Security Interest means:

(a) a Security Interest arising by operation of law or in the ordinary course of Banking Business; or

(b) a Security Interest created or arising in respect of the Issuer's obligations to *Banco de España*, any other Central Bank of a member state of the European Union, the European Central Bank or any successor to such entities for the time being carrying on the function of a central bank in Spain or within the European Union;

For the avoidance of doubt, any issue of *cédulas hipotecarias, bonos hipotecarios, participaciones hipotecarias, certificados de transmisión de hipoteca, cédulas territoriales, cédulas de internacionalización* or *bonos de internacionalización* and any other asset backed financial instrument shall be deemed issued in the ordinary course of Banking Business.

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

Relevant Indebtedness means any obligation (whether present or future, actual or contingent) in the form of or represented by any bonds, notes, debentures, loan stock, or other securities which are or are capable of being admitted to listing by any listing authority, quoted, listed or ordinarily dealt in or on any stock exchange, over the counter market or other securities market (for which purpose any such bonds, notes, debentures, loan stock or other securities shall be deemed not to be capable of being so admitted, quoted, listed or ordinarily dealt in if the terms of the issue thereof expressly so provide).

Relevant Subsidiary means, at any particular time, any Subsidiary of the Issuer:

(a) whose net assets represent not less than 10 per cent. of the net consolidated assets of the Group as calculated by reference to the then latest audited accounts (or consolidated accounts as the case may be) of such Subsidiary and the most recently published audited consolidated accounts of the Issuer; or

(b) whose gross revenues represent not less than 10 per cent. of the gross consolidated revenues of the Group, all as calculated by reference to the then latest audited accounts (or consolidated accounts as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer.

For the purposes of this definition:

(i) if there shall not at any time be any relevant audited consolidated accounts of the Issuer, references thereto herein shall be deemed to be references to a consolidation (which need not be audited) by the Issuer of the relevant audited accounts of the Issuer and its Subsidiaries;

(ii) if, in the case of a Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, its consolidated net assets and consolidated gross revenues shall be determined on the basis of pro forma consolidated accounts (which need not be audited) of the relevant Subsidiary and its Subsidiaries prepared for this purpose by the Issuer;

(iii) if (A) any Subsidiary shall not in respect of any relevant financial period for whatever reason produce audited accounts or (B) any Subsidiary shall not have produced at the relevant time for the calculations required pursuant to this definition audited accounts for the same period as the period to which the latest audited consolidated accounts of the Issuer relate, then there shall be substituted for the purposes of this definition the management accounts of such Subsidiary for such period;

(iv) *where any Subsidiary is not wholly owned by the Issuer there shall be excluded from all calculations all amounts attributable to minority interests;*

(v) *in calculating any amount all amounts owing by or to the Issuer and any Subsidiary to or by the Issuer and any Subsidiary shall be excluded; and*

(vi) *in the event that accounts of any companies being compared are prepared on the basis of different generally accepted accounting principles, there shall be made such adjustments to any relevant financial items as are necessary to achieve a true and fair comparison of such financial items.*

Security Interest means any mortgage, charge, pledge, lien or other form of encumbrance or security interest arising.

Subsidiary means, in relation to an entity, any entity controlled by that first person entity where control is determined in accordance with section 3 of the Third Regulation of Circular 4/2004 of the Bank of Spain as amended by Circular 5/2013 of 30 October of the Bank of Spain (*Norma Tercera apartado tercero de la Circular 4/2004 de Banco de España*), whether any such entity is a financial institution or not.

For the purposes of these Conditions, any reference to an obligation being guaranteed shall include a reference to an indemnity being given in respect of the obligation.

4. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Fixed Reset Notes, Floating Rate Notes or Zero Coupon Notes.

4.1 Interest on Fixed Rate Notes

This Condition 4.1 applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(b) if "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the actual number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date divided by 365 (or, if any portion of that period falls in a leap year, the sum of (A) the actual number of days in that portion of the period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the period falling in a non-leap year divided by 365);

(c) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

(d) if "30/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the interest period is the 31st day of a month but the first day of the interest period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day a month, or (b) the last day of the interest period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(e) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on Fixed Reset Notes

(a) Rates of Interest and Interest Payment Dates

Each Fixed Reset Note bears interest:

(i) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date at the rate per annum equal to the Initial Interest Rate;

(ii) from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if none, the Maturity Date (the **First Reset Period**) at the rate per annum equal to the First Reset Rate; and

(iii) if applicable, from (and including) the Second Reset Date to (but excluding) the first Subsequent Reset Date (if any), and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) (each a **Subsequent Reset Period**) at the rate per annum equal to the relevant Subsequent Reset Rate,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) (each a **Rate of Interest**) payable, in each case, in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

The provisions of this Condition 4.2 shall apply, as applicable, in respect of any determination by the Principal Paying Agent of the Rate of Interest for a Reset Period in accordance with this Condition

4.2 as if the Fixed Reset Notes were Floating Rate Notes. The Rate of Interest for each Reset Period shall otherwise be determined by the Principal Paying Agent on the relevant Reset Determination Date in accordance with the provisions of this Condition 4.2. Once the Rate of Interest is determined for a Reset Period, the provisions of Condition 4.1 (*Interest – Interest on Fixed Rate Notes*) shall apply to Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

In these Conditions:

First Reset Rate means the sum of the Reset Margin and the Mid-Swap Rate for the First Reset Period;

Mid-Swap Rate means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the rate for the Reset Date of, in the case of semi-annual or annual Interest Payment Dates, the semi-annual or annual swap rate, respectively (with such semi-annual swap rate to be converted to a quarterly rate in accordance with market convention, in the case of quarterly Interest Payment Dates) for swap transactions in the Specified Currency maturing on the last day of such Reset Period, expressed as a percentage, which appears on the Relevant Screen Page as of approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date. If such rate does not appear on the Relevant Screen Page, the Mid-Swap Rate for the Reset Date will be the Reset Reference Bank Rate for the Reset Period;

Reference Banks means five leading swap dealers in the interbank market for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period as selected by the Bank;

Relevant Screen Page means the display page on the relevant service as specified in the applicable Final Terms or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Principal Paying Agent, for the purpose of displaying the relevant swap rates for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period;

Representative Amount means an amount that is representative for a single transaction in the relevant market at the relevant time;

Reset Date means the First Reset Date, the Second Reset Date and each Subsequent Reset Date, as applicable;

Reset Determination Date means the second Business Day immediately preceding the relevant Reset Date;

Reset Period means the First Reset Period or any Subsequent Reset Period, as the case may be;

Reset Period Mid-Swap Rate Quotations means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on the day count basis customary for fixed rate payments in the Specified Currency), of a fixed-for-floating interest rate swap transaction in the Specified Currency with a term equal to the Reset Period commencing on the Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg (in each case calculated on the day count basis customary for floating rate payments in the Specified Currency), is equivalent to the Rate of Interest that would apply in respect of the Notes if (a) Screen Rate Determination was specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (b) the Reference Rate was the Floating Leg Reference Rate and (c) the Relevant Screen Page was the Floating Leg Screen Page; and

Reset Reference Bank Rate means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the percentage determined on the basis of the Reset Period Mid-Swap Rate quotations provided by the Reference Banks at approximately 11.00 in the principal financial centre of the Specified Currency on the Reset Determination Date. The Principal Paying Agent will request the principal office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for the Reset Date will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, it will be the arithmetic mean of the quotations provided. If only one quotation is provided, it will be the quotation provided. If no quotations are provided, the Mid-Swap Rate will be the Mid-Swap Rate for the immediately preceding Reset Period or, if none, the Initial Mid-Swap Rate.

(b) Notification of First Reset Rate of Interest, Subsequent Reset Rate of Interest and Interest Amount

The Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date falling in such Reset Period to be notified to the Issuer, the other Paying Agents and any stock exchange or other relevant authority on which the relevant Reset Notes are for the time being listed or by which they have been admitted to listing and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day (where a **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London) thereafter.

(c) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 by the Agent shall (in the absence of negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Interest on Floating Rate Notes

(a) Interest Payment Dates

This Condition 4.3 applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4.3 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 4.3(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such other replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.3:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*).

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.3 by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.4 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations

thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*) any law implementing an intergovernmental approach thereto.

5.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 (*Payments – Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below) and save as provided in Condition 5.4 (*Payments – General provisions applicable to payments*)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose original nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the original nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

5.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent

to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

5.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8 (*Prescription*)) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(i) in the case of Notes in definitive form only, the relevant place of presentation;

(ii) each Additional Financial Centre specified in the applicable Final Terms; and

(b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

5.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.7 (*Redemption and Purchase – Early Redemption Amounts*)); and

(f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*).

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

Zero Coupon Notes will not have a maturity of more than 12 months.

Senior Subordinated Notes will have an original maturity of at least one year from their date of effective disbursement or such minimum or maximum maturity as may be permitted or required from time to time by Applicable Banking Regulations,

Tier 2 Subordinated Notes will have an original maturity of at least five years from their date of effective disbursement or such minimum or maximum maturity as may be permitted or required from time to time by Applicable Banking Regulations.

6.2 Redemption for tax reasons

Subject to Condition 6.7 (*Redemption and Purchase – Early Redemption Amounts*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, subject in the case of Subordinated Notes which shall only be redeemed at any time if so permitted by Applicable Banking Regulations then in force, and subject to the previous consent of the Regulator, (if such permission is required),

(a) at any time (if this Note is not a Floating Rate Note); or

(b) on any Interest Payment Date (if this Note is a Floating Rate Note),

on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable), if:

(i) (A) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) in each case as a result of any change in, or amendment to, the laws or regulations of Spain (as defined in Condition 7 (*Taxation*)) or (B) in the case of Subordinated Notes only, the Issuer would not be entitled to claim a deduction in computing taxation liabilities in any Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) in respect of any payment of interest to be made on the Notes on the occasion of the next payment date due under the Notes or the value of such deduction to the Issuer would be materially reduced, in each case as a result of any change in, or amendment to, the laws or regulations of any Tax Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant Tranche of the Notes; and

(ii) in the case of (i)(A) above, such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall (i) deliver to the Agent to make available at its specified office to the Noteholders a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) use its best efforts to deliver to the Agent to make available at its specified office to the Noteholders an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and, in the case of Subordinated Notes, a copy of the Regulator's consent to redemption, if required.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.7 (*Redemption and Purchase – Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3 Redemption at the option of the Issuer (Issuer Call)

This Condition 6.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an **Issuer Call**. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, subject in the case of Subordinated Notes which shall not be redeemed unless in compliance with the Applicable Banking Regulations then in force and subject to the prior consent of the Regulator, if required, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem

all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption.

6.4 Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes

If the Notes are Tier 2 Subordinated Notes and Capital Event is specified as applicable in the applicable Final Terms, a Capital Event occurs as a result of a change (or any pending change which the Regulator considers sufficiently certain) in Spanish law, Applicable Banking Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date (including as a result of the implementation or applicability in Spain on or after the Issue Date of CRD IV), the Tier 2 Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, subject to such redemption being permitted by the Applicable Banking Regulations then in force, and subject to the prior consent of the Regulator if required pursuant to such regulations, at any time, on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption).

Tier 2 Subordinated Notes redeemed pursuant to this Condition 6.4 will be redeemed at their Early Redemption Amount referred to in Condition 6.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption).

In the Conditions, **Capital Event** means the determination by the Issuer after consultation with the Regulator that all or part of the outstanding nominal amount of the Tier 2 Subordinated Notes is not eligible for inclusion in the Tier 2 Capital of the Issuer and/or Group (but, in the case of partial ineligibility, only if early redemption of the Tier 2 Subordinated Notes in such circumstances is permitted under then Applicable Banking Regulations) pursuant to then Applicable Banking Regulations (other than as a result of any applicable limitation on the amount of such capital as applicable to the Issuer).

6.5 Redemption at the option of the Issuer (Eligible Liabilities Event): Senior Subordinated Notes

If the Notes are Senior Subordinated Notes and Eligible Liabilities Event is specified as applicable in the applicable Final Terms, then upon the occurrence of an Eligible Liabilities Event as a result of a change (or any pending change which the Regulator considers sufficiently certain) in Spanish law or Applicable Banking Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date, the Senior Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, subject to such redemption being permitted by the Applicable Banking Regulations then in force, and subject to the prior consent of the Regulator if required pursuant to such regulations, at any time, on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption).

Senior Subordinated Notes redeemed pursuant to this Condition 6.5 will be redeemed at their Early Redemption Amount referred to in Condition 6.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In the Conditions, **Eligible Liabilities Event** means the determination by the Issuer after consultation with the Regulator that the Senior Subordinated Notes are not eligible for inclusion in the amount of eligible liabilities of the Issuer or the Group for the purposes of Article 45 of the RRD (as implemented in Spain and including any amendment or replacement of the relevant implementing provisions) or Applicable Banking Regulations or any other regulations applicable in Spain from time to time, provided that an Eligible Liabilities Event shall not occur where such ineligibility for inclusion of the Senior Subordinated Notes in the amount of eligible liabilities is due to the remaining maturity (or effective remaining maturity where the Senior Subordinated Notes are subject to an Investor Put) of the Senior Subordinated Notes being less than any period prescribed by any applicable eligibility criteria under Applicable Banking Regulations (or any other regulations applicable in Spain from time to time) effective on the Issue Date.

6.6 Redemption at the option of the Noteholders (Investor Put)

This Condition 6.6 applies to Senior Notes and Senior Subordinated Notes, if allowed under the Applicable Banking Regulations, which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an **Investor Put**. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 6.6 for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. No such redemption option will be applicable to any Subordinated Notes, unless as permitted under Applicable Banking Regulations.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.6 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw

the notice given pursuant to this Condition 6.6 and instead to declare such Note forthwith due and payable pursuant to Condition 9 (*Events of Default*).

6.7 Early Redemption Amounts

For the purpose of Conditions 6.2 (*Redemption and Purchase – Redemption for tax reasons*) and 6.4 (*Redemption and Purchase – Redemption at the option of the Issuer (Capital Event)*) above and Condition 9 (*Events of Default*):

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Note will be redeemed at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^{y}$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

6.8 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Senior Notes or Subordinated Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Senior or Subordinated Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

Any purchases under this Condition 6.8 will be made in compliance with the Applicable Banking Regulations in force at the time of such a purchase and subject to the prior consent of the Regulator, if required.

6.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled

and any Notes purchased and cancelled pursuant to Condition 6.8 (*Redemption and Purchase – Purchases*) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

6.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1 (*Redemption and Purchase – Redemption at maturity*), 6.2 (*Redemption and Purchase – Redemption for tax reasons*), 6.3 (*Redemption and Purchase – Redemption at the option of the Issuer (Issuer Call)*), 6.4 (*Redemption and Purchase – Redemption at the option of the Issuer (Capital Event): Tier 2 Subordinated Notes)* or 6.5 (*Redemption and Purchase – Redemption at the option of the Issuer (Eligible Liabilities Event): Senior Subordinated Notes*) above or upon its becoming due and repayable as provided in Condition 9 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.7(b) (*Redemption and Purchase – Early Redemption Amounts*) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

7. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

(a) presented for payment in Spain; or

(b) to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.5 (*Payments – Payment Day*)); or

(d) to, or to a third party on behalf of, a Spanish-resident legal entity subject to Spanish Corporation Income Tax if the Spanish Tax Authorities determine that the Notes do not comply with applicable exemption requirements including those specified in the Reply to a Non-Binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or

(e) to, or to a third party on behalf of, a holder in respect of whom the Issuer does not receive such information concerning such Noteholder's identity and tax residence as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1065/2007 eventually made by the Spanish Tax Authorities.

As used herein:

(i) **Tax Jurisdiction** means Spain or any political subdivision or any authority thereof or therein having power to tax; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 (*Notices*).

See "*Taxation – Spain – Simplified information procedures" for a fuller description of certain tax considerations relating to the Notes, the formalities which must be followed in order to claim exemption from withholding tax and for a description of certain disclosure requirements imposed on the Issuer*.

8. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 (*Payments – Presentation of definitive Notes and Coupons*) or any Talon which would be void pursuant to Condition 5.2.

9. EVENTS OF DEFAULT

9.1 Events of Default relating to Senior Notes

This Condition 9.1 only applies to Senior Notes. If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

(a) ***Non-payment***: the Issuer fails to pay any amount of principal in respect of the Notes within 14 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 21 days of the due date for payment thereof; or

(b) ***Breach of other obligations***: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or, as the case may be, the Agency Agreement, as the case may be, the Deed of Covenant and such default remains unremedied for 30 days or after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer; or

(c) ***Cross-default of Issuer or Relevant Subsidiary***:

(i) any Indebtedness for Borrowed Money of the Issuer or any of its Relevant Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; or

(ii) any such Indebtedness for Borrowed Money becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the Relevant Subsidiaries or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness for Borrowed Money,

provided that the amount of Indebtedness for Borrowed Money referred to in sub-paragraph (i) and/or sub-paragraph (ii) above individually or in the aggregate exceeds EUR 50,000,000 (or its equivalent in any other currency or currencies);

(d) ***Unsatisfied judgment***: one or more final judgment(s) or order(s) for the payment of any amount which individually or in the aggregate exceeds EUR 50,000,000) or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Relevant Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) ***Security enforced***: any Security Interest created or assumed by the Issuer or any of its Relevant Subsidiaries becomes enforceable and any steps are taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person) provided that the Indebtedness for Borrowed Money to which such Security Interest relates either individually or in aggregate exceeds EUR 50,000,000 (or its equivalent in any other currency or currencies); or

(f) ***Winding up***: any order is made by any competent court or any resolution passed for the winding up or dissolution of the Issuer (or any of its Relevant Subsidiaries) (except in any such case for the purpose of a Permitted Reorganisation); or

(g) ***Cessation of business***: the Issuer (or any of its Relevant Subsidiaries) ceases or threatens to cease to carry on the whole or a substantial part of its business (except in any such case for the purpose of a Permitted Reorganisation) or the Issuer (or any of its Relevant Subsidiaries) stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class thereof) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(h) ***Insolvency proceedings***: (i)(A) in respect of the Issuer, an order is made by any competent court commencing insolvency proceedings (*procedimientos concursales*) against it or an order is made or a resolution is passed for the dissolution or winding up of the Issuer, and in respect of any of the Issuer's Relevant Subsidiaries, proceedings are initiated against any such Relevant Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (except in any such case for the purpose of a Permitted Reorganisation); or (B) an application made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer (or any of its Relevant Subsidiaries) or in relation to the whole or any substantial part of the undertaking or assets of any of them; or (C) an encumbrance takes possession of the whole or any substantial part of the undertaking or assets of the Issuer (or any of its Relevant Subsidiaries); or (D) a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any substantial part of the undertaking or assets of the Issuer (or any of its Relevant Subsidiaries); and (ii) in any case is or are not discharged within 30 days; or

(i) ***Arrangements with creditors***: the Issuer (or any of its Relevant Subsidiaries) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or

assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors); or

(j) ***Failure to take action etc.***: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes and the Deed of Covenant, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of Spain or England is not taken, fulfilled or done; or

(k) ***Unlawfulness***: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Deed of Covenant,

then any Noteholder of the relevant Series in respect of such Notes may, by written notice to the Issuer, declare that such Notes or Note (as the case may be) and all interest then accrued but unpaid on such Notes or Note (as the case may be) shall be forthwith due and payable, whereupon the relevant Notes shall, when permitted by applicable Spanish law, become immediately due and payable at their outstanding nominal amount, together with all accrued interest thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary.

For the purpose of this Condition 9:

Indebtedness for Borrowed Money means any money borrowed, liabilities in respect of any acceptance credit, note or bill discounting facility, liabilities under any bonds, notes, debentures, loan stocks, securities or other indebtedness by way of loan capital.

Permitted Reorganisation means:

(a) with respect to the Issuer, a reconstruction, merger or amalgamation (i) which has been approved by an Extraordinary Resolution at a meeting of Noteholders; or (ii) where the entity resulting from any such reconstruction, merger or amalgamation is (A) a financial institution (*entidad de crédito*) under article 1 of Law 10/2014, as amended and restated and (B) has a rating for long-term senior debt assigned by Standard & Poor's Rating Services, Moody's Investor Services or Fitch Ratings Ltd equivalent to or higher than the rating for long-term senior debt of the Issuer immediately prior to such reconstruction, merger or amalgamation); and

(b) with respect to a Relevant Subsidiary, a reconstruction, merger or amalgamation (i) which has been approved by an Extraordinary Resolution at a meeting of Noteholders; or (ii) is on a solvent basis.

When related to a Relevant Subsidiary, an Event of Default shall only be considered as such when the creditworthiness of the Issuer is materially weaker immediately after the occurrence of such event, where: **materially weaker** shall mean that two of the four Rating Agencies modify at least by three lower notches the rating previously applied to the Issuer; and **Rating Agencies** shall mean Standard & Poor's Rating Services, Moody's Investor Services, Fitch Ratings Ltd and DBRS Ratings Ltd.

9.2 Events of Default relating to Subordinated Notes

This Condition 9.2 only applies to Subordinated Notes and references to "Notes" shall be construed accordingly.

If any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer (except in any such case for the purpose of a Permitted Reorganisation (as defined in Condition 9.1 (*Events of Default – Events of Default relating to Senior Notes*) above)) (an **Event of Default**) then any Noteholder of the relevant Series in respect of such Notes may, by written notice to the Issuer, declare that such Notes or Note (as the case may be) and all interest then accrued but unpaid on such Notes or Note (as the case may be) shall be forthwith due and payable, whereupon the relevant Notes shall, when permitted by applicable Spanish law, become immediately due and payable at their outstanding nominal amount, together with all accrued interest thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary.

10. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(a) there will at all times be an Agent;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4 (*Payments – General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified

office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13. NOTICES

Notice to Noteholders:

All notices regarding the Notes will be deemed to be validly given if published (a) if the rules of the exchange on which the Notes are listed so require, in a leading English language daily newspaper of general circulation in London (which is expected to be the *Financial Times*), or (b) if and for so long as the Notes are admitted to trading on, and listed on the Official List of the Irish Stock Exchange, on the Irish Stock Exchange's website, www.ise.ie. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. MEETINGS OF NOTEHOLDERS AND MODIFICATION

14.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the nominal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes any matter defined in the Agency Agreement as a Basic Terms Modification, including the modification of certain of these Conditions (including the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the nominal amount or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the nominal amount of the Notes

for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

14.2 Modification

The Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

(a) any modification of, the Notes, the Coupons or any of the provisions of the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law, or

(b) any modification (except a Basic Terms Modification (being a matter in respect of which an increased quorum is required as mentioned above)) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders.

Any modification shall be binding on the Noteholders and the Couponholders and, unless the Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13 (*Notices*).

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. SUBSTITUTION OF THE ISSUER

(a) The Issuer (or any previous substitute under this Condition) may, with respect to any Series of Notes issued by it (the **Relevant Notes**), without the further consent of the Noteholders but, in the case of Subordinated Notes, subject to the prior consent of the Regulator, if required, be replaced and substituted by any of its wholly owned Subsidiaries as the principal debtor in respect of the Notes, Coupons, Talons and the Deed of Covenant (the **Substituted Debtor**), provided that*:*

(i) the Issuer is not in default in respect of any amount payable under any of the Relevant Notes;

(ii) the Issuer (or any previous substitute under this Condition) and the Substituted Debtor have entered into a deed poll and such other documents (the **Documents**) as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Noteholder of the Relevant Notes to be bound by these Conditions and the provisions of the Agency Agreement and the Deed of Covenant as the debtor in respect of such Notes in place of the Issuer (or of any previous substitute under this Condition 16) and pursuant to which the Issuer shall unconditionally and irrevocably guarantee (the **New Guarantee**) in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as

such principal debtor with the Issuer's obligations under the New Guarantee ranking *pari passu* with the Issuer's obligations under the Notes prior to the substitution becoming effective;

(iii) if the Substituted Debtor is resident for tax purposes in a territory (the **New Residence**) other than that in which the Issuer prior to such substitution was resident for tax purposes (the **Former Residence**) the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Noteholder of the Relevant Notes has the benefit of an undertaking in terms corresponding to the provisions of Condition 7 (*Taxation*), with, where applicable, the substitution of references to the Former Residence with references to the New Residence. The Documents also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder against all taxes or duties which arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, any and all taxes or duties which are imposed on any such Noteholder by any political sub-division or taxing authority of any country in which such Noteholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);

(iv) the Documents contain a warranty and representation by the Substituted Debtor and the Issuer that the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the giving by the Issuer of the New Guarantee in respect of the obligations of the Substituted Debtor and for the performance by each of the Substituted Debtor and the Issuer of their respective obligations under the Documents and that all such approvals and consents are in full force and effect;

(v) each stock exchange on which the Relevant Notes are listed has confirmed that, following the proposed substitution of the Substituted Debtor, the Relevant Notes will continue to be listed on such stock exchange (of the Issuer or the Substituted Debtor is otherwise satisfied of the same);

(vi) legal opinions shall have been delivered to the Agent (from whom copies will be available) from lawyers of recognised standing in the country of incorporation of the Substituted Debtor and the country which laws governs this Programme, confirming, as appropriate, that upon the substitution taking place the Notes, Coupons and Talons are legal, valid and binding obligations of the Substituted Debtor enforceable in accordance with their terms;

(vii) legal opinion shall have been delivered to the Agent (from whom copies will be available) from lawyers of recognised standing in the country of jurisdiction of the Documents that upon the substitution taking place the Documents (including the New Guarantee given by the Issuer in respect of the Substituted Debtor) constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms;

(viii) legal opinion shall have been delivered to the Agent (from whom copies will be available) from lawyers of recognised standing in England that upon the substitution taking place the Documents (including the New Guarantee given by the Issuer in respect of the Substituted Debtor) constitute legal, valid and binding obligations of the parties thereto under English law;

(ix) any rating agency which has issued a rating in connection with the Relevant Notes shall have confirmed that following the proposed substitution of the Substituted Debtor, the credit rating of the Relevant Notes will remain the same or be improved;

(x) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Relevant Notes and any Coupons and the Documents; and

(xi) the substitution complies with all applicable requirements established under the applicable laws.

(b) Upon the execution of the Documents and the delivery of the legal opinions, the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer (or any previous substitute under this Condition) under the Relevant Notes and any related Coupons or Talons and the Agency Agreement and the Deed of Covenant with the same effect as if the Substituted Debtor had been named as the principal debtor in place of the Issuer herein, and the Issuer or any previous substitute under these provisions shall, upon the execution of the Documents be released from its obligations under the Relevant Notes and any related Coupons or Talons and under the Agency Agreement and the Deed of Covenant.

(c) After a substitution pursuant to Condition 16(a), the Substituted Debtor may, without the further consent of any Noteholder, effect a further substitution. All the provisions specified in Condition 16(a) and 16(b) shall apply, *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.

(d) After a substitution pursuant to Condition 16(a) or 16(c) any Substituted Debtor may, without the further consent of any Noteholder, reverse the substitution, *mutatis mutandis*.

(e) The Documents shall be delivered to, and kept by, the Agent for so long as any Note remains outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder in relations to the Notes or the Documents shall not have been finally adjudicated or settled or discharged. Copies of the Documents will be available free of charge at the specified office of each of the Agents.

(f) Not later than 15 Business Days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 13 (*Notices*).

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

The status of the Notes, the capacity of the Issuer and the relevant corporate resolutions will be governed by Spanish law. The Agency Agreement, the Deed of Covenant, the Notes (save as provided above), the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law. The Notes are issued in accordance with the formalities prescribed by Spanish company law.

18.2 Submission to jurisdiction

(a) Subject to Condition 18.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 18.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

18.3 Appointment of Process Agent

The Issuer appoints CaixaBank London at 8th floor, 63 St Mary Axe, EC3A 8AA, London as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of CaixaBank London being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for the general financing requirements of the CaixaBank Group of which it forms a part. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF THE ISSUER

History and development of the Issuer

CaixaBank, S.A. (**CaixaBank** or the **Issuer**) and its subsidiaries compose the CaixaBank Group (the **CaixaBank Group** or the **Group**). The Issuer has its registered office in the city of Barcelona, at Avenida Diagonal, 621, 08028 Barcelona (contact telephone number 0034 902 223 223 or 0034 93 404 6000), registration number 2100 in the register of the Bank of Spain (*Banco de España*). It is a Spanish company with legal status as a public limited company (*sociedad anónima*) and is governed by the Restated Spanish Companies Act (*Texto Refundido de la Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010, of 2nd July (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*). The Issuer is subject to special legislation applicable to lending institutions in general; the supervision, control and regulation of the ECB; and, as a listed company, the regulatory oversight of the Spanish Securities Market Commission (the **CNMV**).

The Issuer was incorporated for an indefinite period under the corporate name Grupo de Servicios, S.A. by virtue of a public deed granted on 12 December 1980. The Issuer changed its name to GDS-Grupo de Servicios, S.A. on 22 December 1983 and adapted its by-laws to the Royal Decree Legislative 1564/1989, of 22 December, approving the Spanish Companies Law (*Ley de Sociedades Anónimas*) in force at that time on 1 June 1992.

On 1 June, 2000, GDS-Grupo de Servicios, S.A. merged with CaixaHolding, S.A.U. and adopted its corporate name, formalised by virtue of a public deed granted on 11th July, 2000. In July 2000, Caixa d'Estalvis i Pensions de Barcelona, "la Caixa", (**"la Caixa"**) transferred the majority of its portfolio of companies in which it held a stake to the Issuer.

The Issuer subsequently changed its corporate name to Criteria CaixaCorp, S.A. (**Criteria**) on 2 August 2007 and in October 2007, the Issuer completed the process to have its securities admitted to trading on the Barcelona, Madrid, Valencia and Bilbao stock exchanges (the **Spanish stock exchanges**) further to a public offering.

Reorganisation of "la Caixa" Group in 2011

The enactment of Royal Decree-Law 11/2010, of 9 July 2010, on the governing bodies and other matters relating to the legal framework of savings banks (*Real Decreto-ley 11/2010, de 9 de julio, de órganos de gobierno y otros aspectos del régimen jurídico de las Cajas de Ahorros*) (**Royal Decree-Law 11/2010**), and the approval of the consolidated text of the Catalan Savings Banks Law pursuant to Royal Decree-Law 5/2010, of 3 August 2010 (*Decreto-ley 5/2010, de 3 de agosto, de modificación del texto refundido de la Ley de Cajas de Ahorros de Cataluña, aprobado por el Decreto Legislativo 1/2008, de 11 de marzo*) (**Royal Decree-Law 5/2010**), enabled Spanish savings banks (*cajas*) based in Catalonia to conduct their financial activities indirectly through a bank.

Under this legal framework, on 27 January, 2011, the boards of directors of "la Caixa", Criteria and MicroBank de "la Caixa", S.A. (**MicroBank**) entered into a framework agreement which set out the structure for the reorganisation of the "la Caixa" group. The structure was designed to enable "la Caixa" to indirectly carry out its financial activity while maintaining its social welfare activities. The restructuring plan was approved at the Ordinary General Assembly of "la Caixa" held on 28 April 2011, and at the ordinary general shareholders meeting of Criteria held on 12 May 2011.

Pursuant to the framework agreement, dated 27 June 2011, "la Caixa" assigned the assets and liabilities comprising its financial business to MicroBank and, by means of a swap, "la Caixa" transferred all post-segregation shares in MicroBank to Criteria. Further to the swap, Criteria became owner of 100% of the outstanding share capital of MicroBank. On 30 June 2011, Criteria and MicroBank merged, MicroBank

ceased to exist, and the Issuer adopted its current corporate name, CaixaBank, S.A. Also on this date, the Issuer was entered on the Bank of Spain's Registry of Banks and Bankers (*Registro Especial de Bancos y Banqueros*) and, on 1 July 2011, it was listed on the Spanish stock exchanges as a bank.

Reorganisation of "la Caixa" Group in 2014

In accordance with Law 26/2013, of 27 December (the **Savings Banks and Banking Foundations Act**), "la Caixa", as a savings bank that conducted its credit institution activities through an indirectly-owned subsidiary bank, was required to change its corporate form to a banking foundation prior to 29 December 2014. In order to comply with these new legal requirements, on 22 May 2014, a General Assembly of "la Caixa" resolved to transform "la Caixa" into a banking foundation. The public deed formalising this transformation was recorded in the Register of Foundations on 16 June 2014, completing the change of corporate form and thereby ending "la Caixa's" indirect conduct of its credit institution activities through CaixaBank.

The transformation of "la Caixa" into a banking foundation carried with it a dual-step reorganisation of the "la Caixa" group: firstly, the dissolution and liquidation of Fundación Caixa d'Estalvis i Pensions de Barcelona (**"la Caixa" Foundation**) by means of the transfer of 100% of the "la Caixa" Banking Foundation's assets and liabilities to Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona (**"la Caixa" Banking Foundation**), completed on 16 October 2014; and secondly, the segregation and transfer to Criteria Caixa, S.A.U. (**CriteriaCaixa**) (formerly known as Criteria CaixaHolding, S.A.U.) of any debt instruments issued by "la Caixa" and the shares held by "la Caixa" Banking Foundation in CaixaBank (58.91% of the total share capital of CaixaBank as at 14 October 2014), completed on 14 October 2014 with the registration of a public deed of spin-off (*segregación*) with the Commercial Registry of Barcelona.

As a result of this process of reorganisation, "la Caixa" Banking Foundation holds its ownership interest in CaixaBank through CriteriaCaixa and "la Caixa" Banking Foundation is no longer classified as a credit institution (or savings bank). "la Caixa" Banking Foundation (but not CriteriaCaixa) has been excluded from the scope of prudential consolidation by the SSM. However, under the Savings Banks and Banking Foundations Act, "la Caixa" Banking Foundation remains subject to supervision by the ECB and the Bank of Spain as a banking foundation due to its ownership interest in CaixaBank.

Strategic Plan

The CaixaBank Group has devised a new strategic vision for 2015 through to 2018. The Group will define the next courses of action within a likely scenario of gradual economic recovery, low interest rates, the start-up of the Banking Union and the continued advance of technology and innovation in relations with customers. The new strategic plan also addresses the challenge facing the financial system of recovering high levels of trust and reputation, which also represents an opportunity for CaixaBank.

The CaixaBank Group has defined five strategic lines for 2015-2018:

- Customer focus: being the best bank in both quality and reputation.
- Attaining recurring returns above the cost of capital.
- Managing capital actively.
- Leading the digitalisation of the banking industry.
- Having the best-prepared and most dynamic human team possible.

The CaixaBank Group is rolling out its 2015-2018 Strategic Plan under the title "Leading the way in trust and returns", with the aim of remaining a leading financial group in Spain with a truly global outlook and a group recognised for its social responsibility, quality of service, financial strength and capacity to innovate.

To bring the organisation in line with the strategic guidelines, CaixaBank is currently implementing various Group-wide projects and improvements to key processes, which will have a major impact on its ability to reach the targets set. In addition, both internal and external communication channels and mechanisms have been set up to improve transparency and raise awareness of the new plan.

Key events in 2012, 2013, 2014, 2015 and 2016

Merger with Banca Cívica

On 26 March 2012, the boards of directors of "la Caixa", CaixaBank, Caja de Ahorros y Monte de Piedad de Navarra (**Caja Navarra**), Caja General de Ahorros de Canarias (**Caja Canarias**), Caja de Ahorros Municipal de Burgos (**Caja de Burgos**), Monte de Piedad Caja de Ahorros San Fernando de Guadalajara, Huelva, Jerez y Sevilla (**Cajasol**, together with Caja Navarra, Caja Canarias and Caja de Burgos, the **Cajas**) and Banca Cívica, S.A. (**Banca Cívica**) entered into a merger agreement to establish the terms of the integration of Banca Cívica into CaixaBank.

At that date, Banca Cívica was the central company (*sociedad central*) of the Institutional Protection Scheme (*Sistema Institucional de Protección*, or "SIP") comprising the Cajas, and the entity through which the Cajas carried on their financial activity indirectly under Royal Decree-Law 11/2010. Prior to the integration of Banca Cívica into CaixaBank, the Cajas owned 55.316% of the share capital and voting rights of Banca Cívica.

On 18 April 2012, the boards of directors of the Issuer and Banca Cívica signed the merger plan, which was approved by their respective extraordinary general shareholders' meetings held on 26 June 2012. The merger was also approved at the ordinary general assembly of "la Caixa" held on 22 May 2012.

Further to completion of all applicable conditions precedent on 26 July 2012, the Issuer took control of Banca Cívica's assets and liabilities. On 3 August 2012, the public merger deed was registered at the Companies Register and the merger of Banca Cívica and CaixaBank was completed. From this date, Banca Cívica ceased to exist.

Pursuant to the merger, five CaixaBank shares were exchanged for eight Banca Cívica shares, the share capital of which at the date of approval of the merger consisted of 497,142,800 shares. CaixaBank completed the exchange of shares with a combination of 71,098,000 treasury shares and 233,000,000 newly issued shares, issued pursuant to a capital increase approved at the CaixaBank extraordinary general shareholders' meeting of 26 June 2012, registered with the Companies Register on 3 August 2012. The exchange did not take into account either the shares of Banca Cívica previously held by CaixaBank, or Banca Cívica's treasury shares which were cancelled.

Acquisition of Banco de Valencia

On 27 November 2012, the Issuer signed a share purchase agreement to acquire, for €1 per share, the shares of Banco de Valencia, S.A. (**Banco de Valencia**) held by the FROB. Having obtained the required administrative approvals and authorisations, and under the terms and conditions agreed with the FROB and official approval and authorisation by Spanish and EU authorities, on 28 February 2013, the Issuer confirmed the purchase of these shares (98.9% of the outstanding share capital of Banco de Valencia).

In accordance with the share purchase agreement, prior to the acquisition, Banco de Valencia's distressed assets were transferred to the *Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A.* (**Sareb**).

The acquisition was subject to a series of financial support measures structured through an asset protection scheme (*esquema de protección de activos*). Pursuant to this scheme, during a 10-year period the FROB will assume 72.5% of losses incurred in Banco de Valencia's small and medium sized entities (**SMEs**), self-employed professionals, and contingent risk portfolios (guarantees), following the application of any existing provisions recognised for these assets.

On 4 April 2013, the planned merger between CaixaBank and Banco de Valencia was approved by the boards of directors of each entity pursuant to which one CaixaBank share was to be exchanged for 479 shares of Banco de Valencia.

Following the approval of the Ministry of Economy and Competition (*Ministerio de Economía y Competitividad*), on 19th July 2013, CaixaBank registered its merger with Banco de Valencia on the Companies Register, rendering the merger fully effective as from that date.

*Divestment in Grupo Financiero Inbursa, S.A.B. de C.V. (**GF Inbursa**)*

During 2013, CaixaBank divested a portion of its shareholding in GF Inbursa, reducing its holding from 20% to 9.01% which generated a net gain of €63 million in the financial year ended 31 December 2013. Following this divestment, CaixaBank reiterated its commitment to the relationship with GF Inbursa and signed a new shareholders' agreement with GF Inbursa.

*Acquisition of ServiHabitat Gestión Inmobiliaria and sale of the real estate management business to a new company owned by the Texas Pacific Group (**TPG**) Fund (51%) and CaixaBank (49%)*

In view of the growing interest of foreign investors to invest in real estate management services platforms so-called "servicers" in the Spanish real estate market, the "la Caixa" group decided to reorganise its real estate business and concentrate the management of acquisitions, development, asset management and sale in ServiHabitat Gestión Inmobiliaria, S.L.U. (**SGI**). To do so, CriteriaCaixa (formerly ServiHabitat XXI, S.A.U.) carried out a spin-off of the real estate servicing business and contributed it to SGI. Before selling the servicing business to an industrial investor, CaixaBank's Board of Directors approved the purchase of 100% of the shares of SGI from CriteriaCaixa for €98 million. To ensure the transaction price was fair from a financial standpoint, two independent experts were engaged to issue fairness opinions.

Although SGI had agreements for the exclusive management during a period of 10 years of the real estate portfolios owned by CriteriaCaixa (which held the foreclosed assets of "la Caixa" until February 2011) and CaixaBank through Building Center, S.A.U. (**BuildingCenter**) and other Group subsidiaries, its objective was to provide real estate services for third parties. In this context, CaixaBank sold the business to its industrial partner, TPG. The transaction entailed the sale of SGI's servicing business to a newly created company, ServiHabitat Servicios Inmobiliarios, S.L. (**SSI**), which is 49% owned by CaixaBank and 51% by the TPG investment fund and controlled by TPG.

The initial price of the sale was €310 million, of which approximately €150 million was financed. CaixaBank contributed a significant amount of the financing under market terms. The agreement included a variable price that could increase or decrease by up to €60 million depending on the volume of assets managed by SSI between 2014 and 2017.

The sale resulted in the loss of control of CaixaBank over the servicing business due to the composition of the company's governing bodies, agreements between partners, and the possibility and power of TPG to govern the strategic operating policies and appoint key personnel of the company. SSI was classified as an associate and consolidated using the equity method.

The transactions were carried out in the fourth quarter of 2013 after the regulatory authorisations were secured. Given the nature of the transaction, which implied loss of control over the servicing business, it generated a gross consolidated gain of €255 million, recognised under gains/losses on disposal of assets not

classified as non-current assets available for sale in the consolidated income statement for the year ended 31 December 2013 of the Issuer, of which €122 million related to the gain attributable to the ownership interest retained in SGI.

Sale of shareholding in Bolsas y Mercados Españoles

On 16 January 2014, CaixaBank completed an accelerated book building process and private placement in connection with its divestment of 4,189,139 shares of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. (**BME**), which at the time represented 5.01% of the outstanding issued share capital of BME and the entirety of CaixaBank's shareholding therein.

The private placement was made exclusively to qualified investors and other institutional investors. The aggregate sale price of the BME shares was €124 million and the transaction generated a consolidated pre-tax gain of €47 million to CaixaBank in the 2014 financial year.

Acquisition of Barclays Bank, S.A.U.

On 31 August 2014, CaixaBank announced the signing of an agreement with Barclays Bank PLC whereby CaixaBank was to acquire Barclays Bank, S.A.U.

On 2 January 2015, CaixaBank acquired 100% of the share capital of Barclays Bank, S.A.U., having already obtained full go-approval to the entire retail banking, wealth management and corporate banking arms of Barclays Bank, S.A.U. in Spain, excluding the investment banking and card businesses.

CaixaBank paid €815.7 million to Barclays Bank PLC as the final price for Barclays Bank, S.A.U.

On 30 March 2015, the boards of directors of CaixaBank and Barclays Bank, S.A.U. approved the provisional terms of the merger between CaixaBank (absorbing company) and Barclays Bank, S.A.U. (absorbed company).

On 14 May 2015 the merger was registered at the Companies Register, entailing as from the date: (i) the dissolution of Barclays Bank, S.A.U., and (ii) the block transfer of its equity to CaixaBank, which acquired its rights and obligations under universal succession arrangements.

Sale of shareholding in Boursorama, S.A. and Self Trade Bank, S.A.

On 18 June 2015, CaixaBank announced the sale to Société Générale Group of its total stake held in Boursorama, S.A., which represents 20.5% of the share capital, as well as the voting rights, for a price of €218.5 million. The price paid by Société Générale was the same as the one offered to the minority shareholders' during the simplified public takeover bid and to the one offered during the exclusion process carried out in 2014, i.e. €12 per share.

With this transaction the alliance that began in 2006 after the sale to Boursorama, S.A. of CaixaBank France ended. As a consequence of this, the shareholders' agreement entered into between CaixaBank and Boursorama, signed in May 2006 and renegotiated in March 2014, has also been terminated.

Similarly, CaixaBank announced the signing of the sale to Boursorama of its total stake held in Self Trade Bank, S.A., the joint venture that both entities have in Spain, which represents 49% of the share capital. The agreed consideration is €33 million. As a consequence of this transaction, both the joint venture and the shareholders' agreement entered into between Boursorama, S.A. and CaixaBank in July 2008 have been terminated.

These transactions generated a consolidated pre-tax gain for CaixaBank of around €38 million. These announcements are in accordance the Strategic Plan 2015-2018 that has recently been announced by CaixaBank, referred to above.

*Voluntary tender offer for Banco BPI, S.A. (**Banco BPI**)*

On 18 April 2016 CaixaBank informed the market that the board of directors had decided to launch a voluntary tender offer for Banco BPI.

The offered price is €1.113 per share in cash and is subject to the elimination of the voting cap in Banco BPI, obtaining more than 50% of Banco BPI's share capital and regulatory approvals. The tender offer price is in line with the volume-weighted average of Banco BPI's share price during the preceding six months.

Prior to this announcement, CaixaBank has held conversations with the ECB to keep it informed of the foregoing and has requested a suspension of any administrative proceedings against Banco BPI related to its large exposures limit situation with the purpose of allowing CaixaBank to find a solution for said situation should CaixaBank eventually take control of Banco BPI.

According to the terms disclosed to the market, the tender offer would have an impact on the fully loaded CET1 ratio (after the asset swap transaction between CaixaBank and CriteriaCaixa) between -97 basis points if the final stake in BPI is 51 per cent. and -146 basis points if the final stake is 100 per cent. A final stake of 70 per cent. would imply -116 basis points. CaixaBank reiterates its fully loaded CET1 target of 11-12 per cent.

*Asset swap with CriteriaCaixa of the stakes held in The Bank of East Asia (**BEA**) and GF Inbursa in exchange for treasury shares and cash*

On 30 May 2016 CaixaBank completed the asset swap which was announced on 3 December 2015, when it transferred its stake in BEA representing approximately 17.30 per cent. of its share capital and its stake in GF Inbursa representing approximately 9.01 per cent. of its share capital, to CriteriaCaixa. In turn CriteriaCaixa transferred CaixaBank treasury shares representing 9.9 per cent. of its share capital and a cash amount of €678 million to CaixaBank.

As a result of the asset swap, the agreements related to BEA and GF Inbursa have been amended so that CriteriaCaixa replaces CaixaBank as shareholder. CaixaBank intends to remain banking partner to both banks and continue cooperating with them in commercial activities. For example, if making strategic investments in banks that operate in Latin America or the Asia-Pacific, CaixaBank will keep its commitment to make such investments through GI Inbursa and BEA respectively, except in the case of GF Inbursa, if GF Inbursa decides not to participate in the investment. The transfers under the swap agreement have an estimated negative impact of €14 million net in the consolidated results of CaixaBank on closing of the transaction and an approximated impact on tier 1 regulatory capital (CET1) of -0.3% (phased in) and +0.2% (fully loaded), placing the tier 1 regulatory capital (CET1) of CaixaBank on the results reported at 31 March 2016 at 12.5% (phased-in) and 11.8% (fully loaded).

On 28 April 2016 CaixaBank's Annual General Meeting approved a capital reduction by €584,811,827 through the redemption of 584,811,827 treasury shares, such number of shares being equivalent to those that were to be later acquired from CriteriaCaixa under the swap agreement described above (9.9%).

The Annual General Meeting authorised the Board of Directors to determine the date of implementation of this capital reduction within a maximum period of six months following the date of acquisition of the treasury shares under the swap agreement. In addition, the Annual General Meeting also authorised the Board of Directors to resolve on the non-execution of the capital reduction if, based on the corporate interest and due to new circumstances affecting CaixaBank, it would not be advisable to reduce the share capital, and regardless of whether the necessary authorisations for its implementation have been obtained or not.

Proposed deconsolidation of CaixaBank from the CriteriaCaixa Group

As at 31 March 2016, CriteriaCaixa held a 56.8 per cent. shareholding in CaixaBank and is also its controlling entity. CriteriaCaixa has made an enquiry to the ECB in order to understand the conditions that would be required to be met for the deconsolidation of CaixaBank from the CriteriaCaixa Group for prudential purposes. On 26 May 2016, CriteriaCaixa disclosed the intention to deconsolidate CaixaBank from the CriteriaCaixa Group and the conditions set by the ECB are:

1. The voting and dividend rights of CriteriaCaixa in CaixaBank must not exceed 40 per cent. of all voting and dividend rights. The reduction must allow new investors or new funds to enter the shareholding structure of CaixaBank, without factoring in the asset swap agreement executed with CaixaBank, which was disclosed by way of regulatory announcement to the market on 3 December 2015;

2. The proprietary directors of CriteriaCaixa at CaixaBank must not exceed 40% of all directors. This same structure must be respected on the relevant Board committees. Any board member proposed by a shareholder that has an agreement with CriteriaCaixa will be considered a proprietary director of CriteriaCaixa for these purposes. Accordingly board members proposed by the savings banks (now foundations) formerly comprising Banca Cívica (which was absorbed by CaixaBank) will be considered as proprietary directors of CriteriaCaixa;

3. In relation to appointments of directors elected by the Board itself (co-opted), the proprietary directors of CriteriaCaixa shall only vote for the directors proposed by CriteriaCaixa and shall abstain in all other cases. With regards to appointments of directors by shareholders at the General Meeting, CriteriaCaixa shall not object to the appointments proposed by the Board;

4. A lead director must be appointed from among the independent directors of CaixaBank with extensive powers, including relations with shareholders in corporate governance matters; and

5. CaixaBank may not grant CriteriaCaixa and/or the "la Caixa" Banking Foundation financing that exceeds 5 per cent. of the eligible capital at the sub-consolidated level of the CaixaBank Group in the 12 months following the deconsolidation, and the financing must be zero as of that date. In addition, indirect financing may not be provided by distributing debt instruments among CaixaBank's customers.

Once the conditions that have been set by the ECB have been complied with, the ECB will then evaluate the deconsolidation of CaixaBank from the CriteriaCaixa Group. If the ECB confirms that the conditions have been met and that CriteriaCaixa is no longer the controlling entity over CaixaBank, then provided that CriteriaCaixa does not hold a controlling stake in any other bank, it would cease to be a mixed financial holding company for the purposes of Regulation (EU) No 575/2013, and the CriteriaCaixa Group would no longer be required to comply with the capital requirements set out in Regulation (EU) No 575/2013.

Taking into account the disincentive measures for maintaining control contained in the Savings Banks and Banking Foundations Act, as well as the likelihood of the EBA to define the scope of resolution at CriteriaCaixa Group level which would effectively commit all of the "la Caixa" Banking Foundation's net worth to one single investment (CaixaBank), the Board of Trustees of the "la Caixa" Banking Foundation and CriteriaCaixa's Board of Directors have agreed to place on record their intent to comply, before the end of 2017, with the above conditions such that the prudential deconsolidation of CriteriaCaixa with respect to the CaixaBank Group may proceed. It is also understood that under IFRS-EU, the fulfilment of the above conditions (for prudential deconsolidation) may also result in the accounting deconsolidation of CaixaBank.

Business overview

CaixaBank's universal banking model is based on quality, accessible and personalised service, with a wide range of products and services that are adapted to customer need and an extensive multi-channel distribution network. CaixaBank provides financial services in the retail market (attracting customer funds and granting credit, together with the provision of all types of banking services: payment methods, securities transactions, currency exchange etc.) and services in the insurance sector. The Bank also has investments in international banks and companies in the service sector.

As at 31 March 2016 the Group had approximately 13.8 million customers, including individuals, companies and institutions.

The gross balance of customer loans amounted to €206,158 million as at 31 March 2016 as compared to €206,437 million as at 31 December 2015. Total customer funds, using management criteria, amounted to €295,716 million as at 31 March 2016 compared to €296,599 million as at 31 December 2015.

Banking and insurance business

This is the Group's core business and includes the entire banking business (retail banking, corporate and institutional banking, cash management and markets transactions) and insurance business, primarily carried out in Spain through the branch network and other complementary channels.

The Issuer's business has grown on the foundation of a broad customer base which adds lending stability and facilitates business volume growth.

The banking business has a different value proposal based on the type of customers:

Individual Banking

Individual banking is directed towards individuals with less than €60,000 in net worth and businesses (retail establishments, self-employed and freelance professionals, micro-companies and agribusinesses) with turnover of less than €2 million annually. This is the CaixaBank Group's most traditional business, and provides the basis for its other, more specialised, lines of business.

As at 31 March 2016, the individual banking segment services were offered through a network of around 5,183 branches in Spain.

CaixaBank has expanded and consolidated itself as a benchmark entity with a market share among individual customers of 28.3% (24.0% of individual customers cite CaixaBank as their main bank), due to its commercial focus and recent integrations and acquisitions (source: FRS Insmark).

The market share for payroll deposits -a key indicator of customer engagement- increased to 25.0% (source: data prepared inhouse, based on Social Security).

Premier Banking

This division is directed towards individual customers with a net worth of between €60,000 and €500,000, with services offered by specialised managers focused on tailored solutions for customer needs.

Private Banking

The private banking division is aimed at customers with assets under management in excess of €500,000, with services offered by professionals through exclusive Private Banking Centres.

CaixaBank was named Best Private Bank in Spain by the British publication Euromoney for the second consecutive year as part of its 2016 Private Banking Survey.

SME and Business Banking

SME and Business banking provides services to business customers with annual turnover of between €2 million and €200 million.

CaixaBank manages this line of business through a network of specialised offices and specialist managers. The purpose of this specialised line of business is to establish a long-term relationship with companies, underpinning their growth and day-to-day management.

The service of this value proposition has been certified externally. CaixaBank is the first European bank to obtain the AENOR Conform quality certification for corporate banking advisory services, which guarantees an optimal level of management and customer service.

Corporate and Institutional Banking

The Corporate & Institutional Banking (CIB) division was created in 2015, and integrates Corporate Banking, Institutional Banking and other areas that provide service to customers, such as Treasury and Capital Markets. The division also supports the Bank's other value propositions.

This division provides tailored services to approximately 500 commercial groups.

Insurance business

CaixaBank complements its banking services with a variety of life insurance, pension and general insurance products and services.

CaixaBank offers these insurance and pension products and services through the following entities:

- VidaCaixa, S.A. de Seguros y Reaseguros (**VidaCaixa**), which provides life insurance products and services; and

- SegurCaixa Adeslas, S.A. de Seguros Generales y Reaseguros (**SegurCaixa Adeslas**), which provides insurance products and services other than life insurance;

VidaCaixa is 100% owned by CaixaBank and SegurCaixa Adeslas is a joint venture 49.92% owned by VidaCaixa and 50% owned by Mutua Madrileña Automovilista Sociedad de Seguros a Prima Fija.

Net profit for the insurance business in 2015 amounted to €340 million as compared to €872 million for 2014. Key indicators for the insurance group at 31st December 2015 include on-balance sheet assets of €59,835 million, technical provisions of €37,229 million and premiums earned in the period €6,936 million, as compared to €59,438 million, €34,946 million and €5,545 million, respectively, as at 31 December 2014.

At the end of 2015, VidaCaixa led the Spanish market, with a 21.5 and 22.6% share of the pension and insurance market, respectively, according to ICEA (*Investigación Cooperativa entre Entidades Aseguradoras y Fondos de Pensiones*).

In 2015, SegurCaixa Adeslas was the market leader in health insurance in Spain, with a market share of 28.4% and the number two market position in the Spanish home insurance market (source: ICEA (*Investigación Cooperativa entre Entidades Aseguradoras y Fondos de Pensiones*)).

International business

CaixaBank provides international banking services to its clients through operating branches, representative offices, correspondent banks and strategic alliances, as described below.

- *Operating branches*: CaixaBank has branches in Poland (Warsaw), the United Kingdom (London) and Morocco (Casablanca and Tangier), which provide financial services and financing to Spanish companies with interests and business activities in these countries as well as to local companies that have commercial relationships with Spain.

- *Representative offices*: Within the EU, CaixaBank maintains representative offices located in Italy (Milan), France (Paris) and Germany (Frankfurt) which offer advisory services to large Spanish companies, multinational European companies with affiliates in Spain and local small and medium sized entities which have a significant business interest in Spain.

- Outside of the EU, CaixaBank maintains representatives offices located in China (Beijing and Shanghai), Turkey (Istanbul), Singapore, the United Arab Emirates (Dubai), India (New Delhi), Egypt (Cairo), Chile (Santiago de Chile), Colombia (Bogotá), the United States (New York) and South Africa (Johannesburg). As of the date of this Base Prospectus, CaixaBank is also working to open offices in Brazil (São Paulo), Algeria (Algiers), Hong Kong and Peru (Lima). CaixaBank's representative offices advise Spanish companies with respect to projects in the relevant foreign jurisdiction, and provide information regarding tender processes and actions required in connection therewith. In addition, they act as liaisons with local financial institutions, guide customers in their activities in the relevant country and are a point of reference for activities by the CaixaBank branch network on behalf of customers doing business in the relevant jurisdiction.

- *Correspondent banks*: CaixaBank has agreements with correspondent banks in a number of countries in which the Group does not maintain a presence. Relationships have been established with more than 3,100 foreign banks in these countries, in order to provide support to CaixaBank's customers in their foreign business activities.

Business support

CaixaBank's subsidiaries and investments provide business support to its banking operations. The tables below set out the principal subsidiaries providing such support and their respective areas of activity, as at 31 March 2016:

Specialised Financial Services		
Subsidiary	**Ownership**	**Activity**
CaixaBank Consumer Finance	100%	Consumer financing, mainly through distributors of goods and services and automobile dealers
CaixaBank Asset Management	100%	Manages the CaixaBank Group's collective investment schemes
Nuevo MicroBank	100%	Microcredits
CaixaBank Payments	100%	Manages credit cards business
Comercia Global Payments	49%	Partnered with Global Payments to manage retail-focussed electronic payment services
Gesticaixa	100%	Manages asset securitisation

Real Estate and Other Services		
Subsidiary	**Ownership**	**Activity**
BuildingCenter	100%	Holds real estate assets held in connection with CaixaBank credit activities
ServiHabitat Servicios Inmobiliarios	49%	Administration, management and sale of real estate assets
Silk Aplicaciones	100%	Management of the CaixaBank Group's technological infrastructure. Provides IT services to the Group
CaixaBank Digital Business	100%	Development and management of multichannel relationship model
GDS-Cusa	100%	Management of non-performing loan assets
Caixa Emprendedor XXI	100%	Financing to high potential entrepreneurs and innovative start-ups

Investees

Banco BPI

Banco BPI is the third largest private financial group in Portugal in terms of business volume, with total assets of €41 billion as at 31 December 2015. Its core business is commercial banking targeted at companies, institutions and individuals. (Source: *2015 Annual Financial Statements of BPI*).

Together with CaixaBank, Banco BPI provides a specialised service to major groups in Spain and Portugal from shared centres in Madrid and Lisbon. The Iberian business solutions service (a commercial alliance set between CaixaBank and Banco BPI) also provides business customers with preferential collection and payment services and conditions, enabling them to operate between Portugal and Spain as if they were performing domestic transactions. This commercial alliance has been extended to encompass both entities' international operations, complementing the services that each offers and providing customers with a better service worldwide.

As at 23 May 2016, the CaixaBank Group holds 44.81% of the issued outstanding share capital of Banco BPI. Please see *Description of the Issuer - Voluntary tender offer for Banco BPI, S.A.* for additional information.

*Erste Group Bank AG (**Erste Group Bank**)*

Erste Group Bank is the second largest banking group in Austria and one of the leading banking groups in Central and Eastern Europe in terms of total assets. Erste Group Bank is present in Austria, the Czech Republic, Romania, Slovakia, Hungary, Croatia and Serbia, serving approximately 16 million customers via a network of 2,735 branches. As at 31 December 2015, Erste Group Bank had total assets of approximately €200,000 million (Source: *2015 Annual Financial Statements of Erste Group Bank*).

As at 31 March 2016, the CaixaBank Group held 9.92% of the issued outstanding share capital of Erste Group Bank.

*Grupo Financiero Inbursa, S.A.B. de C.V. (**GF Inbursa**)*

GF Inbursa is a Mexican commercial bank and one of the largest financial groups in Mexico in terms of assets under administration and management and the sixth largest financial group measured by total assets; it is also very well-positioned in the insurance sector. As at 31 December 2015, it had total assets of €23 billion (*Source: 2015 Annual Financial Statements of GF Inbursa*).

Throughout 2015, CaixaBank has continued to support GF Inbursa's retail banking expansion plan for Mexico by providing know-how and sharing best practices in branch office management, the use of sales tools and the implementation of a culture of service excellence that spurs value creation and enhances customer loyalty.

As of 31 March 2016, the CaixaBank Group held 9.01% of the issued outstanding share capital of GF Inbursa. Please see *Description of the Issuer – Asset swap with CriteriaCaixa of the stakes held in The Bank of East Asia (**BEA**) and GF Inbursa in exchange for treasury shares and cash* for additional information.

*The Bank of East Asia, LTD. (**BEA**)*

BEA is Hong Kong's largest independent local bank and one of the best positioned foreign banks in China. As at the date of this Base Prospectus it operates, through its wholly-owned subsidiary BEA China, more than 125 outlets. It offers retail, corporate and investment banking services. It also serves the Chinese community abroad through its branches in Southeast Asia, North America and the United Kingdom. As of 31 December 2015, it had total assets of € 93 billion. (Source: *2015 Annual Financial Statements of BEA*).

The collaboration between CaixaBank and BEA extends to co-financing projects led by Spanish and Chinese groups, foreign trade operations and fostering the sharing of know-how. Together with car dealer Brilliance, the entities have also set up a joint venture to finance auto loans in China, which started operations during May 2015.

As at 31 March 2016, the CaixaBank Group held 17.30% of the issued outstanding share capital of BEA. Please see *Asset swap with CriteriaCaixa of the stakes held in The Bank of East Asia (**BEA**) and GF Inbursa in exchange for treasury shares and cash* for additional information.

*Repsol, S.A. (**Repsol**)*

Repsol is an international company that operates in the hydrocarbon sector (exploration and production, refining and marketing) in more than 40 countries. As of 31 December 2015, it had total assets of € 63 billion. (Source: *2015 Annual Financial Statements of Repsol and company website*).

As at 31 March 2016, CaixaBank's shareholding had fallen to 10.21% of the issued outstanding share capital of Repsol, mainly as a result of redemption of the bond issuance exchangeable for Repsol shares entitled *Unsecured Mandatory Exchangeable Bonds due 2016* (the **Exchangeable Bonds**) on 3 March 2016. The bonds were redeemed by delivering the underlying Repsol shares to bondholders. On 10 March 2016, CaixaBank delivered a total of 29,824,636 shares (after deducting the exchangeable bonds held by the Bank itself), representing 2.069% of Repsol's share capital.

The decision to call the bonds early by delivering shares does not alter CaixaBank's intention to keep its existing stake in Repsol roughly unchanged, thus allowing it to retain its significant influence over the company.

*Telefónica, S.A. (**Telefónica**)*

Telefónica is an integrated telecommunications operator with presence in 17 countries across Europe and Latin America, where the company concentrates its growth. It generates more than 73% of its business outside of Spain and establishes itself as the leading operator in the Spanish-Portuguese speaking market. As at 31 December 2015 Telefónica has a customer base of over 322 million and total assets of over € 122 billion. (Source: *2015 Annual Report of Telefónica*).

As at 31 March 2016, CaixaBank held 5.01% of the issued outstanding share capital of Telefónica.

Business segments

Segment reporting is intended to control and track the results of the different businesses, taking into account the inherent risks and specific management approach for each business. Until 2015, information was shown for two different lines of businesses: banking and insurance and equity investments. In the first quarter of 2015, however, the real estate loan management model was restructured, resulting in a dedicated team and network of centres comprising managers that specialise in real estate loans requiring special management. Under this model, separate results were shown for the non-core real estate business as part of the banking and insurance business.

One year on from its initial implementation, this new model is now fully consolidated. Therefore, to reflect the current management approach and as the Bank has information to show year-on-year comparisons on a like-for-like basis, the results by business segment are presented, from the first quarter of 2016, for three different business lines:

- **Banking and insurance**: includes banking revenues (retail, corporate and institutional banking, cash management and market transactions); insurance activity; liquidity management and the Assets and Liabilities Committee (ALCO); and income from financing the other businesses.

- **Non-core real estate**: shows the results, net of financing costs, of non-core real estate assets, which include: Non-core developer loans, Foreclosed real estate assets (available for sale and rental), mainly owned by the real estate subsidiary BuildingCenter, and Other real estate assets and interests.

- **Equity investments**: includes international banking stakes (Erste Group Bank, Banco BPI, BEA and GF Inbursa) as well as Repsol and Telefónica. It also includes significant stakes in other sectors incorporated as a result of the recent acquisitions by the Group. The business includes dividend income and/or share of profits from investees accounted for using the equity method, net of financing costs.

Capital is assigned to the non-core real estate and equity investments businesses based on the corporate target of maintaining a fully-loaded regulatory Common Equity Tier 1 (CET1) ratio of over 11% and takes into account both capital consumption by risk-weighted assets at 11% and the applicable deductions. The difference between the Group's own funds and the capital assigned to these businesses is included in the banking and insurance business. Operating expenses for each business segment include both direct and indirect costs, which are assigned according to internal criteria.

The following table shows the consolidated income statement of the Group by business segment for the three months ended 31 March 2016 and 31 March 2015:

[Unaudited]	Banking and insurance		Non-core real estate		Equity Investments		TOTAL CAIXABANK GROUP	
	January-March		January-March		January-March		January-March	
	2016	2015	2016	2015	2016	2015	2016	2015
	(Millions of euro)							
Net interest income	**1,082**	**1,211**	**(10)**	**(27)**	**(52)**	**(46)**	**1,020**	**1,138**
Dividends income and equity method	27	25	3	3	107	152	137	180
Net fees	465	512		1			465	513
Gains on financial assets and other operating income and expenses	388	204	(89)	(82)	1		300	122
Gross income	**1,962**	**1,952**	**(96)**	**(105)**	**56**	**106**	**1,922**	**1,953**
Administrative expenses	(900)	(1,167)	(12)	(12)	(1)	(1)	(914)	(1,180)
Depreciation and amortisation	(75)	(81)	(15)	(13)			(89)	(94)
Pre-impairment income	**987**	**704**	**(123)**	**(130)**	**55**	**105**	**919**	**679**
Impairment losses on financial assets and others	(224)	(282)	(22)	(466)	(164)		(410)	(748)
Gains/losses on disposal of assets and others		482	(53)	(202)	(80)		(133)	280
Pre-tax income	**763**	**904**	**(198)**	**(798)**	**(189)**	**105**	**376**	**211**
Income tax	(217)	(91)	54	241	62	14	(101)	164
Profit for the period	**546**	**813**	**(144)**	**(557)**	**(127)**	**119**	**275**	**375**
Minority interest and others	2						2	
Profit attributable to the Group	**544**	**813**	**(144)**	**(557)**	**(127)**	**119**	**273**	**375**

The following table shows the consolidated income statement of the Group by business segment for the 12 months ended 31 December 2015 and 31 December 2014:

	Banking and insurance (including non-core real estate)		Equity Investments		TOTAL CAIXABANK GROUP	
	January-December		January-December		January-December	
	2015(*)	2014	2015(*)	2014	2015(*)	2014
	(Millions of euros)					
Net interest income	**4,569**	**4,463**	**(216)**	**(308)**	**4,353**	**4,155**
Dividends income and equity method	143	112	435	379	578	491
Net fees	2,013	1,825			2,013	1,825
Gains on financial assets and other operating income and expenses	764	396	18	73	782	469
Gross income	**7,489**	**6,796**	**237**	**144**	**7,726**	**6,940**
Administrative expenses	(4,236)	(3,420)	(4)	(3)	(4,240)	(3,423)
Depreciation and amortisation	(366)	(350)			(366)	(350)

	Banking and insurance (including non-core real estate)		Equity Investments		TOTAL CAIXABANK GROUP	
	January-December		January-December		January-December	
	2015(*)	2014	2015(*)	2014	2015(*)	2014
			(Millions of euros)			
Pre-impairment income	**2,887**	**3,026**	**233**	**141**	**3,120**	**3,167**
Impairment losses on financial assets and others	(2,353)	(2,579)	(163)		(2,516)	(2,579)
Gains/losses on disposal of assets and others	(234)	(404)	268	18	34	(386)
Pre-tax income	**300**	**43**	**338**	**159**	**638**	**202**
Income tax	113	350	68	68	181	418
Profit for the period	**413**	**393**	**406**	**227**	**819**	**620**
Minority interest and others	5				5	
Profit attributable to the Group	**408**	**393**	**406**	**227**	**814**	**620**

(*) The figures in the income statement above relating to the year ended 31 December 2015 take into consideration the acquisition of Barclays Bank, S.A.U. on 2 January 2015.

The following table shows amounts invested as at 31 December 2015 and 31 December 2014. The investments are accounted for using the equity method on the basis of the best available estimate of underlying carrying amount at the date of preparation of the consolidated financial statements. The latest public figures are shown:

	31 December 2015	31 December 2014
	(Thousands of euros)	
Listed	9,039,873	8,473,337
Underlying carrying amount	*7,661,298*	*7,146,459*
Goodwill	*1,378,575*	*1,326,878*
Non-listed	1,254,812	1,467,501
Underlying carrying amount	*953,697*	*1,093,865*
Goodwill	*301,115*	*373,636*
Subtotal	**10,294,685**	**9,940,838**
Less		
Impairment allowance	(620,991)	(674,441)
Total	**9,673,694**	**9,266,397**

The following table presents the main listed companies classified as associates or available-for-sale financial assets as at 31 March 2016 and 31 December 2015, detailing the percentage of ownership held by CaixaBank:

		31 March 2016	31 December 2015
Company		**% holding**	**% holding**
Telefónica	(AFS)	5.01%	5.01%
GF Inbursa[1]	(ASSOC)	9.01%	9.01%
Repsol	(ASSOC)	10.21%	12.14%
BEA[1]	(ASSOC)	17.30%	17.24%
Erste Group Bank	(ASSOC)	9.92%	9.92%
Banco BPI	(ASSOC)	44.10%	44.10%

(ASSOC) = Associates; (AFS) = Available-for-sale

1. Please see *Description of the Issuer - Asset swap with CriteriaCaixa of the stakes held in The Bank of East Asia (**BEA**) and GF Inbursa in exchange for treasury shares and cash* for additional information.

Geographical distribution

The income of the Group for the years ended 31 December 2015 and 31 December 2014, respectively, by segment and geographical area is as follows:

Distribution of ordinary income (*)

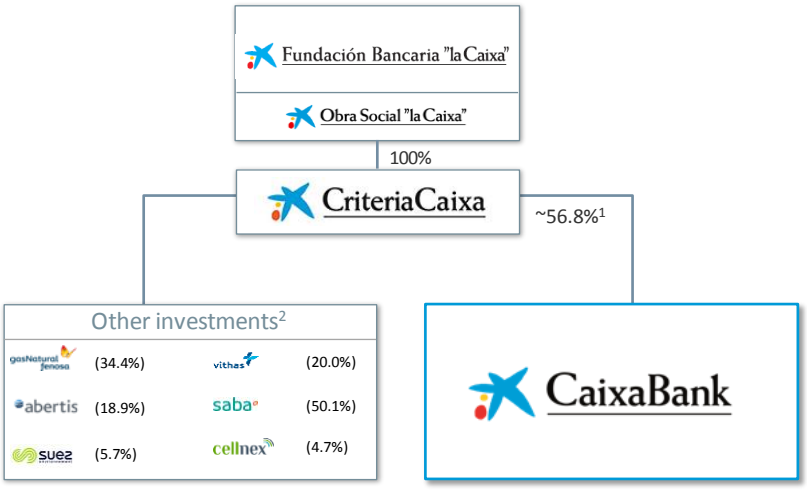
	January – December	
	Total ordinary income	
	(Thousands of euros)	
	2015	**2014**
Banking and insurance	12,632,613	12,525,662
Spain	*12,616,546*	*12,510,572*
Other countries	*16,067*	*15,090*
Investments	434,504	361,116
Spain	*49,910*	*376,394*
Other countries	*384,594*	*(15,278)*
Total	**13,067,117**	**12,886,778**

Information for 2014 is presented solely for the purposes of comparison.
(*) Correspond to the following captions of the CaixaBank Group's public income statement calculated pursuant to Bank of Spain Circular 6/2008.
1. Interest and similar income
4. Return on equity instruments
5. Share of profit /loss) of entities accounted for using the equity method
6. Fee and commission income
8. Gains/(losses) on financial assets and liabilities (net)
10. Other operating income

Organisational Structure

As at 31 December 2015, the CaixaBank Group comprised 69 fully consolidated active subsidiaries (entities over which CaixaBank has control, due to direct or indirect ownership of more than 50% of the relevant entity's voting rights or, if the percentage of ownership is lower than 50%, because CaixaBank is a party to agreements with other shareholders of the relevant entity that give CaixaBank the majority of voting power); 12 joint ventures; and 81 associates (entities over which CaixaBank exercises significant influence but which are neither subsidiaries nor jointly controlled entities).

The following chart sets out the structure of the ”la Caixa” group as at 31 March 2016:



1. On 26 May 2016, CriteriaCaixa announced its intention to deconsolidate CaixaBank from the CriteriaCaixaGroup and intends to reduce its shareholding to 40 per cent. or below by the end of 2017. Please see Description of the Issuer - Proposed deconsolidation of CaixaBank from the CriteriaCaixa Group.

2 Other stakes include Caixa Capital Risc, Mediterránea Beach and Golf Community, Aigües de Barcelona and Aguas de Valencia and real estate assets from the portfolio existing the time Group restructuring in 2011. From 30 May 2016 this also includes stakes in BEA and GF Inbursa.

The following chart sets out the main subsidiaries of CaixaBank as at 31 March 2016 (the main investment portfolio). The companies which form part of the Group are principally domiciled in Spain.

The main investment portfolio as at 31 March 2016	
Company	**% holding**
Telefónica	5.01%
Repsol	10.21%
Banco BPI	44.10%
GF Inbursa[1]	9.01%
BEA[1]	17.30%
Erste Group Bank	9.92%
BuildingCenter	100%
ServiHabitat Servicios Inmobiliarios	49%
Sareb	12.69%
VidaCaixa	100%
SegurCaixa Adeslas	49.92%
Comercia Global Payments	49%
CaixaBank Consumer Finance	100%
CaixaBank Asset Management	100%
Nuevo MicroBank	100%
CaixaBank Payments	100%
GestiCaixa	100%
SILK Aplicaciones	100%
CaixaBank Digital Business	100%
GDS-Cusa	100%

1. Please see *Description of the Issuer – Asset swap with CriteriaCaixa of the stakes held in The Bank of East Asia (**BEA**) and GF Inbursa for treasury shares and cash* for additional information.

Capital structure

As at the date of this Base Prospectus, CaixaBank's share capital is €5,910,242,684 divided into 5,910,242,684 fully subscribed and paid ordinary shares with a par value of €1 each. All shares are of the same class with the same rights attached.

CaixaBank's shares are admitted to trading on the Spanish stock exchanges and on the continuous market, and have been included in the IBEX 35 since 4 February 2008. CaixaBank is subject to the oversight of the CNMV, the European Central Bank and the Bank of Spain.

Major Shareholders

As at 31 March 2016, 56.8% of CaixaBank's share capital was held by "la Caixa" Banking Foundation through CriteriaCaixa. As at 30 May 2016, "la Caixa" Banking Foundation holds 46.9% of CaixaBank's share capital through CriteriaCaixa without taking into account the potential capital reduction as approved by the Annual General Meeting that may be implemented by the Board of Directors unless it considers it is not advisable to implement it based on CaixaBank's corporate interest, as described below. CriteriaCaixa Group is currently subject to prudential requirements. On 26 May 2016, CriteriaCaixa announced its intention to deconsolidate CaixaBank from the CriteriaCaixaGroup and intends to reduce its shareholding to 40 per cent. or below by the end of 2017. Please see *Description of the Issuer - Proposed deconsolidation of CaixaBank from the CriteriaCaixa Group*.

Regarding the direct or indirect holder of the significant ownership interest of CaixaBank, the General Assembly of "la Caixa" held on 22 May 2014 approved its transformation into a banking foundation, stating its commitment to enter into an agreement whereby "la Caixa" Banking Foundation would transfer to CriteriaCaixa all the debt issues made by "la Caixa" and its stake in CaixaBank, previously held directly by the "la Caixa" Banking Foundation. The deed of the transfer to CriteriaCaixa of the debt issued and other assets and liabilities and its stake in CaixaBank was executed and registered on 14 October 2014. Thereafter "la Caixa" Banking Foundation's stake in CaixaBank is held through CriteriaCaixa.

On 3 December 2015 CaixaBank executed an asset swap agreement with its controlling shareholder, CriteriaCaixa, whereby CaixaBank would transfer to CriteriaCaixa all the shares it held in GF Inbursa (representing 9.01% of GF Inbursa) and in BEA (representing approximately 17.3% of BEA) while in return receiving from CriteriaCaixa treasury shares in CaixaBank (representing 9.9% of its share capital) and €678 million in cash. On May 30 2016 CaixaBank completed the asset swap announced on 3 December 2015. As at 30 May 2016, "la Caixa" Banking Foundation holds 2,772,375,355 voting rights through CriteriaCaixa. Please see *Description of the Issuer – Asset swap with CriteriaCaixa of the stakes held in BEA and GF Inbursa in exchange for treasury shares and cash*.

On 28 April 2016 CaixaBank's Annual General Meeting approved a capital reduction by €584,811,827 through the redemption of 584,811,827 treasury shares, such number of shares being equivalent to those that were to be later acquired from CriteriaCaixa under the swap agreement (9.9%) as further described under *Description of the Issuer – Asset swap with CriteriaCaixa of the stakes held in The Bank of East Asia (BEA) and GF Inbursa in exchange for treasury shares and cash*. After the acquisition of such shares, the capital reduction is subject to the necessary authorisations and approvals.

The Annual General Meeting authorised the Board of Directors to determine the date of implementation of this capital reduction within a maximum period of six months following the date of acquisition of the treasury shares under the swap agreement. In addition, the Annual General Meeting also authorised the Board of Directors to resolve on the non-execution of the capital reduction if, based on the corporate interest and due to new circumstances affecting CaixaBank, it would not be advisable to reduce the share capital, and regardless of whether the necessary authorisations for its effectiveness have been obtained or not.

Aside from the holding of "la Caixa" Banking Foundation, as at the date of this Base Prospectus the Issuer is only aware of the significant interest (within the free float) held by the company Invesco Limited. In this regard, on 2 November 2015 Invesco Limited disclosed holding 1.003% of the share capital of CaixaBank through its affiliate Invesco Asset Management Limited and other group companies.

In order to strengthen transparency and governance at CaixaBank, and in line with recommendation 2 of the Listed Companies' Code of Good Governance, CaixaBank and the "la Caixa" Banking Foundation, as its controlling shareholder, signed an Internal Relations Protocol which has been novated on various occasions to reflect the changes in the Group's structure. The last novation was formalised on 16 June 2014 to adapt it to the new situation whereby "la Caixa" would no longer indirectly carry out its financial activity through CaixaBank and to contemplate the former's transformation into the "la Caixa" Banking Foundation.

The initial Protocol was signed when the Issuer, previously known as Criteria CaixaCorp, was listed on the stock market and was replaced by a new Protocol when a number of reorganisation transactions were carried out at the "la Caixa" Group, as a result of which CaixaBank became the bank through which "la Caixa" indirectly carried on its financial activity. Thereafter, following the merger and absorption of Banca Cívica by CaixaBank and as a result of the transfer of Monte de Piedad's activity to CaixaBank, the Protocol was amended by means of a novation agreement to remove reference to the exceptionality of Monte de Piedad's indirect activity.

The purpose of the Protocol was to develop the basic principles governing relations between "la Caixa" and CaixaBank; define the main areas of activity of CaixaBank, bearing in mind that CaixaBank was the vehicle via which the financial activity of "la Caixa" is carried on; demarcate the general parameters governing any mutual business or social dealings between CaixaBank and its Group and "la Caixa" and other "la Caixa" group companies; and to ensure an adequate flow of information to allow "la Caixa" and CaixaBank to prepare financial statements and meet their periodic reporting and supervision obligations with the Bank of Spain, the CNMV and other regulatory bodies. The Protocol, as amended in 2014, is currently applicable to the relations between "la Caixa" Banking Foundation and its group companies and the CaixaBank group.

As a result of the entry into force of the Savings Banks and Banking Foundations Act, inasmuch as "la Caixa" owned over 10% of the share capital and voting rights of CaixaBank, the former had to become a banking foundation. The primary activity of the banking foundation would be to manage and carry out welfare projects and appropriately manage its stake in CaixaBank. Consequently, this extinguishes the arrangement whereby "la Caixa" indirectly carries out its financial activity through CaixaBank.

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

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

Law 26/2013 requires banking foundations to approve, within two months from their creation a Protocol for managing its ownership interest in the financial institution. This Protocol must establish, at a minimum, the strategic criteria for managing the interest, the relations between the Board of Trustees and the governing bodies of the bank, specifying the criteria for proposing Director appointments and the general criteria for carrying out operations between the banking foundation and the investee credit institution, and the mechanisms to avoid potential conflicts of interest. The "la Caixa" Banking Foundation signed its Protocol for managing its ownership interest in the CaixaBank on 24 July 2014. The CNMV was notified on 9 December 2014 following Bank of Spain approval. On 18 February 2016 CaixaBank and the "la Caixa" Banking Foundation executed a new Protocol for the management of the participation interest held by the "la Caixa" Banking Foundation in CaixaBank, that superseded the Protocol executed on 24 July 2014. The purpose of this new Protocol was to adapt the text to the Circular 6/2015 of the Spanish Central Bank on the obligations of the banking foundations in relation to their interest held in credit entities. A new Internal Relations Protocol between the "la Caixa" Banking Foundation and CaixaBank may be signed at any time in accordance with the provisions of the Protocol for the management of the participation interest in CaixaBank.

On 18 February 2016, the Board of Trustees of "la Caixa" Banking Foundation approved a new protocol for managing the banking stake, pursuant to Bank of Spain Circular 6/2015.

Management of the Issuer

Board of Directors

The table below sets out the names of the members of the Board of Directors of CaixaBank, the respective dates of their appointment, their positions within CaixaBank and the nature of their membership:

Post	**Nature**	**Date of first appointment**	**Shareholder represented**
Chairman			
Isidro Fainé	Proprietary	7 July 2000[(1)(2)(4)]	”la Caixa” Banking Foundation
Deputy Chairman			
Antonio Massanell	Executive	30 June 2014[(11)(13)]	”la Caixa” Banking Foundation
CEO			
Gonzalo Gortázar	Executive	30 June 2014[(11)(14)]	--
Directors			
Fundación Cajasol represented by Guillermo Sierra Molina	Proprietary	20 September 2012[(15)]	Fundación Bancaria Caja Navarra, Fundación Cajasol, Fundación Caja Canarias and Fundación Caja de Burgos, Fundación Bancaria.
Fundación Bancaria Caja Navarra represented by Juan Franco	Proprietary	20 September 2012[(7)]	Fundación Bancaria Caja Navarra, Fundación Cajasol, Fundación Caja Canarias and Fundación Caja de Burgos, Fundación Bancaria.
Eva Aurín	Proprietary	26 June 2012	”la Caixa” Banking Foundation
Maria Teresa Bassons	Proprietary	26 June 2012	”la Caixa” Banking Foundation
María Verónica Fisas	Independent	25 February 2016[(16)]	--
Salvador Gabarró	Proprietary	6 June 2003[(3)(12)]	”la Caixa” Banking Foundation
Javier Ibarz	Proprietary	26 June 2012	”la Caixa” Banking Foundation
Juan-José López	Proprietary	12 May 2011	”la Caixa” Banking Foundation

Post	Nature	Date of first appointment	Shareholder represented
María Dolors Llobet	Proprietary	7 May 2009[4]	”la Caixa” Banking Foundation
Alain Minc	Independent	6 September 2007[8]	--
María Amparo Moraleda	Independent	24 April 2014	--
Antonio Sáinz de Vicuña	Independent	1 March 2014[8]	--
John S. Reed	Independent	03 November 2011[6]	--
Juan Rosell Lastortras	Independent	6 September 2007[8] [10]	--
Xavier Vives	Independent	5 June 2008[12]	--
Secretary to the Board of Directors			
Alejandro García-Bragado	Secretary to the Board of Directors (non – director)	26 May 2009[5]	--
General Secretary and First Deputy Secretary to the Board			
Óscar Calderón	General Secretary and First Deputy Secretary to the Board (non-director)	27 June 2011[9]	
Second Deputy Secretary to the Board of Directors			
Adolfo Feijóo Rey		27 June 2011	--

[1] Appointed Deputy Chairman in 2008 and appointed Chairman in 2009
[2] Reelected in 2005
[3] Reelected on 5 June 2008
[4] Reelected on 19 May 2010
[5] General Secretary since 27 June 2011 until 29 May 2014
[6] Reelected on 19 April 2012
[7] Reelected on 25 April 2013
[8] Reelected on 24 April 2014
[9] Appointed General Secretary on 29 May 2014
[10] Qualified as Independent Director on 17 July 2014
[11] Ratified and appointed Director on 23 April 2015
[12] Reelected Director on 23 April 2015
[13] Reelected Deputy Chairman on 23 April 2015
[14] Reelected C.E.O. on 23 April 2015
[15] From September 2012 to June 2015, as Monte San Fernando foundation, when was absorbed by Cajasol Foundation, being the last appointed by cooptation in November 2015. Ratified and appointed as Director on 28 April 2016.
[16] Ratified and appointed as Director on 28 April 2016.

The table below sets out the names of the members of the Board of Directors of CaixaBank and their principal activities outside the Issuer and the Group as at the date of this Base Prospectus:

Board Member	Company/Association	Position
Isidre Fainé Casas	TELEFÓNICA, S.A	Vice Chairman
	REPSOL, S.A.	First Vice Chairman
	BANCO BPI, S.A.	Board Member
	THE BANK OF EAST ASIA	Board Member
	GAS NATURAL, S.D.G., S.A.	Board Member
	SUEZ ENVIRONNEMENT COMPANY.	Board Member
	CONFEDERACIÓN ESPAÑOLA DE CAJAS DE AHORROS	Chairman
	EUROPEAN SAVINGS BANKS GROUP	Chairman
	WORLD SAVINGS BANKS INSTITUTE	Vice Chairman
	CONFEDERACIÓN ESPAÑOLA DE DIRECTIVOS Y EJECUTIVOS (CEDE)	Chairman
	CAPÍTULO ESPAÑOL DEL CLUB DE ROMA	Chairman
	CÍRCULO FINANCIERO	Chairman
	CONSEJO EMPRESARIAL PARA LA COMPETITIVIDAD	Member
Antonio Massanell Lavilla	MEDITERRANEA BEACH&GOLF COMMUNITY	Vice Chairman
	CECABANK, S.A.	Chairman
	TELEFÓNICA, S.A.	Board Member
	SOCIEDAD DE GESTIÓN DE ACTIVOS PROCEDENTES DE LA REESTRUCTURACIÓN BANCARIA, S.A. (SAREB)	Board Member
	ERSTE BANK (Erste Group Bank, AG)	Miembro del Consejo de Vigilancia
Gonzalo Gortázar Rotaeche	GRUPO FINANCIERO INBURSA	Board Member
	REPSOL, YPF, S.A.	Board Member
	ERSTE BANK (Erste Group Bank, AG)	Member of the Surveillance Committee
Eva Aurín	INSA - IBM	Head of the IT service for Catalonia's leading hospitals
María Teresa Bassons Boncompte	Pharmacy	License holder
	BASSLINE, S.L.	Board Member
	TERBASS XXI, S.L.	Director
Maria Verónica Fisas Vergés	NATURA BISSÉ Int. S.A. (España)	CEO
	NATURA BISSÉ Inc. Dallas (USA)	Chairwoman and Secretary of the Board of Directors
	NATURA BISSÉ Int. S.A. de CV (México)	Chairwoman
	NATURA BISSÉ Int. Ltd. (UK)	Board Member
	NATURA BISSÉ Int. FZE (Dubai) (Dubai Airport Free Zone)	Board Member

Board Member	Company/Association	Position
	Feed your Skin, S.L. (España)	Board Member
	Stanpa (Asociación Nacional de Perfumería y Cosmética)	Vice Chairwoman and Member of the Management Committee
Salvador Gabarró Serra	GAS NATURAL, S.D.G., S.A.	Chairman
Sr Javier Ibarz Alegría	EIGMA, S.L.	Sole Director
	Teatro Fortuny de Reus Consortium	Head of Building Security and the Emergency Plan
	Ajuntament de Reus	Sports Adviser
Dolors Llobet María	Executive Committee, Secretary of Communications and Social Networks - Catalonian CCOO trade union	Member and union representative at "la Caixa" since 1986
	SABA INFRAESTRUCTURAS, S.A.	Board Member
Juan José López Burniol	ICARIA INICIATIVES SOCIALS, S.A.L	Board Member
	ABERTIS INFRAESTRUCTURAS, S.A.	Board Member
Alain Minc	AM CONSEIL	Chairman
	PROMOTORA DE INFORMACIONES, S.A. – PRISA	Board Member and Member of the Executive and the Audit Committees
	SANEF	Chairman and Member of the Strategy Committee
María Amparo Moraleda Martínez	FAURECIA, S.A.	Board Member
	SOLVAY, S.A.	Board Member
	AIRBUS GROUP, N.V.	Board Member
	Supervisory Board of the Spanish High Council for Scientific Research (CSIC)	Member
	Advisory Boards of KPMG España and SAP Ibérica	Member
John S. Reed	MDRC	Trustee
	Isabella Stewart Gardner Museum	Trustee
	Boston Athenaeum	Trustee
	NBER	Trustee
	Overseer of the Boston Symphony Orchestra	Trustee
	American Academy of Arts and Sciences and of the American Philosophical Society	Fellow
	Social Science Research Council	Director
Juan Rosell Lastortras	GAS NATURAL, S.A.	Board Member
	CONGOST PLASTIC, S.A.	Chairman
	CEOE	Chairman
Xavier Vives Torrents	AULA ESCUELA EUROPEA, S.A.	Board Member
	IESE Business School	Professor of Economics and Finance

According to the information held by CaixaBank, from 1 January 2016 to the date of this Base Prospectus there have been no conflicts of interest with CaixaBank's Directors and their private interests and/or other duties, save those stated below:

Director	Conflict
Gonzalo Gortázar Rotaeche	In loan and credit account transactions he abstained from the Board of Directors' vote due to his connection with the persons entering into those transactions.
María Dolors Llobet María	In several dealings with the Spanish trade union *Comisiones Obreras* (CCOO) and with foundations created by that union relating to guarantees, lines of guarantees, credit accounts personal loan and factoring transactions, she abstained from voting due to her connection with that trade union.
Juan Rosell Lastortras	In transactions relating to lines of commercial risks and financing of working capital he abstained from the Board of Directors' vote due to his connection with the persons entering into those transactions.
Juan José López Burniol	In credit account transactions he abstained from the Board of Directors' vote due to his connection with the persons entering into those transactions.
María Verónica Fisas Vergés	She abstained from the Board of Directors' vote regarding the resolutions on the suitability assessment report as Director as well as on the proposal submitted to the Annual General Meeting regarding her appointment as Director.
Isidro Fainé Casas, Antonio Massanell Lavilla, Salvador Gabarró Serra, Eva Aurín Pardo, Mª. Teresa Bassons Boncompte, Dolors Llobet Maria, Xavier Ibarz Alegría and Juan José López Burniol	They abstained from the Board of Directors' vote regarding the resolutions approving the terms of the termination of the agreement between CaixaBank and the Slim family relating to GF Inbursa.

Article 25 of the Regulations of the Board regulates the duty of diligence of the Board members, which mainly requires the Directors to have adequate dedication to adopt the necessary measures for the good management and control of the company, to demand adequate and necessary information to prepare the Board meetings and internal Committees and to take an active part in the deliberations and decision-making process. Article 26 regulates the duty of loyalty, mainly stating that Directors must abstain from attending and intervening in deliberations and voting which affect matters in which they are personally interested. Article 28 of the Regulations of the Board of Directors regulates the duty not to compete of CaixaBank's directors. Article 29 of these Regulations regulates the duty to avoid situations of conflict of interest applicable to all Directors, referring to (among other duties) not using CaixaBank's assets or avail themselves of their position within CaixaBank to obtain an economic advantage or for private aims, and to avoiding developing activities on their own account or for third parties that place them in a permanent conflict of interest with CaixaBank.

The business address of each member of the Board of Directors is Av. Diagonal, 621, 08028 Barcelona, Spain.

Executive Committee

The Executive Committee is governed by applicable legislation, the by-laws of CaixaBank and the regulations of the Board of Directors of CaixaBank. The Executive Committee has been delegated all of the responsibilities and powers available to it both legally and under CaixaBank's by-laws.

As at the date of this Base Prospectus, the Executive Committee of CaixaBank was composed of the following members:

Name	Position	First Appointed
Isidro Fainé Casas	Chairman	7 May 2009[(1)]
Antonio Massanell Lavilla	Member	17 July 2014[(3)]
Gonzalo Gortázar Rotaeche	Member	30 June 2014[(3)]
Javier Ibarz Alegría	Member	26 June 2012
Juan José López Burniol	Member	12 May 2011
María Dolors Llobet	Member	26 May 2009[(1)]
María Amparo Moraleda Martínez	Member	24 April 2014
Antonio Sáinz de Vicuña y Barroso	Member	1 March 2014[(2)]
Alejandro García-Bragado Dalmau	Non-director Secretary	26 May 2009
Óscar Calderón de Oya	First Deputy Secretary (non-director)	27 June 2011
Adolfo Feijóo Rey	Second Deputy Secretary (non-director)	27 June 2011

[(1)] Re-elected on 19 May 2010

[(2)] Re-elected on 24 April 2014

[(3)] Re-elected on 23 April 2015

Audit and Control Committee

The Audit and Control Committee typically meets on a quarterly basis, to review the regular financial information to be submitted to the stock market authorities as well as the information which the Board of Directors must approve and include within its annual public documentation. The committee is also responsible for evaluating the auditing system, the verification of the independence of the external auditor and the review of internal control systems.

Among others, the main functions of the Audit and Control Committee are:

- to report at the General Shareholders' Meeting on matters posed by shareholders in the area of its competence and, in particular, about the audit results, explaining the audit's contribution to the integrity of the financial reporting and the role undertaken by the Committee in this process;

- to propose to the Board of Directors, for submission to the General Shareholders' Meeting, the appointment, re-election and replacement of the accounts auditors, being responsible for the selection process in accordance with the legislation applicable to CaixaBank, as well as the contracting conditions thereof, the scope of their professional mandate and, as the case may be, the revocation or non-renewal thereof;

- to serve as a channel of communication between the Board of Directors and the auditors, to evaluate the results of each audit and the responses of the management team to its recommendations and to mediate in cases of discrepancies between the former and the latter in relation to the principles and criteria applicable to the preparation of the financial statements, as well as to examine the circumstances which, as the case may be, motivated the resignation of the auditor;

- to supervise the compliance with regulations with respect to Related Party Transactions; to supervise the compliance with the Internal Rules of Conduct on Matters Related to the Securities Market and, in general, of the rules of corporate governance;

- to report to the Board of Directors on the creation or acquisition of stakes in special purpose entities domiciled in countries or territories considered to be tax havens, as well as any other transactions or operations of an analogous nature which, due to their complexity, may deteriorate the transparency of CaixaBank or of the group to which it belongs; to consider the suggestions submitted to it by the Chairman of the Board of Directors, Board members, executives and shareholders of CaixaBank,

and to establish and supervise a mechanism which allows the employees of CaixaBank or of the group to which it belongs confidentially and, if deemed appropriate, anonymously, to report irregularities of potential significance, especially financial and accounting ones, which they observe within CaixaBank;

- to receive information and, as the case may be, issue a report on the disciplinary measures intended to be imposed upon members of CaixaBank's senior management team; and

- to supervise compliance with the internal protocol governing the relationship between the majority shareholder and CaixaBank and the companies of their respective groups, as well as the carrying out of any other actions established in the protocol itself for the best compliance with the aforementioned supervisory duty and any others attributed thereto by Law and other regulations applicable to CaixaBank.

As at the date of this Base Prospectus, the Audit and Control Committee was composed of the following members:

Name	**Post**	**Nature**	**Date of appointment**
Alain Minc	Chairman	Independent	20 September 2007[(1)]
Salvador Gabarró Serra	Member	Dominical	12 May 2011[(2)]
Xavier Vives Torrents	Member	Independent	12 May 2011[(3)]
Alejandro García-Bragado Dalmau	Non-director Secretary	-	27 June 2011
Óscar Calderón de Oya	First Deputy Secretary (non-director)	-	27 June 2011
Adolfo Feijóo Rey	Second Deputy Secretary (non-director)	-	27 June 2011

(1) Re-elected on 24 April 2014. Appointed Chairman on 25 May 2015.

(2) Re-elected on 23 April 2015.

(3) Appointed Member on 25 May 2015.

Appointments Committee

The Appointments Committee will meet whenever convened by its Chairman, and must do so whenever the Board of Directors or its Chairman requires reports to be issued or resolutions to be adopted and always when deemed appropriate or necessary in order to carry out its functions correctly.

The main functions of the Appointments Committee are:

(a) to bring before, report and propose to the Board of Directors the evaluation of skills, knowledge and experience necessary for the members of the Board of Directors and for the key personnel of the Issuer;

(b) to propose to the Board of Directors the nomination of the independent Directors to be appointed by co-option or for submission to the decision of the General Meeting, as well as the proposals for the reappointment or removal of such Directors by the General Meeting;

(c) to report on the proposed appointment of the remaining Directors to be appointed by co-option or for submission to the decision of the General Meeting, as well as the proposals for their reappointment or removal by the General Shareholders Meeting;

(d) to report on proposals for appointment or removal of senior executives, being able to effect such proposals directly in the case of senior managers which, due to their roles of either control or

support of the Board or its Committees, the Appointments Committee considers it necessary to take action and to propose, if deemed appropriate, basic conditions in senior executives' contracts, other than in relation to remuneration, and subsequently reporting on them when they have been established;

(e) to report to the Board of Directors in relation to gender diversity issues and establish a representation target for the minority gender on the Board of Directors, as well as preparing guidelines for how this should be achieved.

(f) To evaluate periodically, and at least once a year, the structure, size, composition and actions of the Board of Directors and its Committees, its Chairperson, CEO and Secretary, making recommendations regarding possible changes to these and to evaluate the composition of the steering committee as well as its replacement tables for adequate provision for transitions; and

(g) to supervise the activities of the organisation in relation to corporate social responsibility issues and to submit to any proposals in relation to this which it considers necessary to the Board of Directors.

As at the date of this Base Prospectus, the Appointments Committee is composed of the following members:

Name	**Position**	**First Appointed**
Antonio Sáinz de Vicuña y Barroso	Chairman	1 March 2014[(1)]
María Teresa Bassons Boncompte	Member	12 December 2013
María Amparo Moraleda Martínez	Member	24 April 2014
Alejandro García-Bragado Dalmau	Non-director Secretary	30 July 2009
Óscar Calderón de Oya	First Deputy Secretary (non-director)	27 June 2011
Adolfo Feijóo Rey	Second Deputy Secretary (non-director)	27 June 2011

(1) Re-elected on 24 April 2014

Remuneration Committee

The Remuneration Committee will meet whenever convened by its Chairman, and must do so whenever the Board of Directors or its Chairman requires reports to be issued or resolutions to be adopted and always when deemed appropriate or necessary in order to carry out its functions correctly.

The main functions of the Remuneration Committee are:

(a) to propose to the Board of Directors the remuneration policy for the Directors and Senior Management, the system and amount of annual remuneration for Directors and Senior Managers, the individual remuneration of the executive Directors, general managers and those performing senior management duties, as well as other conditions of their contracts, particularly financial, and without prejudice to the competences of the Appointments Committee in relation to any conditions that it has proposed and unconnected with the retributive aspect;

(b) to ensure compliance with the remuneration policy for Directors and senior managers as well as compliance with the conditions established in their contracts;

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

(d) to analyse, formulate and periodically review the remuneration programmes, evaluating their adequacy and performance and ensuring compliance;

(e) to propose to the Board of Directors the approval of the remuneration reports or policies that it has to submit to the General Shareholders Meeting as well as informing the Board of Directors in relation to the proposals relating to remuneration that, where applicable, it will propose to the General Shareholders Meeting; and

(f) to propose to the Board of Directors the approval of the remuneration reports or policies that it has to submit to the General Shareholders Meeting as well as informing the Board of Directors concerning the proposals relating to remuneration that, where applicable, it will propose to the General Shareholders Meeting; and to consider the suggestions posed to it by the Chairman, members of the Board of Directors, officers or shareholders of CaixaBank.

As at the date of this Base Prospectus, the Remuneration Committee is composed of the following members:

Name	**Position**	**First Appointed**
María Amparo Moraleda	Chairwoman	25 September 2014
Salvador Gabarró Serra	Member	25 September 2014[(1)]
Alain Minc	Member	18 December 2014
Alejandro García-Bragado Dalmau	Non-director Secretary	25 September 2014
Óscar Calderón	First Deputy Secretary (non-director)	25 September 2014
Adolfo Feijóo	Second Deputy Secretary (non-director)	25 September 2014

[(1)] Re-elected on 23 April 2015

Risks Committee

This Committee holds ordinary sessions as often as necessary to fulfil its duties and shall be convened by the Chairman, upon his own initiative or at the request of the Chairman of the Board of Directors or at least two members of the Risks Committee itself. The Risks Committee will prepare an annual report on its running, highlighting any significant incidents that may have occurred in relation to its own functions and including, if the Committee considers it appropriate, suggestions for improvement.

The main functions of the Risks Committee are:

(a) to advise the Board of Directors on the overall susceptibility to risk, current and future, and to report on the risk appetite framework, assisting in the monitoring of the implementation of this strategy, ensuring that the Group's actions are consistent with the level of risk tolerance previously decided and implementing monitoring of the risks assumed and the profile established;

(b) to propose to the Board of Directors the risk policy for the Group;

(c) to propose to the Board of Directors the nature, quantity, format and frequency of the information concerning risks that the Board of Directors should receive and establish what the Committee should receive; to regularly review exposures with the Group's main customers, economic business sectors, geographic areas and types of risk;

(d) to examine the information and control processes of the Group's risk as well as the information systems and indicators;

(e) to evaluate the regulatory compliance risk in its scope of action and determination, understood as the risk management of legal or regulatory sanctions, financial loss, material or reputational that the Issuer could suffer as a result of non-compliance with laws, rules, regulation standards and codes of conduct, detecting any risk of non-compliance, and carrying out monitoring and examining possible deficiencies in the principles of professional conduct and to report on new products and services or significant changes to existing ones;

(f) to report on new products and services or significant changes to existing ones; and

(g) to examine, notwithstanding the functions of the Remuneration Committee, if the incentives policy anticipated in the remuneration systems take into account the risk, capital, liquidity and the probability and timing of the benefits.

As at the date of this Base Prospectus, the Risks Committee is composed of the following members:

Name	**Position**	**First Appointed**
Antonio Sáinz de Vicuña y Barroso	Chairman	25 September 2014
Javier Ibarz Alegría	Member	25 September 2014
Juan-José López Burniol	Member	25 September 2014
María Amparo Moraleda	Member	25 September 2014
Juan Rosell Lastortras	Member	25 September 2014
Alejandro García-Bragado Dalmau	Non-director Secretary	26 May 2009
Óscar Calderón de Oya	First Deputy Secretary (non-director)	27 June 2011
Adolfo Feijóo Rey	Second Deputy Secretary (non-director)	27 June 2011

Litigation

At 31 December 2015, certain lawsuits and proceedings were ongoing involving the CaixaBank Group arising from the ordinary course of its operations. The CaixaBank Group's legal advisers and directors consider that the outcome of such lawsuits and proceedings will not have a material effect on equity in the years in which they are settled.

CaixaBank maintains provisions covering the obligations that may arise from such ongoing lawsuits totalling €216 million as of 31 December 2015. These provisions mainly relate to different litigations which unit value is not material. However, given the nature of these obligations, the expected timing of these economic outflows, if any, is uncertain.

Additionally, there is an ongoing legal procedure to exercise a class action, subject to appeal, regarding the application of interest rate floor clauses on certain mortgages provided by CaixaBank. On 7 April 2016, a ruling was passed in the aforementioned proceedings declaring such interest rate floor clauses, contained in the general conditions of signed mortgage contracts with customers, null and void due to a lack of transparency, and by which banks must (i) eliminate the abovementioned clauses of the contracts, (ii) cease using them in a non-transparent way, and (iii) reimburse affected consumers for amounts that they overpaid under clauses declared void from the date of publication of the judgment of the Supreme Court on 9 May 2013, together with any interests according with applicable law. During 2015 the Group removed these interest rate floor clauses and proceeded to record a provision of approximately €500 million for the expected cost of returning the amounts received from May 2013 until such removal. This judgment is not final, as it has been appealed by various parties. In its appeal, the consumer association ADICAE is requesting that the reimbursement of amounts is not limited to those charged from 9 May 2013 but that it extends in each case to the date when the mortgage was granted.

Credit ratings

As at the date of this Base Prospectus, the Issuer has been assigned the following debt ratings by the following credit rating agencies:

	Long term	Short term	Outlook	Evaluation Date
Moody's	Baa2	P-2	Negative	20/04/2016
Standard & Poor's	BBB	A-2	Stable	22/04/2016
Fitch	BBB	F2	Positive	26/04/2016
DBRS	A (low)	R-1 (low)	Stable	13/04/2016

Tranches of Notes may be rated or unrated and, if rated, such ratings will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September, 2009 on credit rating agencies (the **CRA Regulation**) will be disclosed in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

TAXATION

Spain

The following summary refers solely to certain Spanish tax consequences of the acquisition, ownership and disposition of the Notes. It does not purport to be a complete analysis of all tax consequences relating to the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which might be subject to special rules. Prospective investors should consult their own tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and disposing of Notes and receiving any payments under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. References in this section to Noteholders include the beneficial owners of the Notes.

Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this document:

(a) of general application, Additional Provision One of Law 10/2014, of 26 June on the organisation, supervision and solvency of credit institutions (**Law 10/2014**), as well as Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011, of 29 July (**Royal Decree 1065/2007**);

(b) for individuals resident for tax purposes in Spain which are subject to the Individual Income Tax (**IIT**), Law 35/2006 of 28 November, on the IIT, as amended, and Royal Decree 439/2007 of 30 March promulgating the IIT Regulations, as amended, along with Law 19/1991, of 6 June on Wealth Tax, as amended, and Law 29/1987, of 18 December on the Inheritance and Gift Tax, as amended;

(c) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax (**CIT**), Law 27/2014, of 27 November, Corporate Income Tax and Royal Decree 634/2015, of 10 July approving on the CIT Regulations, as amended; and

(d) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax (**NRIT**), Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the NRIT Law, as amended, and Royal Decree 1776/2004 of 30 July promulgating the NRIT Regulations, as amended, along with Law 19/1991, of 6 June on Wealth Tax as amended and Law 29/1987, of 18 December on the Inheritance and Gift Tax as amended.

This analysis is a general description of the tax treatment under the currently in force Spanish legislation, without prejudice of regional tax regimes in the Historical Territories of the Basque Country and the Community of Navarre, or provisions passed by Autonomous Communities which may apply to investors for certain taxes.

Indirect taxation

Whatever the nature and residence of the Noteholder, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, i.e., exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December as amended regulating such tax.

Individuals with Tax Residency in Spain

Individual Income Tax (Impuesto sobre la Renta de las Personas Físicas)

Both interest payments periodically received and income derived from the transfer, redemption or repayments of the Notes constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25 of the IIT Law, and therefore must be included in the investor's IIT savings taxable base pursuant to the provisions of the aforementioned law.

The IIT savings taxable base is taxed at the following rates as of 1 January 2016: (i) 19% for taxable income up to €6,000; (ii) 21% for taxable income from €6,001 to €50,000; and (iii) 23% for any amount in excess of €50,000.

Article 44 of the Royal Decree 1065/2007 has established information procedures for debt instruments issued under the Law 10/2014 (which do not require identification of the Noteholders) and has provided that the interest will be paid by the Issuer to the Issuing and Principal Paying Agent for the gross amount, provided that such information procedures are complied with, so that any payment under the Notes will not be subject to withholding tax to the extent that the new simplified information procedures (which do not require identification of the Noteholders) are complied with by the Issuing and Principal Paying Agent as it is described in section "*Simplified information procedures*".

However, in the case of Notes held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes may be subject to withholding tax at the general rate of 19% (as of 1 January 2016) which will be made by the depositary or custodian.

Amounts withheld may be credited against the final IIT liability.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Individuals with tax residency in Spain are subject to Wealth Tax during the tax year 2016 to the extent that their net worth exceeds EUR 700,000. Therefore, they should take into account the value of the Notes which they hold as at 31 December 2016, the applicable rates ranging between 0.2% and 2.5%. The Autonomous Communities may have different provisions in this respect.

In accordance with article 66 of Law 48/2015, of October 29, of the Spanish General Budget for the year 2016 (*Ley de Presupuestos Generales del Estado para el año 2016*), for the year 2017 and onwards, a full exemption on Spanish Wealth Tax would apply, and, therefore, individuals who are resident in Spain will be released from formal filing obligations in relation to this Spanish Wealth Tax from 2017 onwards, unless the application of this full exemption is postponed.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals resident in Spain for tax purposes who acquire ownership or other rights over the Notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The applicable tax rates currently range between 7.65% and 81.6% depending on relevant factors.

Legal Entities with Tax Residency in Spain

Corporate Income Tax (Impuesto sobre Sociedades)

Both interest received periodically and income derived from the transfer, redemption or repayment of the Notes are subject to CIT (at the current general tax rate of 25%) in accordance with the rules for this tax.

In accordance with Section 44.5 of Royal Decree 1065/2007 and in the opinion of the Issuer, there is no obligation to withhold on income payable to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds). Consequently, the Issuer will not withhold tax on interest payments to Spanish CIT taxpayers to the extent that the new simplified information procedures (which do not require identification of the Noteholders) are complied with by the Issuing and Principal Paying Agent as it is described in section "*Simplified information procedures*".

However, in the case of Notes held by Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes may be subject to withholding tax at the generally applicable rate of 19% (as of 1 January 2016), if the Notes do not comply with exemption requirements specified in the Reply to the Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 in which case the required withholding will be made by the depositary or custodian.

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant investors against its final CIT liability.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Legal entities resident in Spain for tax purposes are not subject to Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax but must include the market value of the Notes in their taxable income for Spanish CIT purposes.

Individuals and Legal Entities with no Tax Residency in Spain

Non-resident Income Tax (Impuesto sobre la renta de No Residentes)

With permanent establishment in Spain

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those previously set out for Spanish CIT taxpayers. See "*Spain – Legal Entities with Tax Residency in Spain – Corporate Income Tax (Impuesto sobre Sociedades)*". Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

With no permanent establishment in Spain

Both interest payments received periodically and income derived from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Notes, through a permanent establishment in Spain, are exempt from NRIT.

In order for the exemption to apply, it is necessary to comply with certain information obligations relating to the Notes, in the manner described in section "*Simplified information procedures*" as laid down in section 44 of Royal Decree 1065/2007. If these information obligations are not complied within the manner indicated, the Issuer will withhold at the general rate applicable from time to time, and the Issuer will pay the relevant additional amounts as will result in receipt by the Noteholder of such amounts as would have been received by them had no such withholding or deduction been required.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed EUR700,000 would be subject to Wealth Tax in tax year 2016, the applicable rates ranging between 0.2% and 2.5%.

However, non-Spanish resident individuals will be exempt from Wealth Tax in respect of the Notes which income is exempt from NRIT as described above.

If the exemptions outlined do not apply, individuals who are not resident in Spain for tax purposes and who are residents in an EU or European Economic Member State may apply the rules approved by the Spanish region where the assets and rights with more value: (i) are located; (ii) can be exercised; or (iii) must be fulfilled.

In accordance with article 66 of Law 48/2015, of October 29, of the Spanish General Budget for year 2016 (*Ley de Presupuestos Generales del Estado para el año 2016*), for the year 2017 and onwards, a full exemption on Spanish Wealth Tax would apply and, therefore, Spanish non-resident individuals will be released from formal and filing obligations in relation to this Spanish Wealth Tax from 2017 and onwards, unless the application of this full exemption is postponed.

Non-Spanish resident legal entities are not subject to Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over the Notes by inheritance, gift or legacy, will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and state rules (EU individuals not resident in Spain for tax purposes may apply the regional rules), unless they reside in a country for tax purposes with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax. In such case, the provisions of the relevant double tax treaty will apply.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax. Such acquisitions will be subject to NRIT (as described above), except as provided in any applicable double tax treaty entered into by Spain. In general, double tax treaties provide for the taxation of this type of income in the country of tax residence of the Holder.

Tax Rules for Notes not Listed on an Organised Market in an OECD Country

Withholding on Account of CIT and NRIT

If the Notes are not listed on an organised market in an OECD country on any Payment Date, payments to Noteholders will be subject to withholding tax at the general rate of 19%, except in the case of Noteholders which are: (a) resident in a Member State of the European Union other than Spain and obtain the interest income either directly or through a permanent establishment located in another Member State of the European Union, provided that such Holders (i) do not obtain the interest income on the Notes through a permanent establishment in Spain and (ii) are not resident of, or are not located in, nor obtain income through, a tax haven (as defined by Royal Decree 1080/1991, of 5 July, as amended) or (b) resident for tax purposes of a country which has entered into a double tax treaty with Spain which provides for an exemption from Spanish tax or a reduced withholding tax rate with respect to interest payable to any Holder.

Net Wealth Tax (Impuesto sobre el Patrimonio)

See *"Spain – Individuals with Tax Residency in Spain – Net Wealth Tax (Impuesto sobre el Patrimonio))" and "Spain – Individuals and Legal Entities with no Tax Residency in Spain – Net Wealth Tax (Impuesto sobre el Patrimonio)*".

Simplified information procedures

According to Law 10/2014 the information to be reported by issuers to the Spanish Tax Authorities will be developed in relevant regulations. Royal Decree 1065/2007 sets out the procedures to be followed in order to make payments under the Notes without withholdings or deductions for or on account of Spanish taxes.

The procedures set out in the Agency Agreement provide that the Issuer will pay on each Interest Payment Date the full amount of the payment due and payable to the Issuing and Principal Paying Agent. The Issuing and Principal Paying Agent, on behalf of the Issuer, will deliver a statement in the required form to the Issuer the business day immediately before the relevant Interest Payment Date. The statement shall contain the following information:

(a) identification of the Notes;

(b) income payment date (or refund if the Notes are issued at a discount or segregated);

(c) total amount of income (or total amount to be refunded if the Notes are issued at a discount or segregated);

(d) total amount payable under the Notes to each of the Clearing Systems.

If the procedures set out above are complied with, the Issuing and Principal Paying Agent, on behalf of the Issuer, will pay the relevant amount to (or for the account of) the clearing systems without withholdings or deductions for or on account of Spanish taxes. If the statement is not delivered to the Issuer as described above, the Issuer shall pay such additional amounts as required under terms of the Notes and pay an appropriate amount to the Spanish tax authorities to the extent required to comply with its obligations with respect thereto. The Issuing and Principal Paying Agent will pay the relevant amount to (or for the account of) the clearing systems.

If, following clarifications by the Spanish Tax Authorities, procedures in relation to Royal Decree 1065/2007 are subsequently amended, the Issuer and the Issuing and Principal Paying Agent will implement such procedures as may be required to enable the Issuer to comply with its obligations under applicable legislation as clarified by the Spanish Tax Authorities. The Issuer undertakes to ensure that the Noteholders are informed of such new procedures and their implications.

Regarding the interpretation of the amendments introduced by Royal Decree 1145/2011 and the new simplified information procedures please refer to "*Risk Factors – Risks relating to the Spanish withholding tax regime*".

The Proposed Financial Transactions Tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and participating Member States may decide not to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described under "Terms and Conditions—Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 13 June 2016, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Spain

The Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in circumstances which do not constitute a public offer of securities in Spain within the meaning of the consolidated text of the Spanish Securities Market Law approved by Royal Legislative Decree 4/2015 of 23 October, or without complying with all legal and regulatory requirements under Spanish securities laws. No publicity or marketing of any kind shall be made in Spain in relation to the Notes.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not and will not direct or make any offer of the Notes to investors located in Spain.

Neither the Notes nor the Base Prospectus have been or will be registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore the Base Prospectus is not intended for any public offer of the Notes in Spain.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined in Article 100 of Legislative Decree No. 58 of 24th February, 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and

(ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of the securities in the Republic of Italy; and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

France

Each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme was duly authorised by a resolution of the shareholders of the Issuer dated 25 April 2013, and a resolution of the Board of Directors of the Issuer dated 26 September 2013 and the update of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 26 May 2016.

Issues of Notes under the Programme are required to comply with certain formalities contained in the Spanish Corporations law (*Ley de Sociedades de Capital*), including as at the date of this Base Prospectus execution of a public deed of issue (*Escritura de Emisión*).

Listing of Notes

This Base Prospectus has been approved by the CBI as competent authority under the Prospectus Directive. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC, as amended and/or which are to be offered to the public in any member state of the European Economic Area.

Application has been made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to trading on the Main Securities Market and to be listed on the Official List. The Main Securities Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) as amended. It is expected that each Tranche of Notes to be listed on the Official List and admitted to trading on the Main Securities Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available in hard copies for inspection from the registered office of the Issuer and from the specified offices of the Paying Agent(s) for the time being in Luxembourg:

(a) the bylaws (with an accurately reproduced English translation thereof) of the Issuer;

(b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2014 and 31 December 2015 (with an accurately reproduced English translation thereof), in each case together with the audit reports prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;

(c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited consolidated condensed interim financial statements of the Issuer (in each case with an accurately reproduced English translation thereof), in each case together with any audit or limited review report prepared in connection therewith. The Issuer currently prepares unaudited consolidated condensed interim accounts on a half yearly basis;

(d) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;

(e) a copy of this Base Prospectus; and

(f) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2015.

There has been no significant change in the financial position of the Group since 31 March 2016 and there has been no significant change in the financial or trading position of the Issuer since 31 March 2016.

Litigation

Other than as described in the section entitled "Litigation" on page [•], neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Auditors

The auditors of the Issuer are Deloitte, S.L. (registered as auditors on the *Registro Oficial de Auditores de cuentas*) who have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in Spain for each of the two financial years ended on 31 December 2014 and 31 December 2015.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealer or their affiliates that

have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

ISSUER

CaixaBank, S.A.
Avenida Diagonal, 621
08028 Barcelona
Spain

ISSUING AND PRINCIPAL PAYING AGENT

BNP Paribas Securities Services, Luxembourg Branch
60, avenue J.F. Kennedy
L-1855 Luxembourg
Postal Address: L - 2085 Luxembourg

LEGAL ADVISERS

To the Issuer as to English law and Spanish law

Clifford Chance, S.L.
Paseo de la Castellana 110
28046 Madrid
Spain

To the Dealers as to English law and Spanish law

Allen & Overy
Pedro de Valdivia 10
28006 Madrid
Spain

AUDITORS

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
Spain

ARRANGER

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

DEALERS

Banco Bilbao Vizcaya Argentaria, S.A.
Ciudad BBVA
Calle Sauceda 28, Edificio Asia
Madrid 28050
Spain

Banco Santander, S.A.
Gran Vía de Hortaleza 3
Edificio Pedreña- Planta 1
28033 Madrid
Spain

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

CaixaBank, S.A.
Avenida Diagonal, 621
08028 Barcelona
Spain

Citigroup Global Markets Limited
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

Commerzbank Aktiengesellschaft
Kaiserstraße 16 **(**Kaiserplatz)
60311 Frankfurt am Main
Federal Republic of Germany

Crédit Agricole Corporate and Investment Bank
9 Quai du Président Paul Doumer
92920 - Paris La Defense Cedex
France

Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ
United Kingdom

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

Mediobanca - Banca di Credito Finanziario S.p.A.
Piazzetta Enrico Cuccia, 1
20121 Milan
Italy

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

NATIXIS
30 Avenue Pierre Mendès France
75013 Paris
France

Nomura International plc
1 Angel Lane
London EC4R 3AB
United Kingdom

Société Générale
29, boulevard Haussmann
75009 PARIS
FRANCE

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

LISTING AGENT

Maples and Calder
75 St. Stephen's Green
Dublin 2, Ireland