EXPLANATORY REPORT OF THE NEW PROPOSED DISTRIBUTION OF PROFIT REPLACING THE PROPOSAL CONTAINED IN THE REPORT ON THE FINANCIAL STATEMENTS CORRESPONDING TO THE YEAR ENDING 31 DECEMBER 2019

Board of Directors – 16 April 2020

I. PURPOSE OF THE REPORT

This report has been prepared by the Board of Directors of CaixaBank, S.A. (hereinafter, "**CaixaBank**" or the "**Company**") in order to justify the replacement of proposed distribution of profit for 2019 contained in the report on the individual financial statements and in the report on CaixaBank's consolidated financial statements corresponding to the year ending 31 December 2019, with the new proposal subject to approval by the General Shareholders' Meeting under item 4 on the agenda, pursuant to the provisions of Article 40.6 bis of Royal Decree-Law 8/2020, of 17 March, on the extraordinary urgent measures to address the economic and social impact of COVID-19.

II. EXPLANATION OF THE NEW PROPOSED DISTRIBUTION OF RESULTS

The expansion of the COVID-19 and measures adopted by the authorities to slow down the spread of the virus will have an impact on the global economy that it is expected to be short term, but nevertheless very severe. Against this backdrop, the solid solvency and liquidity of the CaixaBank Group at the close of 2019, with a CET1 capital ratio of 12.0%, reflecting a management margin of 3.25% compared to the supervisory requirements, and net assets in excess of 89,000 million euros, will make it possible for the Group to confidently face the expected negative economic scenario that will develop throughout the rest of 2020.

Furthermore, the CaixaBank Group aims to serve as a key player in ensuring the recovery of the Spanish and Portuguese economies is as fast as possible, providing credit to ensure it gets where it is needed, pursuant to the state guarantee systems established by the authorities, while efficiently using the capital that provides adequate returns for shareholders.

With a view to accommodating the position of the bank to the new environment, the Board of Directors, at its meeting on 26 March 2020 made several resolutions, the first of which was to cancel the Ordinary General Shareholders' Meeting announced on 25 February 2020 as *Other Relevant Information* on the website of the Spanish Securities Market Regulator (CNMV), on the Company's website and in the Official Gazette of the Companies Registry, due to be held on 2 and 3 April 2020 at first and second call, respectively, at the Science Museum of the City of the Arts and Sciences in Valencia. The announcement of the resolution to cancel the Ordinary General Shareholders' Meeting was published on the same day, 26 March, on the website of the CNMV as *Other Relevant Information* and on the Company's website, and on 30 March 2020 in the Official Gazette of the Companies Registry. The announcement reflected the intention of the Board of Directors to call the Ordinary General Shareholders' Meeting again within the legal term provided for in Royal Decree-Law 8/2020, of 17 March, on the extraordinary urgent measures to address the economic and social impact of Covid-19.

At the same meeting on 26 March 2020 and in the same context, the Board of Directors, agreed to revoke the proposed distribution of profit for the year ending 31 December 2019, proposed by the Board of Directors on 20 February 2020, as featured in the report containing the individual financial statements and in the report on CaixaBank's consolidated financial

statements corresponding to the year ending 31 December 2019, due to be subject to approval of the Ordinary General Shareholders' Meeting initially called for 2 and 3 April 2020, at first and second call, respectively, under item 4 on the agenda. This proposal contemplated the payment of a dividend of 0.15 euros gross per share, in line with the intention announced by the Company in the *Relevant Fact* of 31 January 2020, in keeping with the CaixaBank Dividends Policy and with the 2019-2021 Strategic Plan, which provide for the distribution of a cash sum of more than 50% of consolidated net profit.

As part of the measures adopted as a result of the situation caused by COVID-19 and, in a financial year requiring caution and social responsibility, the Board of Directors, at its meeting of 26 March 2020, agreed to reduce the dividend from 0.15 to 0.07 euros per share, translating into a pay-out of 24.6%. The distribution of this dividend was agreed by the Board at its meeting of 26 March and was paid out yesterday, 15 April, in view of the positive results reflected in the Balance Sheet and the individual Statement of Profit and Loss of 31 December 2019, and the statement of financial position, which demonstrates that there is sufficient liquidity, attached as an **Appendix** to this report. As announced by Company in the publication on the CNMV website as *Privileged Information* on 26 March, this dividend has been charged to 2019 profits and is the only remuneration package planned for shareholders charged to 2019.

The Board of Directors, pursuant to Article 253 of the Restated Text of the Corporate Enterprises Act, and Royal Decree-Law 8/2020, of 17 March, on the extraordinary urgent measures to address the economic and social impact of Covid-19, and at the meeting of 16 April 2020, has agreed to prepare the new proposed distribution of profit for 2019, consisting of approving the distribution of individual net profit of 2,073,521,148.66, as described below, and submit this proposal for approval at the General Shareholders' Meeting due to be held on 21 May at first call or 22 May 2020 at second call:

Basis for distribution	**2,073,521,148.66 euros**
For dividends:	**418,445,322.12 euros** (1)
Interim dividend (April 2020)	418,445,322.12 euros (1)
For reserves:	**1,655,075,826.54 euros**
Legal reserve	0 euros (2)
Voluntary reserve	1,655,075,826.54 euros (3)

(1) Amount corresponding to the payment of the dividend of 0.07 euros per share in cash on 15 April 2020. Treasury stock on the date of the payment of the dividend have been excluded given that, pursuant to the requirements of the Corporate Enterprises Act, dividends cannot be paid to treasury stock.

(2) It is not necessary to allocate part of the profit of 2019 to the legal reserve, since this already amounts to 20% of the share capital (Article 274 of the Spanish Corporation Law).

(3) The remuneration of AT1 equity instruments issued by CaixaBank corresponding to 2019, which comes to a total of 133,290,284.20 euros, will be charged to these voluntary reserves.

The new proposed distribution of profit replaces the proposed distribution of profit for year 2019 contained in the report on the individual financial statements and in the report on CaixaBank's consolidated financial statements corresponding to year ending 31 December 2019. Pursuant to the provisions of the joint press release by the professional association of registrars and the CNMV in relation to the proposed distribution of the profit of the trading companies in the context of the health crisis caused by COVID-19 on 26 March 2020, and as

provided for in Article 40.6 bis of Royal Decree-Law 8/2020, of 17 March, on the extraordinary urgent measures to address the economic and social impact of COVID-19 and Article 38c) of Royal Decree of 22 August 1885 publishing the Code of Commerce, the Board of Directors does not esteem that the financial statements for the year ending 31 December 2019 need to be reformulated.

This report shall be made available on the Company's website (www.caixabank.com) together with the financial statements and the management report of CaixaBank, the corresponding audit report, the declaration by the auditor on the new proposed distribution of profit in line with Article 40.6 bis of Royal Decree-Law 8/2020, of 17 March, on the extraordinary urgent measures to address the economic and social impact of Covid-19 and the other documentation regarding the Ordinary General Shareholders' Meeting called for 21 May at first call or, where applicable, 22 May 2020, at second call.

16 April 2020

Translation of document originally issued and prepared in Spanish. This English version is a translation of the original in Spanish for information purposes only. In the event of a discrepancy, the original Spanish-language version prevails

Adequacy of distributable profit (on Dec 31, 2019)

(In million Euro)

Distributable profit	Amount
Profits at 31.12.2019	**2,074**
(-) to legal reserve (1)	0
Distributable profit at 31.12.2019	**2,074**

(1) 10% of the profit must be provided for legal reserve until 20% of shareholders capital is reached . This condition has already been fulfilled by CaixaBank

Adequacy of liquidity (on Feb 29, 2020)

(In million Euro)

Individual liquidity	Amount
Balance sheet liquidity (1)	**40,887**
Potential liquidity (2)	74,395
HQLA (3)	49,560
HQLA + undrawn amount (4)	79,232
Amount in current accounts	16,701

(1) Mainly cash, Interbank and uncommitted sovereign debt, deducting the amount to be kept as cash coefficient
(2) Includes balance sheet liquidity and undrawn policy amount
(3) High-quality liquid assets (numerator of ratio LCR)
(4) Includes the undrawn amount of policy not included in HQLA

Compliance prudential limitations (on Dec 31, 2019)

Solvency		
CET1 ratio consolidated	12.03%	
Tier 1 ratio consolidated	13.54%	
Total Capital ratio consolidated	15.72%	*Difference between CET1 level and 12.26% requeriment.*
Buffer MDA consolidated (€MM)	**5,117**	
CET1 ratio individual basis	13.76%	
Tier 1 ratio individual basis	15.41%	
Total Capital ratio individual basis	17.78%	*Difference between CET1 level and 7.01% requeriment*
Buffer MDA at individual basis (€MM)	**9,167**	