CAIXABANK, S.A.

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

Perpetual Non-Cumulative Contingent Convertible Additional Tier 1 Preferred Securities

Issue Price: 100 per cent.

The €750,000,000 Perpetual Non-Cumulative Contingent Convertible Additional Tier 1 Preferred Securities of €200,000 liquidation preference each (the "**Preferred Securities**") are being issued by CaixaBank, S.A. (the "**Bank**", the "**Issuer**" or "**CaixaBank**") on 14 September 2021 (the "**Closing Date**"). The Bank and its consolidated subsidiaries are referred to herein as the "**CaixaBank Group**" or the "**Group**".

The Preferred Securities will accrue non-cumulative cash distributions ("**Distributions**") as follows: (i) in respect of the period from (and including) the Closing Date to (but excluding) 14 March 2029 (the "**First Reset Date**"), at the rate of 3.625 per cent. per annum, and (ii) in respect of each period from (and including) the First Reset Date and every fifth anniversary thereof (each a "**Reset Date**") to (but excluding) the next succeeding Reset Date (each such period, a "**Reset Period**"), at the rate per annum, calculated on an annual basis and then converted to a quarterly rate in accordance with market convention, equal to the aggregate of 3.857 per cent. per annum (the "**Initial Margin**") and the 5-year Mid-Swap Rate (as defined in the terms and conditions of the Preferred Securities (the "**Conditions**")) for the relevant Reset Period. Subject as provided in the Conditions, such Distributions will be payable quarterly in arrear on 14 March, 14 June, 14 September and 14 December, in each year (each a "**Distribution Payment Date**").

The Bank may elect, in its sole and absolute discretion, to cancel the payment of any Distribution in whole or in part at any time as further provided in Condition 4.3. Without prejudice to the right of the Bank to cancel the payments of any Distribution: (a) payments of Distributions in any financial year of the Bank shall be made only to the extent the Bank has sufficient Distributable Items (as defined in the Conditions). To the extent that the Bank has insufficient Distributable Items to make Distributions on the Preferred Securities, the Bank will only make partial or, as the case may be, no payment of the relevant Distribution on the Preferred Securities; (b) if the Competent Authority (as defined in the Conditions) requires the Bank to cancel the relevant Distribution in whole or in part, the Bank will only make partial or, as the case may be, no payment of the relevant Distribution on the Preferred Securities; (c) the Bank may make partial or, as the case may be, no payment of the relevant Distribution on the Preferred Securities if and to the extent that such payment would cause the Maximum Distributable Amount to be exceeded or otherwise would cause a breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Capital (as defined in the Conditions) pursuant to Applicable Banking Regulations (as defined in the Conditions); and (d) if the Trigger Event (as defined in the Conditions) occurs at any time on or after the Closing Date (as defined in the Conditions), the Bank will not make any further Distribution on the Preferred Securities and any accrued and unpaid Distributions up to a Trigger Event shall be automatically cancelled.

The Preferred Securities are perpetual. All, and not some only, of the Preferred Securities may be redeemed at the option of the Bank at any time in the period commencing on (and including) 14 September 2028 and ending on (and including) the First Reset Date and on any Distribution Payment Date thereafter, at the liquidation preference of €200,000 per Preferred Security plus any accrued and unpaid Distributions for the then current Distribution Period (as defined in the Conditions) to (but excluding) the date fixed for redemption (the "**Redemption Price**"). The Preferred Securities are also redeemable on or after the Closing Date at the option of the Bank in whole but not in part, at any time, at the Redemption Price if there is a Capital Event or a Tax Event (each as defined in the Conditions). Subject, in each case, to the prior consent of the Competent Authority and otherwise in accordance with the Applicable Banking Regulations (as defined in the Conditions) then in force.

Subject to the prior consent of the Competent Authority and otherwise in accordance with the Applicable Banking Regulations then in force, if a Capital Event or Tax Event has occurred and is continuing, the Bank may substitute all (but not some only) of the Preferred Securities or vary the terms of all (but not some only) of the Preferred Securities, without the consent or approval of the holders of the Preferred Securities ("**Holders**"), so that they are substituted for, or varied to, become or remain Qualifying Preferred Securities (as defined in the Conditions).

In the event of the occurrence of a Trigger Event (as defined in the Conditions) (i.e. if at any time the CET1 ratio (as defined in the Conditions) falls below 5.125 per cent.), the Preferred Securities are mandatorily and irrevocably convertible into newly issued ordinary shares in the capital of the Bank ("Ordinary Shares") at the Conversion Price (as defined in the Conditions).

In the event of any voluntary or involuntary liquidation or winding-up of the Bank, Holders will be entitled to receive (subject to the limitations described in the Conditions), in respect of each Preferred Security, their respective liquidation preference of €200,000 plus any accrued and unpaid Distributions for the then current Distribution Period to the date of payment of the Liquidation Distribution (as defined in the Conditions).

The Preferred Securities have been rated BB by S&P Global Ratings Europe Limited ("**S&P Global**"). S&P Global is established in the European Union ("**EU**") and is registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies (the "**CRA Regulation**"). S&P Global appears on the latest update of the list of registered credit rating agencies (as of 7 May 2021) on the European Securities and Markets Authority ("**ESMA**") website. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.**

This document (together with any information incorporated by reference) constitutes a listing prospectus (the "**Prospectus**") for the purposes of Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of the EU (as amended, the "**Prospectus Regulation**") and has been prepared in accordance with, and including the information required by annexes 2, 15, 17 (section 2.2.2.) and 20 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 (the "**Delegated Regulation**"). This Prospectus has been approved by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the "**CNMV**") as competent authority under the Prospectus Regulation. The CNMV only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CNMV should not be considered as an endorsement of the Bank or of the quality of the Preferred Securities. Investors should make their own assessment as to the suitability of investing in the Preferred Securities.

Application has been made for the Preferred Securities to be admitted to trading on the Spanish AIAF Fixed Income Securities Market ("**AIAF**"). AIAF is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (as amended, "**MiFID II**"). The Preferred Securities may also be admitted to trading on any other secondary market as may be agreed by the Issuer.

Amounts payable under the Preferred Securities from and including the First Reset Date are calculated by reference to the 5-year Mid-Swap Rate which appears on the ICESWAP2 screen, which is provided by ICE Benchmark Administration Limited or by reference to EURIBOR 6-month (as defined in the Conditions) which appears on the EURIBOR01 screen, which is provided by the European Money Markets Institute. As at the date of this Prospectus ICE Benchmark Administration Limited is not included in ESMA's register of administrators and benchmarks under Article 36 of the Regulation (EU) No 2016/1011 (the "**Benchmark Regulation**"), the transitional provisions in Article 51 of the Benchmark Regulation apply such that ICE Benchmark Administration Limited is not currently required to obtain recognition, endorsement or equivalence. As at the date of this Prospectus, the European Money Markets Institute appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

The Preferred Securities are complex financial instruments with high risk and are not a suitable or appropriate investment for all investors.

The Preferred Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available in the European Economic Area ("EEA") to any retail investor as defined in the rules set out in MiFID II or in the United Kingdom ("UK") to any retail investor as defined in Regulation (EU) 2017/565 as it forms part of UK domestic law by virtue of European Union (Withdrawal) Act of 2018 ("EUWA"). Prospective investors are referred to the section headed "Prohibition on marketing and sales to retail investors" on pages 6 and 7 of this Prospectus for further information.

Investors in Hong Kong should not purchase the Preferred Securities in the primary or secondary markets unless they are professional investors (as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and its subsidiary legislation, "Professional Investors") only and understand the risks involved. The Preferred Securities are generally not suitable for retail investors.

Prospective purchasers of the Preferred Securities should ensure that they understand the nature of the Preferred Securities and the extent of their exposure to risks and that they consider the suitability of the Preferred Securities as an investment in the light of their own circumstances and financial condition.

An investment in the Preferred Securities involves certain risks. There are significant risks inherent in the holding of the Preferred Securities, including the risks in relation to their subordination, the circumstances in which the Preferred Securities may be written down or converted to ordinary shares and the implications on Holders (such as a substantial loss), the circumstances in which Holders may suffer loss as a result of holding the Preferred Securities are difficult to predict and the quantum of any loss incurred by investors in the Preferred Securities in such circumstances is also highly uncertain. For a discussion of these risks see "Risk Factors" beginning on page 18.

MiFID II professionals/ECPs-only/No PRIIPs KID/FCA PI RESTRICTION – Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). The target market assessment indicates that the Preferred Securities are incompatible with the knowledge, experience, needs, characteristic and objectives of retail clients and accordingly the Preferred Securities shall not be offered or sold to any retail clients. No packaged retail and insurance-based investment products (PRIIPs) key information document (KID) has been prepared as the Preferred Securities are not available to retail investors in the EEA.

UK MiFIR professionals/ECPs-only/No PRIIPs KID/FCA PI RESTRICTION—Manufacturer target market (UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels). The target market assessment indicates that the Preferred Securities are incompatible with the knowledge, experience, needs, characteristic and objectives of retail clients and accordingly the Preferred Securities shall not be offered or sold to any retail clients. No PRIIPs key information document (KID) has been prepared as the Preferred Securities are not available to retail investors in the UK.

In addition to the above, pursuant to the UK Financial Conduct Authority ("FCA") Conduct of Business Sourcebook ("COBS") the Preferred Securities are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients (as defined in COBS 3.4) in the UK.

The Preferred Securities and any Ordinary Shares to be issued and delivered in the event of the occurrence of the Trigger Event 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 United States tax law requirements. The Preferred Securities are being offered outside the United States in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The period of validity of this Prospectus is up to (and including) the admission to trading of the Preferred Securities. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Prospectus after the admission to trading of the Preferred Securities.

Sole Structuring Advisor and Lead Manager

Barclays

Joint Lead Managers

BNP Paribas	**CaixaBank**	**Goldman Sachs Bank Europe SE**	**HSBC**

16 September 2021

IMPORTANT NOTICES

This Prospectus is to be read in conjunction with all documents incorporated by reference (see "*Documents Incorporated by Reference*", section "*Nota explicativa del contenido de este documento*" of the URD (as defined in "*Documents Incorporated by Reference*") and sections "*Incorporación del informe no auditado de actividad y resultados con criterios de gestión relativo al periodo de seis meses finalizado el 30 de junio de 2021*" and "*Incorporación de los estados financieros intermedios resumidos consolidados del grupo CaixaBank correspondientes al periodo de seis meses finalizado el 30 de junio de 2021 al Documento de Registro*" of the Supplement to the URD (as defined in "*Documents Incorporated by Reference*")). This Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*", section "*Nota explicativa del contenido de este documento*" of the URD and sections "*Incorporación del informe no auditado de actividad y resultados con criterios de gestión relativo al periodo de seis meses finalizado el 30 de junio de 2021*" and "*Incorporación de los estados financieros intermedios resumidos consolidados del grupo CaixaBank correspondientes al periodo de seis meses finalizado el 30 de junio de 2021 al Documento de Registro*" of the Supplement to the URD), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the CNMV.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Preferred Securities other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or Barclays Bank Ireland PLC, BNP Paribas, CaixaBank, S.A., Goldman Sachs Bank Europe SE and HSBC Continental Europe (together, the "**Joint Lead Managers**").

None of the Joint Lead Managers has separately verified the information contained or incorporated by reference in this Prospectus. None of the Joint Lead Managers nor any of their respective affiliates has authorised the whole or any part of this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Preferred Security shall in any circumstances create any implication that there has been no change in the affairs of the Issuer, or any event reasonably likely to involve any adverse change in the condition (financial or otherwise) of the Issuer, since the date of this Prospectus or that any other information supplied in connection with the Preferred Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

None of the Joint Lead Managers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus or any other information supplied by the Issuer in connection with the Preferred Securities. Neither this Prospectus nor any such information or financial statements of the Issuer are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Joint Lead Managers that any recipient of this Prospectus or such information or financial statements should purchase the Preferred Securities. Each potential purchaser of Preferred Securities should determine for itself the relevance of the information contained or incorporated by reference in this Prospectus and its purchase of Preferred Securities should be based upon such investigation as it deems necessary. None of the Joint Lead Managers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Preferred Securities of any information coming to the attention of the Joint Lead Managers.

The Joint Lead Managers are acting exclusively for the Issuer and no one else in connection with any offering of the Preferred Securities. The Joint Lead Managers will not regard any other person (whether a recipient of this Prospectus or otherwise) as their client in relation to any such offering and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients or for giving advice in relation to such offering or any transaction or arrangement referred to herein.

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Preferred Securities.

The distribution of this Prospectus and the offering, sale and delivery of Preferred Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

In particular, the Preferred Securities and the Ordinary Shares have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Preferred Securities may not be offered, sold or delivered within the United States or to U.S. persons.

In this Prospectus, unless otherwise specified, references to a "**member state**" are references to a Member State of the European Economic Area, references to "**€**", "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Words and expressions defined in the Conditions (see "*Conditions of the Preferred Securities*") shall have the same meanings when used elsewhere in this Prospectus unless otherwise specified.

Potential investors are advised to exercise caution in relation to any offering of the Preferred Securities. If a potential investor is in any doubt about any of the contents of this Prospectus, it should obtain independent professional advice. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus or incorporated by reference.

The Preferred Securities are complex financial instruments with high risk and are not a suitable or appropriate investment for all investors. Each potential investor in the Preferred Securities 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 Preferred Securities, the merits and risks of investing in the Preferred Securities and the information contained or incorporated by reference in this Prospectus, taking into account that the Preferred Securities are a suitable investment for professional or institutional investors only;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Preferred Securities and the impact the Preferred Securities 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 Preferred Securities, including where the currency for payments in respect of the Preferred Securities is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Preferred Securities, including the provisions relating to redemption or substitution of the Preferred Securities and any variation of their terms, and is familiar with the behaviour of 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.

A potential investor should not invest in the Preferred Securities unless it has the expertise (either alone or with its financial and other professional advisers) to evaluate how the Preferred Securities will perform under changing conditions, the resulting effects on the value of the Preferred Securities and the impact this investment will have on the potential investor's overall portfolio.

Prohibition on marketing and sales to retail investors

1. The Preferred Securities are complex financial instruments with high risk and are not a suitable or appropriate investment for all investors (see also "*Risk Factors–Risks related to the Preferred Securities*"), especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Preferred Securities. Potential investors in the Preferred Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Preferred Securities (or any beneficial interests therein).

2.

(a) In the UK, the FCA COBS requires, in summary, that the Preferred Securities should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**retail client**") in the UK.

(b) In addition, in October 2018, the Hong Kong Monetary Authority (the "**HKMA**") issued guidance on enhanced investor protection measures on the sale and distribution of debt instruments with loss-absorption features and related products (the "**HKMA Circular**"). Under the HKMA Circular, debt instruments with loss absorption features, being subject to the risk of being written-down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments (together, "**Loss Absorption Products**"), are to be targeted in Hong Kong at Professional Investors only and are generally not suitable for retail investors in either the primary or secondary markets.

Investors in Hong Kong should not purchase the Preferred Securities in the primary or secondary markets unless they are Professional Investors only and understand the risks involved. The Preferred Securities are generally not suitable for retail investors.

(c) Certain of the Joint Lead Managers are required to comply with COBS and/or the HKMA Circular.

(d) By purchasing, or making or accepting an offer to purchase, any Preferred Securities (or a beneficial interest in such Preferred Securities) from the Issuer and/or the Joint Lead Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Lead Managers that:

(i) it is not a retail client in the UK; and

(ii) it will not sell or offer the Preferred Securities (or any beneficial interest therein) to retail clients in the UK or to retail investors in Hong Kong; or communicate (including the distribution of the Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Preferred Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client or a client in Hong Kong who is not a Professional Investor.

(e) In selling or offering the Preferred Securities or making or approving communications relating to the Preferred Securities, it may not rely on the limited exemptions set out in COBS.

3. The obligations in paragraph 2. above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Preferred Securities (or any beneficial interests therein), whether or not specifically mentioned in the Prospectus, including (without limitation) any requirements under MiFID II or the UK FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Preferred Securities (or any beneficial interests therein) for investors in any relevant jurisdiction.

4. Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Preferred Securities (or any beneficial interests therein) from the Issuer and/or the Joint Lead Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Offers of the Preferred Securities in Spain shall only be directed specifically at or made to professional investors (*clientes profesionales*) as defined in Article 205 of the consolidated text of the Spanish Securities Market Act approved by the Royal Legislative Decree 4/2015, of 23 October (the "**Securities Market Act**") or eligible counterparties (*contrapartes elegibles*) as defined in Articles 203 and 207 of the Securities Market Act.

PRIIPs Regulation / Prohibition of sales to EEA retail investors – The Preferred Securities are not intended to be offered, sold or otherwise made available to and shall not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(I) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional

client as defined in point (10) of Article 4(I) of MiFID II. Consequently, no key information document (KID) required by Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products (the "**PRIIPs Regulation**") for offering or selling the Preferred Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Preferred Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs Regulation / Prohibition of sales to UK retail investors – The Preferred Securities are not intended to be offered, sold or otherwise made available to and shall not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (8) of Article 2(l) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("**UK MiFIR**"). Consequently, no key information document (KID) required by the PRIIPs regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Preferred Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Preferred Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Preferred Securities has led to the conclusion that: (i) the target market for the Preferred Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Preferred Securities to eligible counterparties and professional clients are appropriate. The target market assessment indicates that the Preferred Securities are incompatible with the knowledge, experience, needs, characteristic and objectives of retail clients and accordingly the Preferred Securities shall not be offered or sold to any retail clients. Any person subsequently offering, selling or recommending the Preferred Securities (a "**distributo**r") should take into consideration the manufacturers' target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Preferred Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance/Professional investors and eligible counterparties only target market— Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Preferred Securities has led to the conclusion that: (i) the target market for the Preferred Securities is eligible counterparties, as defined in COBS, and professional clients only, as defined in the UK MiFIR; and (ii) all channels for distribution of the Preferred Securities to eligible counterparties and professional clients are appropriate. The target market assessment indicates that the Preferred Securities are incompatible with the knowledge, experience, needs, characteristic and objectives of retail clients and accordingly the Preferred Securities shall not be offered or sold to any retail clients. Any person subsequently offering, selling or recommending the Preferred Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment. However, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Preferred Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA") - In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined the classification of the Preferred Securities as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Certain information included herein (or incorporated by reference) contains forward-looking statements and objectives which have not been verified by an independent entity, and the accuracy, completeness or correctness thereof should not be relied upon. All statements that are not statements of historical fact, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of CaixaBank (which term includes its subsidiaries and investees) and run-rate metrics, are mere

forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of CaixaBank, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding CaixaBank's present and future business strategies and the environment in which CaixaBank expects to operate in the future, which may not be fulfilled. Due to such uncertainties and risks, investors are cautioned not to place undue reliance on such forward-looking statements.

INFORMATION ON THE MERGER WITH BANKIA

The merger of Bankia, S.A. ("**Bankia**") (absorbed company) into CaixaBank (absorbing company) became effective on 26 March 2021 (the "**Merger**"). Please see "*Description of the Issuer –History and Developments of the Issuer –Key recent events –Merger with Bankia*" for more information.

Although descriptions contained in this Prospectus are those of CaixaBank and its Group after the Merger, quantitative information for the 2020, 2019 and 2018 financial years in this Prospectus (including historical consolidated financial information and information on the regulatory own funds and eligible liabilities position for such periods) refers to CaixaBank and/or Bankia (and their respective groups) as separate entities and/or groups and, therefore, that information may not reflect what the business, financial condition, results of operations, cash flows or regulatory own funds and eligible liabilities position and requirements of the Group resulting from the Merger would have been had the Merger been effective during such periods.

The financial information on the Group resulting from the Merger is limited to the consolidated financial statements for the six-month period ended on 30 June 2021. In addition, no information on the own funds and eligible liabilities requirement (MREL requirement) for the Group resulting from the Merger is available.

Consequently, it may be difficult to evaluate the current business of CaixaBank and its Group and predict its future performance on the basis of the information contained in this Prospectus.

TABLE OF CONTENTS

Page

SUMMARY OF THE PREFERRED SECURITIES

CAIXABANK, S.A.

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

Perpetual Non-Cumulative Contingent Convertible Additional Tier 1 Preferred Securities

Issue Price: 100 per cent.

INTRODUCTION

This summary should be read as an introduction to the Prospectus. Any decision to invest in any Preferred Securities should be based on a consideration of this Prospectus as a whole, including any documents incorporated by reference. An investor in the Preferred Securities could lose all or part of the invested capital. Where a claim relating to information contained in the Prospectus is brought before a court, the plaintiff may, under national law where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to the Bank solely on the basis of this summary, including any translation of it, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Preferred Securities.

The Preferred Securities described in this Summary are the €750,000,000 Perpetual Non-Cumulative Contingent Convertible Additional Tier 1 Preferred Securities of €200,000 liquidation preference (the "**Liquidation Preference**") each (with International Securities Identification Number (ISIN): ES0840609038 and Common Code: 238461499) issued by CaixaBank, S.A. (the "**Bank**", the "**Issuer**" or "**CaixaBank**"). Contact telephone number of CaixaBank: +34 93 411 75 03. The Legal Entity Identifier (L.E.I.) code of CaixaBank is 7CUNS533WID6K7DGFI87.

The Prospectus has been approved by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the "**CNMV**") on 16 September 2021 (Comisión Nacional del Mercado de Valores, Edison, 4, 28006 Madrid, Spain (telephone number: +34 900 535 015)).

KEY INFORMATION ON THE ISSUER

Who is the issuer of the Securities?

The Issuer is a Spanish company incorporated with legal status on 12 December 1980 as a public limited company (*sociedad anónima*) and is governed by the Spanish Companies Act, approved by Legislative Decree 1/2010, of 2 July, as amended. The Bank has its registered office at calle Pintor Sorolla, 2-4, 46002 Valencia. The Legal Entity Identifier (L.E.I.) code of CaixaBank is 7CUNS533WID6K7DGFI87.

CaixaBank is a diversified financial group comprising a banking and insurance business, focused mainly in the Spanish and Portuguese markets, with exposure to some equity investments in international banks and leading service sector. As of 30 June 2021, CaixaBank had over 19 million customers in Spain, including individuals, companies and institutions, served through a network of 5,775 branches in Spain (of which 5,433 retail). In Portugal through Banco BPI, as of that date, CaixaBank had *circa* 1.9 million customers, served through a network of *circa* 400 branches.

As of the date of this Prospectus, Fundación Bancaria "la Caixa" holds 30.012% of voting rights in CaixaBank through its wholly owned subsidiary CriteriaCaixa, S.A.U. The *Fondo de Restructuración Ordenada Bancaria* (FROB) holds 16.117% of voting rights in CaixaBank through its wholly owned subsidiary BFA Tenedora de Acciones, S.A.U. Blackrock INC holds 3.613% of voting rights in CaixaBank as follows: 2.960% through shares and 0.653% through financial instruments (0.205% through securities lent and 0.448% through financial instruments with similar economic effect -CFDs).

To the extent known to the Bank, the Bank is not controlled, directly or indirectly, by any corporation, government or any other natural or legal person.

The auditors of the Issuer are PricewaterhouseCoopers Auditores, S.L. ("**PwC**") (registered as auditors on *the Registro Oficial de Auditores de Cuentas*) who audited the Issuer's financial statements for each of the three financial years ended on 31 December 2020, 31 December 2019 and 31 December 2018 (which have been prepared in accordance with the International Financial Reporting Standards adopted by the EU ("**IFRS-EU**") and other provisions of the financial reporting framework applicable in Spain). PwC has been appointed as auditor of the Issuer's accounts for the financial year ended on 31 December 2021.

The Board of Directors of CaixaBank currently comprises 15 members, including the Chairman Mr. José Ignacio Goirigolzarri (executive director), the CEO Mr. Gonzalo Gortázar (executive director) and the Lead Independent Director, Mr. John Reed (independent director).

What is the key financial information regarding the issuer?

The following tables comprise a selection of the key financial information regarding the Bank from its consolidated income statements and balance sheets as at and for the six months ended 30 June 2021 and each of the years ended 31 December 2020, 2019 and 2018.

Income statement – Key financial information

The merger between CaixaBank and Bankia, S.A. ("**Bankia**") was materialised on 31 March 2021 for accounting purposes. Therefore, the consolidated financial statements ended 30 June 2021 include Bankia's assets and liabilities at fair value and the results generated by Bankia in the second quarter of 2021.

	For the six months ended 30 June		For the year ended 31 December		
	2021	**2020**	**2020**	**2019**	**2018**
			(€ millions)		
Net interest income	2,827	2,425	4,900	4,951	4,907
Net fees and commission income[(1)]	1,640	1,266	2,576	2,598	2,583
Net impairment loss on financial assets[(2)]	(484)	(1,519)	(2,164)	(611)	(567)
Net trading income[(3)]	80	142	238	298	278
Operating income/loss[(4)]	165	1,772	3,831	2,855	4,109
Net Profit/loss attributable to the owners of the Parent	4,181	205	1,381	1,705	1,985
Earnings per share ratio[(5)]	0.34	0.19	0.21	0.26	0.32

Notes:

(1) Net fees and commissions income calculated as "fee and commission income" less "fee and commission expenses".

(2) Net impairment loss on financial assets includes Impairment/(reversal) of impairment on financial assets not measured at fair value through profit or loss or net profit or loss due to a change and Provisions or reversal of provisions

(3) Net trading income calculated as the sum of: (i) Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss (net); (ii) Gains/(losses) on financial assets not designated for trading compulsorily measured fair value through profit or loss (net); (iii) Gains/(losses) on financial assets and liabilities held for trading, net; (iv) Gains/(losses) from hedge accounting, net; and (v) Exchange differences (net).

(4) Operating income/loss calculated as sum of Gross income and administrative expenses, depreciation and amortization.

(5) Earnings per share ratio calculated as profit attributable to the Group for the last 12 months ex M&A impacts (after AT1 coupon) divided by the average number of shares outstanding. The average number of shares outstanding is calculated as average shares issued less the average number of treasury shares.

Balance sheet – Key financial information

The merger between CaixaBank and Bankia, was materialised on 31 March 2021 for accounting purposes. Therefore, the consolidated financial statements ended 30 June 2021 include Bankia's assets and liabilities at fair value and the results generated by Bankia in the second quarter of 2021.

	As of 30 June 2021	As of 31 December 2020	2019	2018
		(€ millions, except %)		
Balance sheet and operations				
Total assets	674,088	451,520	391,414	386,546
Senior debt[(1)]	18,856	13,818	11,056	5,118
Subordinated debt[(2)]	9,829	6,222	5,461	5,456
Deposits from customers[(3)]	371,191	242,234	218,532	204,980
Loans and advances to customers, net[(4)]	354,402	238,303	222,702	218,965
Equity[(5)]	34,571	25,278	25,151	24,364
Risk management				
Non-performing loans[(6)]	14,005	8,601	8,794	11,195
Non-performing loans ratio[(7)]	3.6%	3.3%	3.6%	4.7%
Solvency				
Common equity tier 1 (CET1) ratio	12.9%	13.6%	12.0%	11.5%
Total capital ratio	17.4%	18.1%	15.7%	15.3%
Leverage ratio	5.1%	5.6%	5.9%	5.5%

Notes:

(1) Includes plain vanilla bonds, structured notes and promissory notes; See Note 22 of the 2020 Consolidated Annual Financial Statements for further details.

(2) Includes subordinated debt and preferred securities. See Note 22 of the 2020 Consolidated Annual Financial Statements for further details.

(3) Financial liabilities at amortised cost – customers deposits (public balance sheet) deducting non-retail financial liabilities (registered under financial liabilities at amortised cost- customers deposits).

(4) Financial assets at amortised cost – customers (public balance sheet) deducting other, non-retail financial assets.

(5) The balance sheet data for 2018 has been restated in accordance with the change in accounting criteria described in CaixaBank's audited consolidated financial statements for the financial year ended 31 December 2019, as have the profitability and stock market ratios.

(6) Calculations include loans and contingent liabilities.

(7) Non performing loans and contingent liabilities divided by total gross loans and contingent liabilities.

What are the key risks that are specific to the issuer?

In purchasing the Preferred Securities, investors assume the risk that the Bank may become insolvent or otherwise be unable to make all payments due in respect of the Preferred Securities including that the Bank may elect, in its sole and absolute discretion, to cancel the payment of any Distribution (as defined below) in whole or in part at any time and for any (or no) reason. There is a wide range of factors which individually or together could result in the Bank electing to cancel the payment of any Distribution or otherwise becoming unable to make all payments due in respect of the Preferred Securities. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Bank 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 Bank's control. The Bank has identified in this Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Preferred Securities. These factors include, among others: (i) Risk factors corresponding to Strategic Events which might affect the materiality of the risks contained in CaixaBank Group's Corporate Risk Taxonomy, particularly focused on the recent pandemic caused by the SARS-CoV-2 coronavirus (COVID-19); (ii) Credit risks and impairment of other assets; (iii) Actuarial risk; (iv) Structural rates risk; (v) Market risks; (vi) Reputational risk; (vii) Operational risk, specially conduct risk and legal and regulatory risks; (viii) Business profitability risk; (ix) Own funds / solvency risk; and (x) Liquidity and funding risks.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

The Preferred Securities described in this Summary are the €750,000,000 Perpetual Non-Cumulative Contingent Convertible Additional Tier 1 Preferred Securities of €200,000 Liquidation Preference each (with International Securities Identification Number (ISIN): ES0840609038 and Common Code: 238461499). The currency of the Preferred Securities is Euro (€).

The Preferred Securities have been issued in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) in euro in an aggregate nominal amount of €750,000,000 and a Liquidation Preference of €200,000 each.

The Preferred Securities have been rated BB by S&P Global Ratings Europe Limited ("**S&P Global**"). S&P Global is established in the European Union ("**EU**") and is registered under Regulation (EC) No 1060/2009 (as amended). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Distributions

The Preferred Securities accrue non-cumulative cash distributions ("**Distributions**") as follows: (i) in respect of the period from (and including) the 14 September 2021 (the "**Closing Date**") to (but excluding) 14 March 2029 (the "**First Reset Date**") at the rate of 3.625 per cent. per annum; and (ii) in respect of each period from (and including) the First Reset Date and every fifth anniversary thereof (each a "**Reset Date**") (each such period, a "**Reset Period**"), at the rate per annum, calculated on an annual basis and then converted to a quarterly rate in accordance with market convention, equal to the aggregate of 3.857 per cent. per annum (the "**Initial Margin**") and the 5-year mid-swap rate for the relevant Reset Period. Subject as provided in the conditions of the Preferred Securities (the "**Conditions**"), such Distributions will be payable quarterly in arrears on 14 March, 14 June, 14 September and 14 December, in each year (each a "**Distribution Payment Date**").

Limitations on Distributions

The Bank may elect, in its sole and absolute discretion, to cancel the payment of any Distribution in whole or in part at any time that it deems necessary or desirable and for any reason. Without prejudice to the right of the Bank to cancel the payments of any Distribution:

(a) payments of Distributions in any financial year of the Bank shall be made only to the extent the Bank has sufficient profits and reserves (if any) available in accordance with applicable banking regulations then in force for the payment of that Distribution at such time ("**Distributable Items**"). To the extent that the Bank has insufficient Distributable Items to make Distributions on the Preferred Securities, the Bank will only make partial or, as the case may be, no payment of the relevant Distribution on the Preferred Securities;

(b) if the competent authority requires the Bank to cancel the relevant Distribution in whole or in part, the Bank will only make partial or, as the case may be, no payment of the relevant Distribution on the Preferred Securities;

(c) the Bank may make partial or, as the case may be, no payment of the relevant Distribution on the Preferred Securities if and to the extent that such payment would cause the lower of any maximum distributable amount relating to the Bank or the Group required to be calculated in accordance with applicable banking regulations to be exceeded or otherwise would cause a breach of any regulatory restriction or prohibition on payments on Additional Tier 1 capital pursuant to applicable banking regulations ; and

(d) if the Trigger Event (as defined below) occurs at any time on or after the Closing Date, the Bank will not make any further Distribution on the Preferred Securities and any accrued and unpaid Distributions up to a Trigger Event shall be automatically cancelled.

Redemption

The Preferred Securities are perpetual and are only redeemable in accordance with the provisions summarised below.

All, and not only some, of the Preferred Securities may be redeemed at the option of the Bank, subject to the prior consent of the Competent Authority and otherwise in accordance with applicable banking regulations then in force, at any time in the period commencing on (and including) 14 September 2028 and ending on (and including) the First Reset Date and on any Distribution Payment Date falling thereafter, at the liquidation preference of €200,000 per Preferred Security (the "**Liquidation Preference**") plus any accrued and unpaid Distributions for the then current Distribution Period to (but excluding) the date fixed for redemption (the "**Redemption Price**").

The Preferred Securities are also redeemable on or after the Closing Date at the option of the Bank in whole but not in part, at any time, at the Redemption Price if there is a Capital Event or a Tax Event

A "**Capital Event**" means a change (or any pending change which the competent authority considers sufficiently certain) in the regulatory classification of the Preferred Securities that results (or would be likely to result) in:

(a) the exclusion of any of the outstanding aggregate Liquidation Preference of the Preferred Securities from the Bank's or the Group's Additional Tier 1 capital; or (b) the reclassification of any of the outstanding aggregate Liquidation Preference of the Preferred Securities as a lower quality form of own funds of the Bank or the Group in accordance with the applicable banking regulations then in force.

A "**Tax Event**" means, at any time on or after the Closing Date, a change in, or amendment to, the laws or regulations of the Kingdom of Spain (including, for the avoidance of doubt, any political subdivision thereof or any authority or agency therein or thereof having power to tax), or any change in the application of such laws or regulations that results in (a) the Bank not being entitled to claim a deduction in computing taxation liabilities in Spain in respect of any Distribution to be made on the next Distribution Payment Date or the value of such deduction to the Bank being materially reduced; or (b) the Bank being obliged to pay additional amounts in accordance with the Conditions; or (c) the applicable tax treatment of the Preferred Securities changes in a material way that was not reasonably foreseeable at the Closing Date, and, in each case, cannot be avoided by the Bank taking reasonable measures available to it.

Trigger event conversion

If at any time, as determined by the Bank or the competent authority (or any other agent appointed for such purpose by the competent authority), the CET1 ratio of the Bank or the Group is less than 5.125 per cent (the "**Trigger Event**"), the Preferred Securities are mandatorily and irrevocably convertible into newly issued ordinary shares of the Bank at the applicable conversion price (being the higher of (i) the arithmetic mean of the order book volume-weighted average price of an ordinary share for the five consecutive dealing days immediately preceding the date on which the notice of the Trigger Event is given, (ii) the floor price of €1.795, subject to adjustment for certain anti-dilution events and (iii) the nominal value of an ordinary share of the Bank (being €1.00 on the Closing Date).

Liquidation

Subject as provided in the Conditions, in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Bank, the Preferred Securities (unless previously converted into ordinary shares of the Bank pursuant to the Conditions) will confer an entitlement in respect of each Preferred Security to receive out of the assets of the Bank available for distribution to holders of the Preferred Securities ("**Holders**"), the Liquidation Preference per Preferred Security plus, if applicable, an amount equal to accrued and unpaid Distributions for the then current Distribution Period to (but excluding) the date of payment. Such entitlement will arise before any distribution of assets is made to holders of ordinary shares of the Bank or any other instrument of the Bank ranking junior to the Preferred Securities.

Status

The Preferred Securities will constitute direct, unconditional, unsecured and subordinated obligations (*créditos subordinados*) of the Bank in accordance with Article 281.1.2º of the consolidated text of the Insolvency Law approved by Royal Legislative Decree 1/2020, of 5 May (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursa*l), as amended or replaced from time to time (the "**Insolvency Law**") and, in accordance with Additional Provision 14.3º of Law 11/2015, of 18 June, on the recovery and resolution of credit institutions and investment firms (*Ley 11/2015 de 18 de junio de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*), as amended from time to time ("**Law 11/2015**") or any other Spanish law provisions which replace them from time to time, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency (*concurso*) of the Bank, for so long as the obligations of the Bank under the Preferred Securities qualify as Additional Tier 1 instruments of the Bank, rank:

(a) *pari passu* among themselves and with: (i) any claims in respect of other contractually subordinated obligations (*créditos subordinados*) of the Bank in accordance with Article 281.1.2º of the Insolvency Law or any other Spanish law provisions which replace it from time to time, qualifying as Additional Tier 1 Instruments; and (ii) any other subordinated obligations (*créditos subordinados*) of the Bank which by law and/or by their terms, to the extent permitted by Spanish law, rank pari passu with the Bank's obligations under the Preferred Securities;

(b) junior to: (i) any claims in respect of unsubordinated obligations of the Bank; (ii) any claims in respect of other contractually subordinated obligations (créditos subordinados) of the Bank in accordance with Article 281.1.2º of the Insolvency Law or any other Spanish law provisions which replace it from time

to time, not qualifying as Additional Tier 1 Instruments; and (iii) any other subordinated obligations (*créditos subordinados*) of the Bank which by law and/or by their terms, to the extent permitted by Spanish law, rank senior to the Bank's obligations under the Preferred Securities; and

(c) senior to: (i) any claims for the liquidation amount of the ordinary shares of the Bank; and (ii) any other subordinated obligations (*créditos subordinados*) of the Bank which by law and/or by their terms, to the extent permitted by Spanish law, rank junior to the Bank's obligations under the Preferred Securities.

Negative pledge

The Preferred Securities do not have the benefit of a negative pledge.

Events of default

The terms of the Preferred Securities do not provide for any events of default.

Loss Absorbing Powers

The obligations of the Bank under the Preferred Securities are subject to, and may be limited by, the exercise of any power under applicable laws, regulations, rules or requirements in effect in Spain relating to banking recovery or resolution, pursuant to which obligations under the Preferred Securities can be reduced, cancelled, suspended, modified, or converted into shares, other securities, or other obligations.

Substitution and Variation

Subject to the prior consent of the competent authority (and/or in compliance with applicable banking regulations then in force), if a Capital Event or a Tax Event has occurred and is continuing, the Bank may substitute all (but not some only) of the Preferred Securities or vary the terms of all (but not some only) of the Preferred Securities, without the consent or approval of the Holders, so that they are substituted for, or varied to, become, or remain Qualifying Preferred Securities (which, among other things, are securities or other instruments of the Bank that comply with the current requirements for Additional Tier 1 capital of the Group or the Bank, have at least the same ranking as the Preferred Securities on the Closing Date, have the same currency, denomination and aggregate outstanding Liquidation Preference, the same terms for distributions, the same redemption rights and the same dates for payment of Distributions as the Preferred Securities, preserve any existing rights under Preferred Securities to accrued and unpaid Distributions and are listed or admitted to trading on a stock exchange as selected by the Bank if listed or admitted to trading immediately prior to the substitution and variation), provided that such substitution or variation shall not result in terms that are materially less favourable to the Holders.

Meetings

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

Governing law

The Preferred Securities and any non-contractual obligations arising out of or in connection with the Preferred Securities shall be governed by, and construed in accordance with, Spanish law.

Where will the securities be traded?

Application has been made by the Bank (or on its behalf) for the Preferred Securities to be admitted to listing and trading on Spanish AIAF Fixed Income Securities Market (*AIAF Mercado de Renta Fija*) ("**AIAF**").

What are the key risks that are specific to the securities?

There are also risks associated with the Preferred Securities as follows: (i) The Preferred Securities may be subject to the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority. Other powers contained in Law 11/2015 or the SRM Regulation could materially affect the rights of the Holders under, and the value of, any Preferred Securities; (ii) The Preferred Securities are perpetual; (iii) The Preferred Securities are irrevocably and mandatorily convertible into newly issued ordinary shares of the Bank in certain prescribed circumstances;

(iv) Payments of Distributions on the Preferred Securities are discretionary and subject to the fulfilment of certain conditions and may be restricted as a result of a failure of the Group to comply with its capital requirements; (v) The obligations of the Bank under the Preferred Securities are subordinated and will be further subordinated upon conversion into ordinary shares of the Bank.

KEY INFORMATION ON THE OFFER OF THE NOTES AND THE ADMISSION TO TRADING ON A REGULATED MARKET

The estimated net amount of the proceeds of the issue of the Preferred Securities is €744,263,878.93. CaixaBank intends to use the net proceeds from the issue of the Preferred Securities for the general corporate and financing purposes of the Group and to further strengthen its capital base and capital adequacy ratios.

The expenses related to the admission of the Preferred Securities are estimated to be the following: (i) €39,000.00 with respect to charges and fees of AIAF and Iberclear; (ii) €72,121.07 with respect to fees of CNMV; and (iii) €5,625,000.00 with respect to other fees and expenses. No expenses will be charged to investors by the Bank.

The Bank paid to Barclays Bank Ireland PLC, BNP Paribas, CaixaBank, S.A., Goldman Sachs Bank Europe SE and HSBC Continental Europe (the "**Joint Lead Managers**") a customary combined management and underwriting commission. Certain Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business.

Save as discussed above, so far as the Bank is aware, no person involved in the offer of the Preferred Securities has an interest material to the offer.

As the Preferred Securities are only convertible in limited circumstances, there is no immediate dilution resulting from the offering.

RISK FACTORS

The Bank believes that the following factors may affect its ability to fulfil its obligations under the Preferred Securities. Most of these factors are contingencies which may or may not occur and the Bank is not in a position to express a view on the likelihood of any such contingency occurring.

In purchasing the Preferred Securities, investors assume the risk that the Bank may become insolvent or otherwise be unable to make all payments due in respect of the Preferred Securities. There is a wide range of factors which individually or together could result in the Bank becoming unable to make all payments due in respect of the Preferred Securities. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Bank 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 Bank's control. The Bank has identified in this Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Preferred Securities. However, additional risks that are currently deemed immaterial or that apply generally to negotiable securities, such as those related to the secondary market in general (for instance, illiquidity or price fluctuations) have not been included in this section of the Prospectus in accordance with the provisions of the Prospectus Regulation.

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

FACTORS THAT MAY AFFECT THE BANK'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE PREFERRED SECURITIES

Below follow the risk factors which in accordance with provisions of applicable legislation, could be considered specific to CaixaBank and material when adopting an informed investment decision.

All references made to CaixaBank shall be understood to include all those companies that form part of the Group.

The Group's internal risk taxonomy is used to identify the relevant risk factors, known as the Corporate Risk Taxonomy (hereinafter, the "**Taxonomy**"). The Taxonomy consists of a description of the material risks mainly identified by the Risk Assessment process, and it is reviewed, at least, on an annual basis. The materialisation of any of the risks included in the Taxonomy could have a negative impact on the business, economic results, financial position, or even the image and reputation of the Group, as well as affect the credit rating of the Issuer and the price of the securities admitted to trading on the markets, which could result in partial or total loss of any investment made.

The Taxonomy is organised into categories (risks specific to the financial activity, business model, operational risk and reputational risk).

In the future, risks currently not considered as relevant or which are unknown to the Issuer may likewise have a substantially negative impact on the business, economic results, financial position, image or reputation of the Group.

The materiality of these risks is not only conditioned by the exposure to them and by how efficiently they are controlled and managed. The Group is also exposed to material events that might result in a significant impact for the Group in the medium term and affect the materiality of several risks of the Corporate Risk Taxonomy ("**Strategic Events**"). The Risk Assessment process is also the main source of identification of these Strategic Events.

Using the above-mentioned architecture for identifying and analysing risks and events, the content of this section is structured as follows:

1. Risk factors corresponding to Strategic Events which might affect the materiality of the risks contained in the Taxonomy, particularly focused on the recent pandemic caused by the SARS-CoV-2 coronavirus ("**COVID-19**") and the merger with Bankia.

2. Risk factors linked to the main quantitative and qualitative risk indicators of the Taxonomy, ordered by materiality within each one of their respective categories.

3. Risk factor of the Issuer's credit rating.

Risk factors corresponding to Strategic Events

The most relevant Strategic Events identified by the Group are as follows: (1) uncertainties in relation to geopolitical and macroeconomic environment; (2) the arrival of new competitors with the possibility to disrupt; (3) cybercrime and data protection; (4) changes to the legal, regulatory or supervisory framework; (5) pandemics and other extreme operational events; and (6) the merger with Bankia.

The COVID-19 pandemic

Since the onset of the COVID-19 pandemic, CaixaBank has been continuously assessing and managing the impact on the Group's financial position and risk profile. Similarly, legislators, regulators and supervisors, both at the national and international level, have been issuing regulations, statements and guidelines, primarily to ensure that financial institutions focus their efforts on performing critical economic functions to support the economy as a whole and guarantee the consistent application of regulatory frameworks.

Accordingly, in 2020 the Spanish government approved several Royal Decree-Laws on extraordinary urgent measures to address the economic and social impact of COVID-19. These include most notably the extension of the moratorium on evictions for vulnerable borrowers and the broadening of the concept of vulnerable groups, the moratorium on mortgage debt for the purchase of the primary residence of retail customers, the moratorium on consumer loans, and the extension of public guarantees from the Spanish Official Credit Institute ("**ICO**") for affected companies and self-employed workers. In addition, other Royal Decree-Laws were passed to support the following economic sectors: tourism, automotive, transport, construction and energy.

CaixaBank complemented the public moratorium with other sectoral and private agreements and extended the support offered by the public guarantee lines to the business sector through working capital lines and special financing lines, among others.

Meanwhile, the Portuguese government also approved similar extraordinary measures to address the economic and social impact of COVID-19.

In relation to these measures, as of 30 June 2021, the Group's non-expired moratorium loans amounted to €6,789 million (€14,356 million as of 31 December 2020), including both the legal moratorium and that derived from additional sectoral agreements to the legal moratorium. Furthermore, total government-backed funding as of 30 June 2021 amounted to €22,841 million (€13,191 million as of 31 December 2020). All figures as of 31 December 2020 exclude Bankia as they refer to data obtained before control was obtained.

As of 31 December 2020, Bankia reported a balance of €4.64 billion in current loans under moratorium and €8.2 billion in government-backed lending.

Since March 2021, the Spanish government has passed several additional Royal Decree-Laws that will affect the activity of the entire financial sector in the context of COVID-19. Of particular note are the extraordinary measures to support corporate solvency, which will be channelled through three lines (i.e., direct aid, financial debt restructuring and the corporate recapitalisation fund); the Code of Good Practices for the renegotiation framework for customers with government-backed financing; the extension of the application deadline and adaptation of the conditions of the aforementioned Royal Decree-Laws-regulated guarantees and the development of the recovery system for issued guarantees.

In addition, the EU has launched the Next Generation EU Programme ("**NGEU**"), endowed with €750 billion to boost the recovery of the member states from the pandemic. Under this programme, each member state must submit an investment and reform plan to be implemented by 2026. The Recovery, Transformation and Resilience Plan (PRTR), approved on 27 April 2021 by the Spanish Government, encompasses the lines of action of the NGEU in Spain and is centered on ecological transition, digital transformation, gender equality, and social and territorial cohesion.

Furthermore, from a prudential perspective, initiatives have also been undertaken to manage the COVID-19 environment. Of particular note is the CRR quick-fix solution (see "*Capital and Eligible Liabilities Requirements and Loss Absorbing Powers -Capital and Eligible Liabilities Requirements - Overview of applicable capital and MREL requirements*"), which entered into force on 28 June 2020, supporting the European Commission's plan to provide temporary and targeted relief from prudential rules for EU banks.

Meanwhile, the guidelines issued by the European Banking Authority ("**EBA**") on legislative and non-legislative moratoria granted until 30 June 2020 (subsequently extended until 30 September 2020, 31 March 2021 and 30

June 2021) include general criteria related to the conditions under which they may not be directly classified as refinancings. On 27 March 2020, the IASB issued educational material on how to apply the IFRS 9 standard in terms of credit risk in the COVID-19 environment. While this standard requires the use of expert judgement, it also requires and enables banks to adjust their approach to determining expected losses in different circumstances.

In this regard, the Group has stepped up the monitoring of credit risk from multiple perspectives using specific tools to identify proactively and in advance the significant increase in credit risk ("**SICR**"), and, as a result, the accounting classification and the need for provisions, where the case may be. Accordingly, the Group has strengthened the recurrent criteria for determining the significant increase in credit risk by considering other criteria in addition to those included in the recurrent framework. Specifically, additional criteria have been included in customers in which the company and family support mechanisms (chiefly general moratoria and state-backed financing) may have affected their classification under general criteria, either due to the lower financial burden born by the borrowers from the individuals sector, or for other reasons such as the gap between the effect of the COVID-19 and the drafting and presentation of companies' annual accounts. It is a temporary overlay on SICR criteria, which will be reviewed with the evolution of the environment. Under no circumstances has the granting of financial aid involved an improvement in the accounting classification of the exposure, and the ordinary accounting management procedures of credit impairment have not been suspended or relaxed. The Group has also analysed the changes in the macroeconomic scenarios and modified the weighting established for each scenario used to calculate the expected credit risk loss under the accounting standard IFRS 9 - Financial Instruments. This analysis was carried out using internal economic projection scenarios based on the impact of COVID-19 on the economy and different levels of severity. The change in the macroeconomic scenario due to the impact of COVID-19 led to the recognition of a credit risk provision of €1,252 million as of 31 December 2020. As of 30 June 2021, credit risk provisions totalled €1,395 million after the Merger. By combining scenarios, the uncertainty of the projections can be reduced in the current context. However, these provisions will be updated in the coming quarters as new information becomes available. For more information on the impact of COVID-19, see Note 3.4.1 of the 2020 Consolidated Annual Financial Statements (as defined in "*Additional Information -Documents on Display*") and Note 3 of the Interim Consolidated Financial Statements (as defined in "*Additional Information -Documents on Display*"), which are incorporated by reference to this Prospectus.

In relation to other balance sheet assets, as a consequence of the impact of COVID-19 on the economic climate and the extended low interest rate environment, a provision of €311 million associated with Erste Group Bank, A.G. ("**Erste**") was recognised in the fourth quarter of 2020 under conservative criteria.

Regarding deferred tax assets, the analysis of the impairment tests has not resulted in the need to recognise any additional impairment as of 30 June 2021. In addition, in the context of the merger with Bankia, it was considered reasonable not to recognise tax losses amounting to €2,023 million. The current recovery period for on-balance sheet tax assets is below 15 years. For more information, please see Note 19 ("*Tax position*") of the Interim Consolidated Financial Statements. As of 30 June 2021, deferred tax assets totalled €19,178 million after the merger with Bankia (€9,794 million as of 31 December 2020).

Regarding capital, as described in "*Risk Factors linked to the main quantitative and qualitative risk indicators of the Taxonomy -Risks related to the business model -Own funds / solvency risk*" below, CaixaBank has also adopted measures to strengthen solvency as it has the capacity and flexibility to support the economy in response to COVID-19.

Finally, on 27 March 2020, Fitch Ratings Ireland Limited ("**Fitch**") revised its outlook on the operating environment for the Spanish banking sector from Stable to Negative due to COVID-19 and, consequently, the outlook on CaixaBank's long-term issuer rating (BBB+) was also revised from Stable to Negative. In September 2021, Fitch concluded its annual review on CaixaBank, affirming its ratings and revising its outlook back to "Stable" from "Negative" as it considers that CaixaBank should be able to navigate short-term risks to Spain's improved economic prospects. Likewise, on 26 March 2020, Moody's Investors Service España, S.A. ("**Moody's**") changed the outlook on the Spanish banking sector from Stable to Negative. In March 2021, Moody's updated its assessment of the Spanish banking sector, revising the outlook on the sector back to Stable from Negative, reflecting their opinion that an upturn in the economy and the sector's pre-emptive provisioning efforts in the face of potential increases in non-performing assets will protect the solvency of banks over the next 12 to 18 months. Between 2020 and 2021, Moody's affirmed CaixaBank's ratings and maintained a stable outlook on the bank's long-term issuer rating (Baa1). Meanwhile, on 29 April 2020, S&P Global revised the economic risk outlook for Spanish banks to Negative from Stable without affecting CaixaBank's ratings. Since then, S&P Global has reviewed CaixaBank's ratings in September 2020, March 2021 and April 2021, each time confirming CaixaBank's ratings and maintaining the stable outlook on the bank's long-term issuer rating (BBB+), indicating that potential economic pressures would be offset by the level of CaixaBank's bail-inable debt instruments. The

confirmation of CaixaBank's rating by Fitch, Moody's and S&P Global takes into account the impact on CaixaBank's credit profile of the completion of the merger by absorption of Bankia.

Merger with Bankia

On 18 September 2020, CaixaBank announced that its Board of Directors had approved the joint merger plan for the merger of Bankia (absorbed company) into CaixaBank (absorbing company). The merger was approved by the shareholders' meetings of CaixaBank and Bankia held on 3 December 2020 and 1 December 2020, respectively, and, after obtaining the required authorisations, the merger was registered with the Commercial Registry of Valencia on 26 March 2021 and, thus, became effective as of that date.

Notwithstanding the above, CaixaBank may be incapable of successfully integrating the business of Bankia from an operational perspective and there could be hidden or unknown liabilities and defects. All of this could impede the benefits identified when drawing up the joint merger project from materialising.

Risk factors linked to the main quantitative and qualitative risk indicators of the taxonomy

Risks affecting the financial activity

Credit risks and impairment of other assets

The Group considers credit risk as a decrease in the value of the Group's assets due to uncertainty about a customer's or counterparty's ability to meet its obligations to the Group. In addition, the risk of a reduction in the value of the Group's equity holdings and non-financial assets (mainly tangible assets such as real estate, intangible assets and tax assets) is defined as the ″risk of impairment of other assets").

Credit risk is the most significant on the Group's balance sheet as it is exposed to the credit solvency of its clients and counterparties. The Group may therefore experience losses in the event of total or partial non-compliance of their credit obligations as a result of a decrease in their creditworthiness and the recoverability of the assets. Credit risk includes climatic risk defined as the deterioration in the repayment capacity of the Group's debtors as a consequence of the real or expected materialization of physical risks of gradual or abrupt climatic events (on its assets, supply chains, etc.) or of the losses that could generate the transition risks to a low carbon economy (regulatory changes, technological changes, new customer preferences, etc.).

Gross loans and advances to customers stood at €363,012 million as of 30 June 2021 (€243,924 million as of 31 December 2020, a 7.3% increase compared to €227,406 million as of 31 December 2019, due largely to the increase in loans to companies (16.6% increase)). The organic change in the first semester of 2021 (i.e., excluding the balances contributed by Bankia) was a 0.8% decrease.

The Group's non-performing loans as of 30 June 2021 amounted to €14,005 million (€8,601 million on 31 December 2020 and €8,794 million on 31 December 2019), resulting in an NPL ratio of 3.6% as of 30 June 2021 (4.4% in loans to individuals, 3.3% in loans to businesses (of which 3.1% ex real estate developer and 6.5% real estate developer) and 0.3% in the public sector). As of 31 December 2020, the NPL ratio stood at 3.3% (4.5% in loans to individuals, 2.7% in loans to businesses (of which 2.4% ex real estate developer and 6.7% real estate developer) and 0.1% public sector).

With regards to Bankia, Gross loans and advances to customers amounted to €124,328 million as of 31 December 2020, 3.1% higher than as of 31 December 2019 (€120,623 million), mainly due to new disbursed ICO-guaranteed loans to businesses. The amount of non-performing loans ("**NPLs**") as of 31 December 2020 was €6,213 million compared to €6,465 million as of 31 December 2019. As of 31 December 2020, the NPL ratio was 4.75%, compared to 5.04% in December 2019, due to credit growth, effective risk management and sales of portfolios and individually assessed loans.

The provisions for insolvency risk as of 30 June 2021 stood at €9,001 million. As of 31 December 2020, these provisions raised to €5,755 million compared to €4,863 million as at 31 December 2019. As at 30 June 2021 the NPL coverage ratio given this stock of provisions was 64% (as at 31 December 2020, it was 67% compared to 55% as at 31 December 2019).

As at 30 June 2021, refinanced transactions amounted to €12,537 million (out of this amount, €7,460 million were classified as non-performing). Provisions associated with these transactions totalled €2,664 million as at 30 June 2021. As at 31 December 2020, refinanced transactions amounted to €6,874 million (out of this

amount, €4,796 million were classified as non-performing). Provisions associated with these transactions totalled €1,648 million as at 31 December 2020.

The gross NPA (non-performing assets) balance, which encompasses non-performing loans and foreclosed assets available for sale and rent, was €20,250 million as at 30 June 2021 compared to €12,571 million as at 31 December 2020 and €13,127 million as at 31 December 2019.

In terms of sovereign risk, the total exposure to Spanish and Portuguese sovereign debt securities and loans of the Group totalled €96,715 million as at 30 June 2021 (€50,563 million as at 31 December 2020 and €35,024 million as at 31 December 2019). The exposure to Italian sovereign securities of the Group stood at €2,782 million as at 30 June 2021 (€2,642 million as at 31 December 2020 and €3,065 million as at 31 December 2019).

As at 30 June 2021, loans to individuals made up 53% of the gross loans to customers portfolio composition, followed by financing to businesses (excluding real estate developers) representing 39%, public sector 7% and real estate developers 1% (50%, 41%, 7% and 2% , respectively, as at 31 December 2020).

As at 30 June 2021, the credit granted to individuals was €192,592 million, of which 75% of the total was concentrated in the acquisition of homes. As at 31 December 2020, the credit granted to individuals was €120,648 million, of which 71% of the total was concentrated in the acquisition of homes.

The exposure to the construction and real estate development sector amounted to €6,234 million as at 30 June 2021 and €5,720 million as at 31 December 2020.

The risk related to the equity portfolio in the banking book is the risk associated with the possibility of incurring losses as the result of fluctuations in market prices, disputes among shareholders and/or default on the positions making up the equity portfolio with a medium to long time horizon (for example the Group's stakes in Telefónica, S.A. ("**Telefónica**"), Erste and Banco de Fomento de Angola SA). Thus, the Group faces risks derived from any potential acquisitions and divestments as well as the inherent risks to which the investees are exposed, for instance, in their management, business sector, geography and regulatory framework. The exposure and the capital requirements of the equity portfolio totalled €7,585 million and €1,568 million, respectively, as of 31 March 2021 (€6,717 million and €1,338 million, respectively as of 31 December 2020 and €8,057 million and €1,465 million by year-end 2019), representing 1.2% of total credit risk exposure and 10.5% of total credit capital requirements (1.7% and 13.0%, respectively, as at 31 December 2020 and 2.7% and 13.8%, respectively, as at 31 December 2019). Both exposure and capital requirements of the equity portfolio include those of the Group's insurance subsidiary VidaCaixa, S.A.U. de Seguros y Reaseguros ("**VidaCaixa**"), given that the insurance business is consolidated by the equity method in the prudential balance sheet according to capital regulation.

Actuarial risk

Actuarial risk, based on the European Directive Solvency II, is the risk of loss or adverse change in the value of liabilities undertaken through insurance or pension contracts with customers or employees resulting from a divergence between actuarial variables used for pricing and reserves, and their developments.

Actuarial risk management stems from the regulatory framework set out at European level (Solvency II and the European Insurance and Occupational Pensions Authority (EIOPA)) and the Spanish Directorate General of Insurance and Pension Funds ("**DGSFP**"). Deriving from the regulatory framework, policies and monitoring procedures are established to oversee the technical evolution of marketed insurance products. Insurance products are affected by the following risk factors: mortality, longevity, disability, expense and lapse risk in underwriting life contracts and lapse, expense and claims ratio in the lines of business for non-life and health insurance obligations[1].

Thus, for each line of business, policies of both underwriting and reinsurance identify different risk parameters for approval, management, measurement, rate-setting and, lastly, to calculate and set the liabilities covering the underwritten contracts. Additionally, general operating procedures are set to control the underwriting process.

The CaixaBank insurance group, headed by VidaCaixa, is integrated for the regulatory capital requirements purposes of the Group under the optics of prudential banking supervision within credit risk as an investee portfolio. Likewise, the insurance business is also subject to sectorial supervision by the DGSFP. In this area, as at 31

[1] In terms of the proportional part of the capital requirements applicable to the participation in SegurCaixa Adeslas, S.A.

December 2020, VidaCaixa Group had a Solvency Capital Requirement (SCR) coverage ratio of 172%, three percentage points higher than by the end of the previous financial year.

Out of the €4,181 million net profit attributable to the Group in the six months ended on 30 June 2021, €359 million (8.6% thereof) derived from the insurance business. Out of the €1,381 million net profit attributable to the Group in the 2020 financial year, €888 million (64% thereof) derived from the insurance business, which represented an increase of 18% with respect to 2019.

Structural rates risk

Structural interest rate risk

This risk is defined as the negative impact on the economic value of balance sheet items or on financial income due to changes in the temporary structure of interest rates and their impact on asset and liability instruments and those off the Group's balance sheet not recognised in the trading book.

Possible sources of interest rate risk in the banking book are gap risk[2], basis risk[3] and optionality risk[4]. The assets and liabilities subject to structural interest rate risk are all those positions that are sensitive to interest rates in the balance sheet, excluding the calculation of positions of the trading book.

No regulatory capital requirements are defined for this risk. At the end of 2020, the net interest income sensitivity of the Group for the interest rate-sensitive balance sheet under a 100 basis points up/down shock was 7.19%/0.25%[5]. The economic value sensitivity of the Group for the interest rate-sensitive balance sheet as a percentage of the Tier 1 capital was 7.12%/- 6.53%.

Structural Exchange rate risk

The structural exchange rate risk is considered as the potential loss in market value of the balance sheet due to adverse movements in exchange rates. The Group has foreign currency assets and liabilities in its balance sheet because of its commercial activity and shareholdings, in addition to the foreign currency assets and liabilities deriving from the Group's measures to mitigate exchange rate risk.

The equivalent Euro value of all foreign currency assets and liabilities in the CaixaBank Group's balance sheet as at 31 December 2020 was €15,018 million and €8,485 million, respectively, and €16,459 million and €11,367 million, respectively, as at 31 December 2019. For further information on foreign currency positions of the Group, as well as the main balance sheet items by currency, see Note 3.4.5 (*Structural exchange rate risk*) of the 2020 Consolidated Annual Financial Statements.

---

2 Gap risk refers to the potential adverse effect related to the difference between the timings or regularity in reviewing the instruments sensitive to interest rates, altogether with parallel movements (parallel risk) or different movements per tranches (non-parallel risk) in the interest rate curve.

3 Basis risk is created by the imperfect correlation in the evolution of interest risks underlying the different assets and liabilities of the balance sheet of the CaixaBank Group, even in those cases where those assets and liabilities have similar characteristics in terms of repricing or maturity. Basis risk is composed of a structural part (between market rates and administrative rates) and a non-structural part (as a result of the divergent movement between the different reference benchmarks on the market).

4 Optionality risk derives from contractual rights of clients and of the CaixaBank Group to modify the original cashflows of certain asset, liability or off-balance sheet transactions and may arise as a result of the conduct of the client (in addition of interest rate levels, it may depend on other factors as the degree of leverage or offers of competitors) or may be activated automatically (in case of the occurrence of certain interest rates events)

5 Net interest income sensitivity refers to the prudential scope of consolidation. Under the accounting scope of consolidation, as included in the Group's consolidated financial statements, sensitivity of the net interest income to a 100 basis points up/down shock is 6.7%/-0.2% as at 31 December 2020.

Market risk

It refers to the loss of value, with impact on results or solvency, of a portfolio (set of assets and liabilities), due to unfavorable movements in prices or market rates primarily due to fluctuations in interest rates, exchange rates, credit spreads, external factors or prices on the markets where said assets/liabilities are traded.

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

The consumption of the average one-day VaR at 99% attributable to the various risk factors stood for €2.44 million in 2020 (€1.23 million in 2019). The main of those risk factors are corporate debt spread, interest rates (including sovereign debt credit spread) and share price volatility.

Moreover, market volatility may have an impact on the income statement ("Gains/losses on financial assets and liabilities held for trading, net") due to changes to the Credit Valuation Adjustments ("**CVA**"), Debit Valuation Adjustments ("**DVA**") and Funding Valuation Adjustments ("**FVA**"). CVA and DVA are added to the valuation of Over The Counter (OTC) derivatives (both for hedge accounting and held for trading) due to the risk associated with the counterparty's and own credit risk exposure, respectively. FVA is an additional valuation adjustment of derivatives of customer transactions that are not perfectly collateralized that includes the funding costs related to the liquidity necessary to perform the transaction.

Operational and reputational risks

The second risk category in terms of materiality comprises, in the first place, reputational risk and, in the second place, operational risk. CaixaBank identifies the following risks within the operational risk category, listed from more to less material: (i) conduct risk; (ii) legal/regulatory risk; (iii) IT risk; (iv) information reliability risk; (v) model risk and (vi) other operational risks.

Reputational risk

CaixaBank defines reputational risk as the possibility that the Group's competitive edge could be blunted by loss of trust of some of its stakeholders, based on their assessment of actions or omissions, whether real or purported, of the Group, its senior management or governing bodies, or because of related unconsolidated financial institutions going bankrupt (step-in risk).

The risk is monitored using internal and external selected reputational indicators from various sources of stakeholder expectations and perception analysis. By way of example this includes the risk of disinformation or "fake news", whereby false news is published in relation to a situation or performance.

Throughout 2019, 2020 and 2021, the measures related to the management of Environmental, Social & Governance ("**ESG**") risks, defined as the risk of a possible reputational or economic loss resulting from failure to integrate ESG aspects in the Group's strategy, own performance, business (financing, investment and products) and support programmes for clients in difficulties or that activate the economy, especially in times of crisis (mortgage debtors, socially excluded groups, entrepreneurs, etc.). It also includes potential reputational or economic loss resulting from not entirely transparent tax structures, the perception of non-contribution of taxes or the presence of the Group in tax havens or low tax jurisdictions (either on its own or due to its clients).

The Group is also exposed to reputational risk in the case of certain operational events, for instance, in the context of the claim brought against CaixaBank for an alleged breach of anti-money laundering regulations (please see "*Description of the Issuer -Litigation*").

Although the Group actively manages reputational risk using its external and internal reputational risk management policies and committees, by developing in-house training to mitigate the appearance and effects of reputational risks, by establishing protocols to deal with those affected by the Group's actions, or by defining crisis and/or contingency plans to be activated if the various risks materialise, should reputational risks arise, this could have a material adverse effect on the Group's business, financial condition and results of operations.

Operational risk (aggregated)

In regulatory capital regulation, operational risk is defined as the possibility of incurring losses due to inadequacy or failure of internal processes, personnel and internal systems or from unforeseen external events.

The operational risk, from a regulatory perspective, includes the following risks from the Taxonomy: conduct, legal/regulatory, technological, information reliability, model and other operational risks. Conduct, regulatory, legal and information reliability risks are particularly noted:

Conduct risk

Conduct risk is defined as the Group's risk arising from the application of conduct criteria that run contrary to the interests of its customers and stakeholders or CaixaBank and its employees, or from acts or omissions that are not compliant with the legal or regulatory framework, or with internal policies, codes and rules, or with codes of conduct and ethical and good practice standards, such as CaixaBank's Code of Business Conduct and Ethics. CaixaBank monitors its activity to ensure that the Group delivers positive outcomes to customers and the markets in which the Group operates.

This is particularly relevant in the context of increasingly complex and detailed laws and regulations whose implementation requires a substantial and sophisticated improvement of technical and human resources, such as those related to anti money laundering and data protection, where such acts or omissions as described above or inappropriate judgement in the execution of business activities could have severe consequences, including claims, sanctions, fines and an adverse effect on reputation.

Regulatory risk

The financial services industry is among the most highly regulated industries in the world. In response to the global financial crisis and the European sovereign debt crisis, governments, regulatory authorities and others have made and continue to make proposals to reform the regulatory framework for the financial services industry to enhance its resilience against future crises. 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, the EU 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. This creates significant uncertainty for the Bank and the financial industry in general.

The main regulations which most significantly affect the Group are those related to prudential supervision, bank recovery and resolution, and capital and liquidity requirements which have become increasingly stringent in the past few years (see "*Risks related to the business model -Own funds / solvency risk*" and "*Risks related to the business model -Liquidity and funding risk*").

Regulation has also considerably increased in customer and investor protection, digital and technological matters, taxation and anti-money laundering, among others.

The specific effects of a number of new laws and regulations remain uncertain because the drafting and implementation of these laws and regulations are still ongoing and some of them have been recently adopted. As a result, the Group may be subject to an increasing incidence or amount of liability or regulatory sanctions and may be required to make greater expenditures and devote additional resources to address potential liability. This could lead to additional changes in the near future and also require the payment of levies, taxes, charges and compliance with other additional regulatory requirements.

Implementation of the relevant procedures, monitoring and other technical and human requirements in relation to recent laws and regulations, such as those related to data protection and anti-money laundering had, and could further have, an impact on the Group's business by increasing its operational and compliance costs and, if not implemented correctly or in case of breaches in the relevant procedures, could lead to legal and regulatory claims and sanctions (see "*Legal risk*" below).

Any legislative or regulatory actions and any required changes to the business operations of the Group resulting from such legislation and regulations, as well as any deficiencies in the Group's compliance with such legislation and regulation, could result in significant loss of revenue, limit the ability of the Group to pursue business opportunities in which the Group might otherwise consider engaging and provide certain products and services,

affect the value of assets that it holds, require the Group to increase its prices and therefore reduce demand for its products, impose additional compliance and other costs on the Group or otherwise adversely affect its businesses.

Legal risk

The Group is currently and, in the future, may be involved in various claims, disputes, legal proceedings and governmental investigations in jurisdictions where it is active (please see "*Description of the Issuer -Litigation*").

The Group is party to certain legal proceedings arising from the normal course of its business, including claims in connection with lending activities, relationships with employees and other commercial or tax matters. The outcome of court proceedings is inherently uncertain. The Group maintains provisions under the concept "*Pending legal issues and tax litigation*" that it considers reasonable to cover the obligations that may arise from ongoing lawsuits based on available information, which totalled €671 million as of 30 June 2021 (€332 million as of 31 December 2020 and €394 million as of 31 December 2019). In addition, the Group maintains provisions under the concept "*Other Provisions*", which totalled €656 million as of 30 June 2021 (€468 million as of 31 December 2020 and €497 million as of 31 December 2019) in order to cover, among others, the losses from agreements not formalised and other risks such as those related with the class action brought by ADICAE (the Association of Banking and Insurance Consumers, ("**ADICAE**")) due to the application of floor clauses in certain mortgage loans.

Regarding Bankia, provisions held under "*Pending procedural issues and tax litigation*" to cover the risks of lawsuits and proceedings arising from the ordinary course of operations, along with other legal, regulatory and tax risks amounted to €195.9 million as of 31 December 2020 (€224.5 million as of 31 December 2019).

Given the nature of these obligations, the expected timing of these economic outflows, if any, is uncertain. However, in view of the inherent difficulty of predicting the outcome of legal matters, particularly where the claimants seek very large or indeterminate damages, or where the cases present novel legal theories, involve a large number of parties or are in the early stages of investigation or discovery, the provisions made by the Group or the estimate for maximum risk could prove to be inadequate, and may have to be increased to cover the impact of the different proceedings or to cover additional liabilities, which could lead to higher costs for the Group. This could have a material adverse effect on the Group's results and financial situation.

Information reliability risk

Information reliability risk is defined as the risk stemming from deficiencies in the accuracy, integrity and criteria of the process used when preparing the data and information necessary to evaluate the financial and equity position of the Group, as well as the information disclosed to market and stakeholders that offers a holistic view of its position in terms of sustainability with the environment and that is directly related to environmental, social and governance aspects (ESG principles).

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise judgement in applying relevant accounting policies. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated and individual financial statements, include impairment of certain financial assets, the assumptions used to quantify certain provisions and for the actuarial calculation of post-employment benefit liabilities and commitments, the useful life and impairment losses of tangible and intangible assets, the valuation of goodwill and purchase price allocation of business combinations, the fair value of certain unlisted financial assets and liabilities, the recoverability of deferred tax assets and the exchange rate and the inflation rate of countries in which certain subsidiaries operate. There is a risk that if the judgment exercised or the estimates or assumptions used subsequently turn out to be incorrect then this could result in significant loss to the Group, beyond that anticipated or provided for, which could have an adverse effect on the Group's business, financial condition and results of operations.

Observable market prices are not available for many of the financial assets and liabilities that the Group holds at fair value and a variety of techniques to estimate the fair value are used. Should the valuation of such financial assets or liabilities become observable, for example as a result of sales or trading in comparable assets or liabilities by third parties, this could result in a materially different valuation to the current carrying value in the Group's financial statements.

The further development of standards and interpretations under IFRS could also significantly affect the results of operations, financial condition and prospects of the Group.

Consolidated pro forma financial information of the Group included in the URD has been prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council and the Commission Delegated Regulation (EU) 2019/980, with the sole purpose of providing information on how the merger by absorption of Bankia by CaixaBank might have affected the consolidated income statement for the year 2020 of the Group. Such pro forma financial information was prepared to reflect a hypothetical situation for illustration purposes only, based on the assumptions described on it and is therefore not intended to represent the Group's actual income or cash flow from its operations during the annual period ended on 31 December 2020. PricewaterhouseCoopers Auditores, S.L. has issued a report dated 6 May 2021 on the compilation of the pro forma consolidated financial information included in the URD (see section 7 of the Complementary Information of the URD).

Risks related to the business model

Under this category CaixaBank identifies (sorted by materiality) business risk, solvency risk and liquidity risk. Business, liquidity and funding risks do not have regulatory capital requirements.

Business profitability risk

The Group is exposed to business profitability risk which implies obtaining results either lower than market expectations or below the Group's internal targets, preventing the Group from reaching a level of sustainable returns higher than the cost of equity.

As at 30 June 2021, the average profitability measured as the Return on Tangible Equity (ROTE) was 9.8% excluding extraordinary impacts linked to the merger (6.1% as at the end of 2020 and 7.7% as at the end of 2019, including extraordinary impacts linked to the labor agreement –10.8% excluding such costs).

Own funds / solvency risk

Solvency risk corresponds to the Group's potential restriction to adapt its amount of regulatory own funds to capital requirements or to a change to its risk profile.

The management of the Bank's own funds is largely determined by the prevailing legislative framework, the evolution of which is uncertain and may affect the effective management capacity and the generation of resources for CaixaBank. See "*Capital and Eligible Liabilities Requirements and Loss Absorbing Powers - Capital and Eligible Liabilities Requirements - Overview of applicable capital and MREL requirements*" for further details on the applicable legislation.

On 22 June 2021, CaixaBank was informed about the amendments to the latest supervisory review and evaluation process ("**SREP**") due to the merger with Bankia. This decision replaces the established requirements of the 2019 SREP decision, applicable up to the moment, increasing the P2R (as defined in "*Capital and Eligible Liabilities Requirements and Loss Absorbing Powers - Capital and Eligible Liabilities Requirements - Overview of applicable capital and MREL requirements*") by 15 basis points, setting the requirement at 1.65%. Thus, the current minimum Common Equity Tier 1 ("**CET1**") requirements for the merged entity stand at 8.19% of the total amount of risk weighted assets ("**RWAs**"), which includes Pillar 1 regulatory minimum (4.5% of RWA), the P2R[6] (0.93% of RWA), the capital conservation buffer (2.5% of RWA), the Other Systemically Important Institution ("**O-SII**") buffer (0.25% of RWA)[7] and the countercyclical buffer (0.01% of RWA based on the geographical composition of the portfolio at 31 March 2021 (updated quarterly))[8]. In addition, based on the minimum Pillar 1 requirements applicable to Tier 1 capital (6%) and Total Capital (8%), the requirements stand at 10.00% and 12.41%, respectively, and at 1.24% and 1.65% of the P2R, also respectively.

As a result of these communications, the CET1 threshold below which CaixaBank Group would be forced to limit 2021 distributions in the form of dividend payments, variable remuneration and interest to holders of Additional Tier 1 instruments, commonly referred to as the activation level of the maximum distributable amount (or MDA trigger), is set at 8.19%, to which potential shortfalls of Additional Tier 1 or Tier 2 should be added with respect to the minimum implicit "Pillar 1" and P2R of 1.81% and 2.41%, respectively. Taking into account the

[6] P2R does not apply at an individual level.

[7] It does not apply at an individual level. 0.375% from 1 January 2022 and 0.50% from 1 January 2023 after being updated due to the merger with Bankia.

[8] As of 31 March 2021. It applies to both individual and consolidated basis. Updated quarterly. It may differ between individual and consolidated level. As of 31 March 2021 both levels coincide.

current capital levels of the CaixaBank Group, these requirements do not imply any of the aforementioned limitations.

As at 30 June 2021, CaixaBank reached a CET1 of 12.9% of RWAs[9], which totalled €220,660 million. The internal CET1 solvency target approved by the Board of Directors is set between 11% and 11.5% (without considering IFRS 9 transitional adjustments) and a buffer of between 250 and 300 basis points on the SREP regulatory requirement. The Tier 1 ratio at 30 June 2021 stands at 14.8%, covering the entire Additional Tier 1 bucket, both in terms of Pillar 1 requirements (1.5%) and the corresponding part of the P2R (0.31%). The Total Capital ratio stands at 17.4%.

The leverage ratio stands at 5.1% of the regulatory exposure as at 30 June 2021.

On 28 December 2020, the Bank of Spain formally announced the minimum requirement for own funds and eligible liabilities as determined by the Single Resolution Board ("**SRB**") and based on BRRD II (as defined in "*Capital and Eligible Liabilities Requirements and Loss Absorbing Powers -Capital and Eligible Liabilities Requirements*")[10]. As set out in the notification, CaixaBank, on a consolidated basis, must comply by 1 January 2024 with a minimum amount of own funds and eligible liabilities of 20.19% of RWA, which would equate to 22.95% when including the "combined buffer requirements"[11]. As for the intermediate requirement, the SRB has decided that, by 1 January 2022, CaixaBank must comply with a total MREL requirement of 19.33% of RWA, which would be equal to 22.09% when including the "combined buffer requirements". Furthermore, CaixaBank, on a consolidated basis, must comply by 1 January 2022 with a total MREL requirement of 6.09% of the Leverage Ratio Exposure ("**LRE**").

As of 30 June 2021, CaixaBank reached a MREL ratio of 25.1% of RWAs and 8.7% in terms of LRE at consolidated level. At a subordinated level, primarily including senior non-preferred debt, the MREL ratio of subordinated instruments reached 22.2% of RWAs and 7.7% in terms of LRE, comfortably higher than regulatory requirements applicable as from 1 January 2022, which are 16.26% of RWAs and 6.09% in terms of LRE.

Liquidity and funding risks

Liquidity and funding risks refer to the insufficiency of liquid assets or limited access to financial markets to meet contractual maturities of liabilities, regulatory requirements, or the investment needs of the Group.

The financing obtained from the European Central Bank ("**ECB**") at 30 June 2021 amounted to €81,159 million, corresponding to "**TLTRO III**" (Targeted Longer-Term Refinancing Operations III). In the first semester of 2021, a total of €6,223 million related to TLTRO III were drawn, and the total balance drawn increased by €25,211 million, as a result of the contribution of Bankia. As at 31 December 2020, a total of €49,725 million in funding had been obtained from the ECB, corresponding to TLTRO III. The balance drawn increased by €36,791 million in the year due to the anticipated return of €3,909 million of TLTRO II and drawing €40,700 million of TLTRO III. As of 31 December 2019 the balance drawn through various monetary policy instruments was €12,934 million. The increase in the amount drawn during 2020 from the TLTRO III is due to the fact that it offers preferential financing conditional on increased lending to the real economy over specific time periods. This financing may be as much as 0.5% below the interest rate applicable to the deposit facility, which constitutes an improvement in the conditions available in previous TLTROs. Similarly, the Group maintains issuance programmes to facilitate the issuance of short-term and medium-term securities to the market, as well as access to interbank and repo funding as well as to central counterparty clearing houses.

The financing obtained by Bankia from the ECB as at 31 December 2020 amounted to €22,919 million, corresponding to TLTRO III. The balance drawn increased by €9,168 million in the year. The balance drawn from various TLTRO programmes at 31 December 2019 amounted to €13,751 million.

---

[9] At an individual level, CaixaBank's CET1 ratio reached 13.8% as of 30 June 2021. This is in comparison with a minimum requirement of CET1 for 2021 of 7.01% (including 0.01% of countercyclical buffer to be updated quarterly). Thus, capital requirements are more restrictive at a consolidated level than at an individual level.

[10] Still pending to be updated by the SRB post Bankia integration.

[11] Combined buffer requirements amount to 2.76% of RWA at 30 June 2021 (2.76% at 31 December 2020).

As at 30 June 2021, the Group's total liquid assets[12] stood at €162,731 million, €161,929 million of which were HQLA (High Quality Liquidity Asset). The corresponding figures as at 31 December 2020 were €114,451 million and €95,367 million, respectively (€89,427 million and €55,017 million, respectively, as at 31 December 2019).

As at 31 December 2020 Bankia's total liquid assets [13] stood at €35,048 million, €19,050 million of which correspond to available high liquid assets (after considering ECB haircuts). The corresponding figures as at 31 December 2019 were €33,117 million and €15,538 million, respectively.

The CaixaBank's average[14] Liquidity Coverage Ratio ("**LCR**")[15] as at 30 June 2021 was 292% (248% as at 31 December 2020 and 186% as at 31 December 2019), above the 100% minimum regulatory threshold. The Net Stable Funding Ratio ("**NSFR**")[16] was 148% as at 30 June 2021 (145% as at 31 December 2020 and 129% as at 31 December 2019) with a regulatory minimum level of 100% from June 2021.

Bankia's LCR as at 31 December 2020 was 195% (204% as at 31 December 2019). Bankia's NSFR[17] was 129% as at 31 December 2020, 124% as at 31 December 2019.

Credit ratings

The risks assumed by the Bank may have an adverse effect on the Bank's credit ratings. Moreover, any reduction in the Bank's credit rating could increase the Group's cost of funding, could limit its access to capital markets and adversely affect the Group's ability to sell or market some of its products, engage in business transactions (particularly longer-term) and derivatives transactions. This, in turn, could reduce the Group's liquidity and have a material adverse effect on its net results and financial condition.

As at the date of the Prospectus CaixaBank has been assigned the following credit ratings:

	Long Term Rating	Short Term Rating	Outlook	Review Date
Moody's	Baa1	P-2	Stable	22/09/2020
S&P Global	BBB+	A-2	Stable	22/04/2021
Fitch	BBB+	F2	Stable	02/09/2021
DBRS Ratings GmbH	A	R-1 (low)	Stable	29/03/2021

RISKS RELATED TO THE PREFERRED SECURITIES

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

As further explained in "*Capital Requirements and Loss Absorbing Powers—Loss absorbing powers*", the Preferred Securities may be subject to the bail-in tool (the Spanish Bail-in Power as defined therein) and to the

[12] Liquid assets calculated as the sum of HQLAs plus the undrawn committed facilities granted by the ECB non-eligible as HQLA.

[13] Liquid assets calculated as the sum of (i) Treasury account and deposit facility with the ECB (where cash and central bank accounts are reduced by minimum reserve requirements); (ii) the undrawn committed facilities granted by the ECB; and (iii) the market value of available high liquid assets after considering ECB haircuts.

[14] Average of the last 12 months

[15] Regulatory quantitative liquidity standard to ensure that banks have sufficient high-quality liquid assets to cover expected net cash outflows over a 30-day liquidity stress period (combining both a financial system and a name crisis).

[16] Regulatory balance-sheet structure ratio which measures the relationship between the amount of stable funding available (defined as the amount of own and third-party funding expected to be reliable for a one-year period) and the amount of stable funding required (given the liquidity characteristics and residual maturities of its assets and balance sheet exposures).

Calculated under the criteria set forth in Regulation (EU) 2019/876 of the European Parliament and of the Council, of 20 May 2019, which enters into force in June 2021.

[17] Calculated under the Bank for International Settlements NSFR Common Disclosure Template.

write down and conversion powers (the Non-Viability Loss Absorption as defined therein) contemplated in article 59 of the BRRD Directive (as defined in *Capital and Eligible Liabilities Requirements and Loss Absorbing Powers - Capital and Eligible Liabilities Requirements*) and in general to the powers that may be exercised by the Relevant Resolution Authority (as defined in the Conditions) under Law 11/2015, of 18 June, on the recovery and resolution of credit institutions and investment firms (as amended) ("**Law 11/2015**") and Regulation (EU) No 806/2014, of 15 July, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended by the SRM Regulation II (the "**SRM Regulation**").

The powers set out in the BRRD as implemented through Law 11/2015 and Royal Decree 1012/2015 and the SRM Regulation 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, in the event that the Relevant Resolution Authority considers that the Bank or the Group is in a situation of early intervention or resolution, Holders may be subject to, among other things, on any application of the Spanish Bail-in-Power, a write-down (including to zero), in which case there may be no conversion of the Preferred Securities into Ordinary Shares, or conversion into equity or other securities or obligations of amounts due under the Preferred Securities and additionally may be subject to any Non-Viability Loss Absorption in the event that the Relevant Resolution Authority determines that the Bank or the Group meets the conditions for its resolution or that it will no longer be viable unless such mechanism is applied. The exercise of any such powers (or any other resolution powers and tools) may result in such Holders losing some or all of their investment or otherwise having their rights under the Preferred Securities adversely affected, including by becoming holders of further subordinated instruments such as the Ordinary Shares. Such exercise could also involve modifications to, or the disapplication of, provisions in the Conditions including alteration of the Liquidation Preference or any Distributions payable on the Preferred Securities or the dates on which payments may be due, as well as the suspension of payments for a certain period (but without limiting the right of the Bank under Condition 4 to cancel payment of any Distributions at any time and for any reason).

To the extent that any resulting treatment of a Holder pursuant to the exercise of the Spanish Bail-in Power or Non-Viability Loss Absorption is less favourable than would have been the case in normal insolvency proceedings, a Holder of such affected Preferred Securities may have a right to compensation under the BRRD and the SRM Regulation based on an independent valuation of the institution, in accordance with Article 10 of Royal Decree 1012/2015 and the SRM Regulation. Any such compensation, together with any other compensation provided by any Applicable Banking Regulations (as defined in the Conditions) (including, among other such compensation, in accordance with Article 36.5 of Law 11/2015) is unlikely to compensate that Holder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation. Compensation payments (if any) are also likely to be made considerably later than when amounts may otherwise have been due under the affected Preferred Securities. In addition, in the case of a Non-Viability Loss Absorption, it is unclear that a Holder would have a right to compensation under the BRRD and the SRM Regulation if any resulting treatment of such Holder pursuant to the exercise of the Non-Viability Loss Absorption was less favourable than would have been the case in normal insolvency proceedings.

Furthermore, the exercise of the Spanish Bail-in Power or, where applicable, the Non-Viability Loss Absorption, with respect to the Preferred Securities or the taking by the Relevant Resolution 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 Holders, the market price or value or trading behaviour of any Preferred Securities and/or the ability of the Bank to satisfy its obligations under any Preferred Securities. There may be limited protections, if any, that will be available to holders of securities subject to the bail-in power (including the Preferred Securities) and to the broader resolution powers of the Relevant Resolution Authority. Accordingly, Holders of the Preferred Securities may have limited or circumscribed rights to challenge any decision of the Relevant Resolution Authority to exercise its bail-in power and other resolution powers.

The exercise of the Spanish Bail-in Power and/or the Non-Viability Loss Absorption by the Relevant Resolution Authority with respect to the Preferred Securities is likely to be inherently unpredictable and may depend on a number of factors which may also be outside of the Bank's control. In addition, as the Relevant Resolution Authority will retain an element of discretion, Holders 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/or 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 Resolution Authority may occur.

This uncertainty may adversely affect the value of the Preferred Securities. The price and trading behaviour of the Preferred Securities 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 Resolution Authority may exercise any such powers without providing any advance notice to the Holders.

The Preferred Securities are perpetual

The Bank is under no obligation to redeem the Preferred Securities at any time and the Holders have no right to call for their redemption. Only in the event of any voluntary or involuntary liquidation or winding-up of the Bank, the Preferred Securities (unless previously converted into Ordinary Shares) will confer an entitlement to receive out of the assets of the Bank available for distribution to Holders, the Liquidation Distribution (as defined in the Conditions).

The Preferred Securities are irrevocably and mandatorily convertible into newly issued Ordinary Shares in certain prescribed circumstances

Upon the occurrence of the Trigger Event (if at any time the CET1 ratio (as defined in the Conditions) is less than 5.125%), the Bank will not make any further Distribution, including any accrued and unpaid Distributions which shall be cancelled by the Bank and the Preferred Securities will be irrevocably and mandatorily (and without any requirement for the consent or approval of the Holders) converted into newly issued Ordinary Shares. Because the Trigger Event will occur when the Bank's or the Group's CET1 ratio will have deteriorated significantly, the resulting Trigger Event will likely be accompanied by a prior deterioration in the market price of the Ordinary Shares, which may be expected to continue after announcement of such Trigger Event.

Therefore, in the event of the occurrence of the Trigger Event, the Current Market Price (as defined in the Conditions) of an Ordinary Share may be below the Floor Price (as defined in the Conditions), and the Holders could receive Ordinary Shares at a time when the market price of the Ordinary Shares is considerably less than the Conversion Price (as defined in the Conditions). In such circumstances, Holders will receive a smaller number of Ordinary Shares that would have been the case had the Current Market Price been the Conversion Price at that time. In addition, there may be a delay in a Holder of Preferred Securities receiving its Ordinary Shares following the Trigger Event, during which time the market price of the Ordinary Shares may fall further. As a result, the value of the Ordinary Shares received on conversion following the Trigger Event could be substantially lower than the price paid for the Preferred Securities at the time of their purchase.

Accordingly, an investor in the Preferred Securities faces almost the same risk of loss as an investor in the Ordinary Shares in the event of a Trigger Event occurring. See also "*Holders of the Preferred Securities will bear the risk of fluctuations in the price of the Ordinary Shares and/or movements in the CET1 ratio that could give rise to the occurrence of the Trigger Event*".

The circumstances that may give rise to the Trigger Event are unpredictable

The occurrence of the Trigger Event is inherently unpredictable and depends on a number of factors, many of which are outside of the Group's control. For example, the occurrence of one or more of the risks described under "*Risks affecting the Bank's Financial Activity*", or the deterioration of the circumstances described therein, will increase the likelihood of the occurrence of the Trigger Event.

Furthermore, the occurrence of the Trigger Event depends on the calculation of the CET1 ratio, which can be affected, among other things, by the growth of the Group's business and its future earnings; expected payments by the Bank in respect of dividends and distributions and other equivalent payments in respect of instruments ranking junior to the Preferred Securities as well as other instruments ranking by law or by its terms, to the extent permitted by law, *pari passu* with the Preferred Securities; regulatory changes (including possible changes in regulatory capital definitions or capital requirements definitions, calculations of the CET1 ratio and its components or the interpretation thereof by the relevant authorities, including CET1 capital and RWAs, in each case on an individual or a consolidated basis); changes in the Group's structure or organisation; and the Group's ability to manage actively its RWAs. The CET1 ratio of the Bank or the Group at any time may also depend on decisions taken by the Group in relation to its businesses and operations, as well as the management of its capital position. Holders of the Preferred Securities will not have any claim against the Bank or any other member of the Group in relation to any such decision.

In addition, since the Competent Authority may require the Bank and the Group to calculate the CET1 ratio at any time, a Trigger Event could occur at any time. Due to the inherent uncertainty in advance of any determination of such event regarding whether the Trigger Event may exist, it will be difficult to predict when, if at all, the Preferred

Securities will be converted into Ordinary Shares. Accordingly, trading behaviour in respect of the Preferred Securities is not necessarily expected to follow trading behaviour associated with other types of convertible or exchangeable securities. Any indication that the Bank's or the Group's CET1 ratio is decreasing (and hence the risk of a Trigger Event occurring is becoming increasingly proximate) may be expected to have an adverse effect on the market price of the Preferred Securities and on the price of the Ordinary Shares. Under such circumstances, investors may not be able to sell their Preferred Securities easily or at prices comparable to other similar yielding instruments.

Payments of Distributions on the Preferred Securities are discretionary and subject to the fulfilment of certain conditions and may be restricted as a result of a failure of the Group to comply with its capital requirements

The Preferred Securities accrue Distributions as further described in Condition 4, but the Bank may elect, in its sole and absolute discretion, to cancel the payment of any Distribution in whole or in part at any time and without any restriction on it thereafter.

Payments of Distributions in any financial year of the Bank shall be made only out of Distributable Items of the Bank. The level of the Bank's Distributable Items is affected by a number of factors such as changes to accounting rules, regulation or the requirements and expectations of applicable regulatory authorities, the performance of the business of the Group in general, factors affecting its financial position (including capital and leverage), the economic environment in which the Group operates and other factors outside of the Bank's control. In addition, adjustments to earnings, as determined by the Board of Directors, may fluctuate significantly and may materially adversely affect Distributable Items. The Bank's future Distributable Items, and therefore the ability of the Bank to make Distribution payments under the Preferred Securities, depend, among others, on the Bank's existing Distributable Items and its future profitability. Additionally, the Bank's Distributable Items may also be adversely affected by the servicing of more senior instruments or parity ranking instruments.

The Bank will cancel any Distribution (in whole or in part) which could otherwise be paid on the Distribution Payment Date if and to the extent that payment of such Distribution would, when aggregated with other relevant stipulated payments or distributions, exceed the Distributable Items of the Bank.

In addition, no payments will be made on the Preferred Securities (whether by way of a repayment of the Liquidation Preference, the payment of any Distribution or otherwise) if and to the extent that such payment would cause a breach of any regulatory restriction or prohibition on payments on AT1 capital pursuant to Applicable Banking Regulations including, without limitation, (i) any such restriction or prohibition relating to any Maximum Distributable Amount under Article 48 of Law 10/2014 and any provisions implementing such Article, and any other provision of Spanish law transposing or implementing Article 141(2) of the CRD IV Directive, (ii) any restrictions that could be imposed as a result of the MREL-Maximum Distributable Amount Provision (as defined below) pursuant to the EU Banking Reforms (as defined below), (iii) any restrictions that could be imposed if a G-SII does not meet at the same time the leverage ratio buffer and the "combined buffer requirement" (as of the date of this Prospectus, the Bank is not a G-SII) or (iv) any other restrictions contained in the Applicable Banking Regulations. See "*Capital Requirements and Loss Absorbing Powers—Capital Requirements*" for additional information.

An entity not meeting its "combined buffer requirement" must calculate its Maximum Distributable Amount and until the Maximum Distributable Amount has been calculated and communicated to the Bank of Spain, that entity will be subject to restrictions on discretionary payments (including Distributions). Following such calculation, any discretionary payments by that entity (including the payment of any Distributions on the Preferred Securities) will be subject to the Maximum Distributable Amount so calculated.

As a consequence, in the event of breach of the "combined buffer requirement" it may be necessary to reduce discretionary payments (in whole or in part), including payments of Distributions in respect of the Preferred Securities.

There are a number of factors (applicable capital requirements, the amount of CET1 capital, determination of the systemic risk buffer by the relevant authorities, composition of the "combined buffer requirements" and calculation of the Maximum Distributable Amount) and possible issues of interpretation (including any future changes which may rise from the EU Banking Reforms) which make it difficult to determine how the Maximum Distributable Amount will apply as a practical matter to limit Distributions on the Preferred Securities. This uncertainty and the resulting complexity may adversely impact the market price and liquidity of the Preferred Securities.

In addition, according to Article 16.a) of the BRRD Directive, as implemented in Spain by Article 16 bis of Law 11/2015, any failure by the Bank and/or the Group to meet the "combined buffer requirement" when considered in addition to the applicable MREL requirements, could result, among other things, in the imposition of restrictions or prohibitions on discretionary payments by the Bank according to the MREL-Maximum Distributable Amount Provision, including the payment of Distributions on the Preferred Securities (see "*Capital Requirements and Loss Absorbing Powers—Capital Requirements—Overview of applicable capital requirements*").

Furthermore, the Competent Authority, in accordance with Applicable Banking Regulations, may also require the Bank to cancel the relevant Distribution in whole or in part and upon the occurrence of the Trigger Event, no further Distributions on the Preferred Securities will be made, including any accrued and unpaid Distributions, which will be cancelled.

Therefore, there can be no assurance that a Holder will receive payments of Distributions in respect of the Preferred Securities. Any unpaid Distributions are not cumulative or payable at any time thereafter and, accordingly, if any Distribution (or part thereof) is not made in respect of the Preferred Securities as a result of any requirement for, or election of, the Bank to cancel such Distributions then the right of the Holders to receive the relevant Distribution (or part thereof) in respect of the relevant Distribution Period will be extinguished and the Bank will have no obligation to pay such Distribution (or part thereof) or to pay any interest thereon, whether or not Distributions on the Preferred Securities are paid in respect of any future Distribution Period.

If, as a result of any of the conditions set out above being applicable, only part of the Distributions under the Preferred Securities may be paid, the Bank may proceed, in its sole discretion, to make such partial Distributions under the Preferred Securities.

Notwithstanding the applicability of any one or more of the conditions set out above resulting in Distributions under the Preferred Securities not being paid or being paid only in part, the Bank will not be in any way limited or restricted from making any distribution or equivalent payment in connection with any instrument ranking junior to the Preferred Securities (including, without limitation, any CET1 capital of the Bank or the Group) or in respect of any other instrument ranking by law or by its terms, to the extent permitted by law, *pari passu* with the Preferred Securities.

Additionally, investors should be aware that the Bank shall only pay any additional amounts payable in accordance with Condition 14 to the extent such payment can be made on the same basis as for a payment of any Distribution in accordance with Condition 4.

Although it is the Bank's intention to take into account the relative ranking of capital instruments when approving dividends and distributions, as further set out in the risk factor below on "*The obligations of the Bank under the Preferred Securities are subordinated and will be further subordinated upon conversion into Ordinary Shares*", in accordance with the Applicable Banking Regulations and the Conditions, the Bank may discretionarily elect to cancel Distributions at any time and for any reason.

The obligations of the Bank under the Preferred Securities are subordinated and will be further subordinated upon conversion into Ordinary Shares

The payment obligations of the Bank under the Preferred Securities on account of principal constitute direct, unconditional, unsecured and subordinated obligations (*créditos subordinados*) of the Bank in accordance with Article 281.1.2º of the consolidated text of the Insolvency Law approved by Royal Legislative Decree 1/2020, of 5 May, as amended or replaced from time to time (the "**Insolvency Law**") read in conjunction with Additional Provision 14.3 of Law 11/2015, and upon the insolvency of the Bank, for so long as the obligations of the Bank under the Preferred Securities qualify as Additional Tier 1 Instruments but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), rank as set out in Condition 3. For these purposes, as of the date of this Prospectus and according to Additional Provision 14.3 of Law 11/2015, the ranking of the Preferred Securities and any other subordinated obligations of the Bank may depend on whether those obligations qualify at the relevant time as Additional Tier 1 Instruments or Tier 2 Instruments or constitute subordinated obligations of the Bank not qualifying as Additional Tier 1 Instruments or Tier 2 Instruments. See Condition 3 for the complete provisions regarding the ranking of the Preferred Securities.

In addition, if the Bank were wound up or liquidated, the Bank's liquidator would first apply the assets of the Bank to satisfy all claims of holders of unsubordinated obligations of the Bank and other creditors ranking ahead of Holders. If the Bank does not have sufficient assets to settle claims of prior ranking creditors in full, the claims of

the Holders under the Preferred Securities will not be satisfied. Holders will share equally in any distribution of assets with the holders of any other instrument ranking by law or by its terms, to the extent permitted by law, *pari passu* with the Preferred Securities if the Bank does not have sufficient funds to make full payment to all of them. In such a situation, Holders could lose all or part of their investment.

Furthermore, if the Trigger Event occurs but the relevant conversion of the Preferred Securities into Ordinary Shares pursuant to the Conditions is still to take place before the liquidation or winding-up of the Bank, the entitlement of Holders will be to receive out of the relevant assets of the Bank a monetary amount equal to that which Holders of such Preferred Securities would have received on any distribution of the assets of the Bank if such conversion had taken place immediately prior to such liquidation or winding-up.

Therefore, if a Trigger Event occurs, each Holder will be effectively further subordinated from being the holder of a subordinated debt instrument to being the holder of Ordinary Shares and there is an enhanced risk that holders of the Preferred Securities will lose all or some of their investment.

Additionally, there is no restriction on the amount or type of further securities or indebtedness which the Bank may issue or incur which ranks senior to, or *pari passu* with, the Preferred Securities. The incurrence of any such further indebtedness may reduce the amount recoverable by holders of the Preferred Securities on a liquidation, dissolution or winding-up of the Bank in respect of the Preferred Securities and may limit the ability of the Bank to meet its obligations in respect of the Preferred Securities, and result in a Holder losing all or some of its investment in the Preferred Securities. In addition, the Preferred Securities do not contain any restriction on the Bank issuing securities that may have preferential rights to the Ordinary Shares or securities ranking by law or by its terms, to the extent permitted by law, *pari passu* with the Preferred Securities and having similar or preferential terms to the Preferred Securities.

There are no events of default

Holders have no ability to require the Bank to redeem their Preferred Securities. The terms of the Preferred Securities do not provide for any events of default. The Bank is entitled to cancel the payment of any Distribution (or any additional amounts payable in accordance with Condition 14) in whole or in part at any time and as further contemplated in Condition 4 (see "*Payments of Distributions on the Preferred Securities are discretionary and subject to the fulfilment of certain conditions and may be restricted as a result of a failure of the Group to comply with its capital requirements*" for additional information) and such cancellation will not constitute any event of default or similar event or entitle Holders to take any related action against the Bank. If Ordinary Shares are not issued and delivered following a Trigger Event, then on a liquidation or winding-up of the Bank the claim of a Holder will not be in respect of the Liquidation Preference of its Preferred Securities but will be an entitlement to receive out of the relevant assets a monetary amount equal to that which Holders would have received on any distribution of the assets of the Bank if such Conversion had taken place immediately prior to such liquidation or winding-up.

In the event that the Bank fails to make any payments or deliver any Ordinary Shares when the same may be due, the remedies of Holders are limited to bringing a claim for breach of contract.

The Preferred Securities may be redeemed at the option of the Bank

Holders of the Preferred Securities have no ability to require the Bank to redeem their Preferred Securities, by contrast, all, and not some only, of the Preferred Securities may be redeemed at the option of the Bank, subject to the prior consent of the Competent Authority, at any time in the period commencing on (and including) 14 September 2028 and ending on (and including) the First Reset Date and on any Distribution Payment Date thereafter, in each case at the Redemption Price and otherwise in accordance with Applicable Banking Regulations then in force. The Preferred Securities are also redeemable on or after the Closing Date at the option of the Bank in whole but not in part, at any time, at the Redemption Price (subject to the prior consent of the Competent Authority and otherwise in accordance with Applicable Banking Regulations then in force) if there is a Capital Event or a Tax Event, as both terms are defined in the Conditions.

Under the CRR, the Competent Authority shall give its consent to a redemption, repayment or repurchase of the Preferred Securities in such circumstances provided that either of the following conditions is met:

(i) on or before such redemption of the Preferred Securities, the Bank replaces the Preferred Securities with own funds of an equal or higher quality on terms that are sustainable for the income capacity of the Bank; or

(ii) the Bank has demonstrated to the satisfaction of the Competent Authority that its own funds and eligible liabilities would, following such redemption, exceed the own funds and eligible liabilities set out under CRR, CRD IV and BRRD by a margin that the Competent Authority considers necessary.

In addition, pursuant to article 78.4 of CRR, for the redemption of the Preferred Securities during the five years following their date of issuance the permission of the competent authority may be given only if, besides the above-mentioned conditions, one of the following is met:

(i) in the case of redemption due to the occurrence of a Capital Event, (i) the competent authority considers the change that would cause such Capital Event to be sufficiently certain and (ii) the institution demonstrates to the satisfaction of the competent authority that the Capital Event was not reasonably foreseeable at the time of the issuance of the Preferred Securities; or

(ii) in the case of redemption due to a Tax Event, the institution demonstrates to the satisfaction of the competent authority that the change is material and was not reasonably foreseeable at the time of issuance of the Preferred Securities; or

(iii) before or at the same time of such redemption, the institution replaces the Preferred Securities with own funds instruments of equal or higher quality at terms that are sustainable for its income capacity and the competent authority has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances.

If any notice of redemption of the Preferred Securities is given pursuant to Condition 7 and a Trigger Event occurs prior to such redemption, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, there shall be no redemption of the Preferred Securities on such redemption date and, instead, the conversion of the Preferred Securities shall take place as provided under Condition 6.

If the Bank exercised its right to redeem the Preferred Securities in accordance with Condition 7 but failed to make payment of the Redemption Price when due, such failure would only entitle Holders to bring a claim for breach of contract against the Bank, which, if successful, could result in damages.

It is not possible to predict whether or not a Capital Event or a Tax Event will occur, and if so whether or not the Bank will elect to exercise such option to redeem the Preferred Securities or any prior consent of the Competent Authority required for such redemption will be given. There can be no assurance that, in the event of any such early redemption, Holders will be able to reinvest the proceeds at a rate that is equal to the return on the Preferred Securities. In the case of any early redemption of the Preferred Securities at the option of the Bank on any Distribution Payment Date falling on or after the First Reset Date, the Bank may be expected to exercise this option when its funding costs are lower than the Distribution Rate at which Distributions are then payable in respect of the Preferred Securities. In these circumstances, the rate at which Holders are able to reinvest the proceeds of such redemption is unlikely to be as high as, and may be significantly lower than, that Distribution Rate.

In addition, the redemption feature of the Preferred Securities is likely to limit their market value. During any period when the Bank has the right to elect to redeem the Preferred Securities or there is a perceived increase in the likelihood that the Bank will exercise the right to elect to redeem the Preferred Securities, the market value of the Preferred Securities is unlikely to rise substantially above the price at which they can be redeemed. This may also be true prior to such period. Therefore, there can be no assurance that Holders will be able to reinvest the amount received upon redemption and/or purchase at a rate that will provide the same rate of return as their investment in the Preferred Securities.

The terms of the Preferred Securities contain a waiver of set-off rights

The Conditions provide that Holders waive any set-off, netting or compensation rights against any right, claim, or liability the Bank has, may have or acquire against any Holder, directly or indirectly, howsoever arising. As a result, Holders will not at any time be entitled to set-off the Bank's obligations under the Preferred Securities against obligations owed by them to the Bank.

The interest rate on the Preferred Securities will be reset on each Reset Date, which may affect the market value of the Preferred Securities

The Preferred Securities will bear interest at an initial fixed rate of interest from (and including) the Closing Date to (but excluding) the First Reset Date. From (and including) the First Reset Date, and on every Reset Date

thereafter, the interest rate will be reset as described in Condition 4. This reset rate could be less than the initial interest rate and/or the interest rate that applies immediately prior to such Reset Date, which could affect the amount of any Distributions under the Preferred Securities and so the market value of an investment in the Preferred Securities.

Substitution and variation of the Preferred Securities without Holder consent

Subject to Condition 9, if a Capital Event or Tax Event occurs, the Bank may, instead of redeeming the Preferred Securities, at any time, without the consent or approval of the Holders, and subject to receiving consent from the Competent Authority, either (a) substitute new preferred securities for all (but not some only) the Preferred Securities whereby such new preferred securities shall replace the Preferred Securities or (b) vary the terms of all (but not some only) the Preferred Securities, so that the Preferred Securities may become or remain Qualifying Preferred Securities (as defined in the Conditions), provided that such substitution or variation shall not result in terms that are materially less favourable to the Holders, as certified by two authorised signatories of the Bank.

While Qualifying Preferred Securities must contain terms that are otherwise materially no less favourable to Holders as the original terms of the Preferred Securities, there can be no assurance that the terms of any Qualifying Preferred Securities will be viewed by the market as equally or more favourable, or that the Qualifying Preferred Securities will trade at prices that are equal to or higher than the prices at which the Preferred Securities would have traded on the basis of their original terms.

Moreover, prior to the making of any such substitution or variation, the Bank, shall not be obliged to have regard to the tax position of individual Holders or to the tax consequences of any such substitution or variation for individual Holders. No Holder shall be entitled to claim, whether from the Bank, or any other person, any indemnification or payment in respect of any tax consequence of any such substitution or variation upon individual Holders of Preferred Securities.

Holders of the Preferred Securities have limited anti-dilution protection

The number of Ordinary Shares to be issued and delivered on conversion in respect of each Preferred Security shall be determined by dividing the Liquidation Preference of such Preferred Security by the Conversion Price in effect on the Trigger Event Notice Date. The Conversion Price will be, if the Ordinary Shares are then admitted to trading on a Relevant Stock Exchange, the higher of: (a) the Current Market Price of an Ordinary Share; (b) the Floor Price; and (c) the nominal value of an Ordinary Share (being €1.00 on the Closing Date) or, if the Ordinary Shares are not then admitted to trading on a Relevant Stock Exchange, the higher of (b) and (c) above. See Condition 6 for the complete provisions regarding the Conversion Price.

The Floor Price will be adjusted in the event that there is a consolidation, reclassification/redesignation or subdivision affecting the Ordinary Shares, the payment of any Extraordinary Dividends or Non-Cash Dividends, rights issues or grant of other subscription rights or certain other events which affect the Ordinary Shares, but only in the situations and to the extent provided in Condition 6.3. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Ordinary Shares or that, if a Holder were to have held the Ordinary Shares at the time of such adjustment, such Holder would not have benefited to a greater extent. In addition, given than the Floor Price is close to the nominal value of an ordinary share of the Bank as of the Closing Date (i.e. €1.00) and that such nominal value operates as backstop of the Conversion Price, only in the event that there is a subsequent reduction in the nominal value of the ordinary share of the Bank investors will benefit from the application of the anti-dilution protection mechanisms of Condition 6.3, which operate by reducing the Floor Price of the Preferred Securities.

Furthermore, the Conditions do not provide for certain undertakings from the Bank which are sometimes included in securities that convert into the ordinary shares of a bank to protect investors in situations where the relevant conversion price adjustment provisions do not operate to neutralise the dilutive effect of certain corporate events or actions on the economic value of the Conversion Price. For example, the Conditions contain neither an undertaking restricting the modification of rights attaching to the Ordinary Shares nor an undertaking restricting issues of new share capital with preferential rights relative to the Preferred Securities.

Further, if the Bank issues any Ordinary Shares credited as fully paid to Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve), where the Shareholders may elect to receive a Dividend in cash in lieu of such Ordinary Shares and such Dividend does not constitute an Extraordinary Dividend, no Floor Price adjustment shall be applicable in accordance with Conditions 6.3(b) and 6.3(c), and therefore the Holders will not be protected by anti-dilution measures.

Accordingly, corporate events or actions in respect of which no adjustment to the Floor Price is made may adversely affect the value of the Preferred Securities.

In order to comply with increasing regulatory capital requirements imposed by applicable regulations, the Bank may need to raise additional capital. Further capital raisings by the Bank could result in the dilution of the interests of the Holders, subject only to the limited anti-dilution protections referred to above.

Prior to the issue and registration of the Ordinary Shares to be delivered following the occurrence of a Trigger Event, Holders will not be entitled to any rights with respect to such Ordinary Shares, but will be subject to all changes made with respect to the Ordinary Shares

Any pecuniary rights with respect to the Ordinary Shares, in particular the entitlement to dividends, shall only arise and the exercise of voting rights and rights related thereto with respect to any Ordinary Shares is only possible after the date on which, following a conversion, as a matter of Spanish law, the relevant Ordinary Shares are issued and the person entitled to the Ordinary Shares is registered as a shareholder in Iberclear and its participating entities in accordance with the provisions of, and subject to the applicable Spanish law and the limitations provided in, the Bank's bylaws. Therefore, any failure by the Bank to issue, or effect the registration of, the Ordinary Shares after the occurrence of a Trigger Event shall result in the Holders of the Preferred Securities not receiving any benefits related to the holding of the Ordinary Shares and, on a liquidation or winding-up of the Bank, the entitlement of any such Holders will be an entitlement to receive out of the relevant assets of the Bank a monetary amount equal to that which Holders would have received on any distribution of the assets of the Bank if such conversion had taken place immediately prior to such liquidation or winding-up, as more particularly described in Condition 5.2. Furthermore, under Spanish law only the holders of the shares according to the registry kept by Iberclear are entitled to exercise voting, pre-emptive and other rights in respect of such shares.

If a Delivery Notice is not duly delivered by a Holder, that Holder will bear the risk of fluctuations in the price of the Ordinary Shares and the Bank may, in its sole and absolute discretion, cause the sale of any Ordinary Shares underlying the Preferred Securities

In order to obtain direct delivery of the relevant Ordinary Shares on conversion, the relevant Holder must deliver a duly completed Delivery Notice to the Bank trough the relevant Iberclear Members and according to the Iberclear procedures from time to time, all in accordance with the provisions set out under Condition 6.10. The Ordinary Shares corresponding to the Preferred Securities in respect of which no duly completed Delivery Notices have been delivered on or before the Notice Cut-off Date shall be delivered by the Bank to the Settlement Shares Depository on the Conversion Settlement Date through Iberclear. Within ten Business Day following the Conversion Settlement Date, the Settlement Shares Depository shall procure that all Ordinary Shares so received are sold as soon as reasonably practicable and the net proceeds of sale shall as soon as reasonably practicable be distributed rateably to the relevant Holders in accordance with Condition 4.2 or in such other manner and at such time as the Bank shall determine and notify to the Holders.

Due to the fact that, in the event of the Trigger Event, investors are likely to receive Ordinary Shares at a time when the market price of the Ordinary Shares is very low, the cash value of the Ordinary Shares received upon any such sale could be substantially lower than the price paid for the Preferred Securities at the time of their purchase. In addition, the proceeds of such sale may be further reduced as a result of the number of Ordinary Shares offered for sale at the same time being much greater than may be the case in the event of sales by individual Holders of the Preferred Securities.

A capital reduction may take place in accordance with the Spanish Companies Law

In accordance to Article 418.3 of the Spanish Companies Act, in the event that the Bank intends to approve a capital reduction by reimbursement of contributions (*restitución de aportaciones*) to shareholders, the Bank may have to offer the Holders to convert their Preferred Securities into Ordinary Shares at the applicable Conversion Price prior to the execution of such capital reduction. A resolution of capital reduction for the redemption of any Ordinary Shares previously repurchased by the Bank will not be considered a capital reduction for these purposes.

Holders will bear the risk of fluctuations in the price of the Ordinary Shares and/or movements in the CET1 ratio that could give rise to the occurrence of the Trigger Event

The market price of the Preferred Securities is expected to be affected by fluctuations in the market price of the Ordinary Shares, in particular if at any time there is a significant deterioration in the CET1 ratio by reference to which the determination of any occurrence of the Trigger Event is made, and it is impossible to predict whether

the price of the Ordinary Shares will rise or fall. Market prices of the Ordinary Shares will be influenced by, among other things, the financial position of the Bank and/or the Group, the results of operations and political, economic, financial and other factors. Any decline in the market price of the Ordinary Shares or any indication that the Bank's or the Group's CET1 ratio is decreasing (and hence the risk of a Trigger Event occurring is becoming increasingly proximate) may have an adverse effect on the market price of the Preferred Securities. The level of the CET1 ratio specified in the definition of Trigger Event may also significantly affect the market price of the Preferred Securities and/or the Ordinary Shares.

Fluctuations in the market price of the Ordinary Shares between the date upon which notice of Conversion is given and the Conversion Settlement Date may also further affect the value to a Holder of any Ordinary Shares delivered to that Holder on the Conversion Settlement Date.

Risks relating to the 5-year Mid-Swap Rate and other "benchmarks"

The calculation of any Distributions in respect of the Preferred Securities from and including the First Reset Date is dependent upon the relevant 5-year Mid-Swap Rate (as defined in the Conditions) as determined at the relevant time (as specified in the Conditions). Certain interest rates and indices which are deemed to be "benchmarks" (including the 5-year Mid-Swap Rate) have been the subject of recent national and international regulatory guidance and proposals for reform including the recent approval and entry into force of the Benchmark Regulation, that could have a material impact on the Preferred Securities, its value and return, in particular, if the methodology or other terms of any "benchmarks" are changed in order to comply with new requirements. Such changes or the general increased regulatory scrutiny of "benchmarks" could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant "benchmark" and increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark"; (iii) or lead to the disappearance of the "benchmark".

The Conditions provide for certain fallback arrangements in the event that the Original Reference Rate ceases to exist or be published or another Benchmark Event (as defined in Conditions) occurs. See Condition 4.9. These fallback arrangements include the possibility that the Distribution Rate could be determined by the Bank and an Independent Financial Adviser (acting in good faith and in a commercially reasonable manner), without any separate consent or approval of the Holders, by reference to a Successor Rate or an Alternative Rate and that an Adjustment Spread may be applied to such Successor Rate or Alternative Rate, together with the making of certain Benchmark Amendments to the Conditions. In certain circumstances, the Adjustment Spread is the spread, quantum, formula or methodology which the Bank determines to be appropriate to reduce or eliminate to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to the Holders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be). However, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Holders. The use of a Successor Rate or an Alternative Rate may result in Distributions that are lower than, or otherwise do not correlate over time with, the payments that could have been made on the Preferred Securities if the Original Reference Rate continued to be available in its current form.

If the (i) Bank is unable to appoint an Independent Financial Adviser or (ii) the Bank and the Independent Financial Adviser, acting in good faith and in a commercially reasonable manner, do not agree on the selection of a Successor Rate or an Alternative Rate prior to the relevant Reset Determination Date, the Distribution Rate applicable to the next succeeding Reset Period shall be equal to the Distribution Rate last determined or applicable in relation to the Preferred Securities in respect of the immediately preceding Reset Period. If the Bank fails to make such determination prior to the first Reset Determination Date, the Distribution Rate applicable to the next succeeding Reset Period shall be 3.625%.

Applying the Distribution Rate applicable as at the last preceding Reset Determination Date before the occurrence of the Benchmark Event will result in the Preferred Securities performing differently (which may include payment of a lower Distribution Rate) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined. In addition, in such scenario, the Preferred Securities would become a fixed rate security.

Furthermore, no Successor Rate, Alternative Rate or Adjustment Spread may be adopted, nor any other amendment to the Conditions may be made to effect any Benchmark Amendments, if and to the extent that, in the

determination of the Bank, the same could reasonably be expected to prejudice the qualification of the Preferred Securities as Additional Tier 1 Capital of the Bank or the Group.

Investors should consider these matters when making their investment decision with respect to the Preferred Securities.

Credit ratings may not reflect all risks associated with an investment in the Preferred Securities

The Preferred Securities have been rated BB by S&P Global. 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 Preferred Securities.

Similar ratings assigned to different types of securities do not necessarily mean the same thing and any rating assigned to the Preferred Securities does not address the likelihood that Distributions (or any additional amounts payable in accordance with Condition 14) or any other payments in respect of the Preferred Securities will be made on any particular date or at all. Credit ratings also do not address the marketability or market price of securities.

Any change in the credit ratings assigned to the Preferred Securities may affect the market value of the Preferred Securities. Such change may, among other factors, be due to a change in the methodology applied by a rating agency to rating securities with similar structures to the Preferred Securities, as opposed to any revaluation of the Bank's financial strength or other factors such as conditions affecting the financial services industry generally.

In addition, rating agencies other than S&P Global may assign unsolicited ratings on the Preferred Securities. In such circumstances, there can be no assurance that such rating will not differ from, or be lower than, the ratings provided by S&P Global. The decision to decline a rating assigned by a hired rating agency, the delayed publication of such rating or the assignment of a non-solicited rating by a rating agency not hired by the Bank could adversely affect the market value and liquidity of the Preferred Securities.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal, at any time, by the assigning rating organisation. Potential investors should not rely on any rating of the Preferred Securities and should make their investment decision on the basis of considerations such as those outlined above (see "*Important Notices*" for additional information). The Bank or its Group does not participate in any decision making of the rating agencies and any revision or withdrawal of any credit rating assigned to the Bank or any securities of the Bank is a third party decision for which the Bank does not assume any responsibility.

In general, European (including UK) regulated investors are restricted under the CRA Regulation (which also forms part of the domestic law of the UK by virtue of the EUWA, the "**UK CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and UK and registered under the CRA Regulation or the UK CRA Regulation, as applicable (and such registration has not been withdrawn or suspended). If the status of the rating agency of the Preferred Securities changes, European (including UK) regulated investors may no longer be able to use the rating for regulatory purposes and the Preferred Securities may have a different regulatory treatment. This may result in European (including UK) regulated investors selling the Preferred Securities which may impact the value of the Preferred Securities in the secondary market.

DOCUMENTS INCORPORATED BY REFERENCE

Each document incorporated herein by reference is only as of the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Issuer or the Group, as the case may be, since the date thereof or that the information contained therein is current as of any time subsequent to its date. Any statement contained in any document incorporated herein by reference shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The following document, which has been previously published and has been filed with the CNMV, is incorporated in, and form part of, this Prospectus:

(a) CaixaBank's Universal Registration Document drawn up pursuant to Annex 2 of the Prospectus Regulation, approved and registered with the CNMV on 27 May 2021 (the "**URD**"), including, for the avoidance of doubts, all documents incorporated by reference thereto, available at CaixaBank's website (https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/DRU_CaixaBank_def.pdf) and on the CNMV website (www.cnmv.es), as supplemented by the supplement approved and registered with the CNMV on 5 August 2021 (the "**Supplement to the URD**"), available at CaixaBank's website (https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Supl_Documento_Registro_1H_2021_VF.pdf) and on the CNMV website (www.cnmv.es).

English translations

The English translation of the document referred to above is available at CaixaBank's website:

- https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/DRU_CaixaBank_traduccion.pdf; and
- https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Supl_Documento_Registro_1H_2021_ING.pdf.

The English translation is for information purposes only. In the event of a discrepancy, the original Spanish-language version prevail.

DESCRIPTION OF THE ISSUER

This Prospectus is to be read in conjunction with all documents incorporated by reference (see "*Documents Incorporated by Reference*", section "*Nota explicativa del contenido de este documento*" of the URD and sections "*Incorporación del informe no auditado de actividad y resultados con criterios de gestión relativo al periodo de seis meses finalizado el 30 de junio de 2021*" and "*Incorporación de los estados financieros intermedios resumidos consolidados del grupo CaixaBank correspondientes al periodo de seis meses finalizado el 30 de junio de 2021 al Documento de Registro*" of the Supplement to the URD). This Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus. Specifically, the information contained in this section does not diverge from or contain any discrepancies with respect to the information contained in the Universal Registration Document, as supplemented (incorporated by reference in this Prospectus).

HISTORY AND DEVELOPMENT OF THE ISSUER

CaixaBank is a Spanish public limited company registered in the Commercial Register of Valencia, Volume 10370, Folio 1, Sheet V-178351, and in the Special Administrative Register of the Bank of Spain, under number 2100. The Legal Entity Identifier (LEI) of CaixaBank is 7CUNS533WID6K7DGFI87, and its tax ID (NIF) is A08663619. The registered office and tax address of CaixaBank is Calle Pintor Sorolla, 2-4 in Valencia (contact telephone number +34 93 411 75 03). The website of the Bank is www.caixabank.com, unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus.

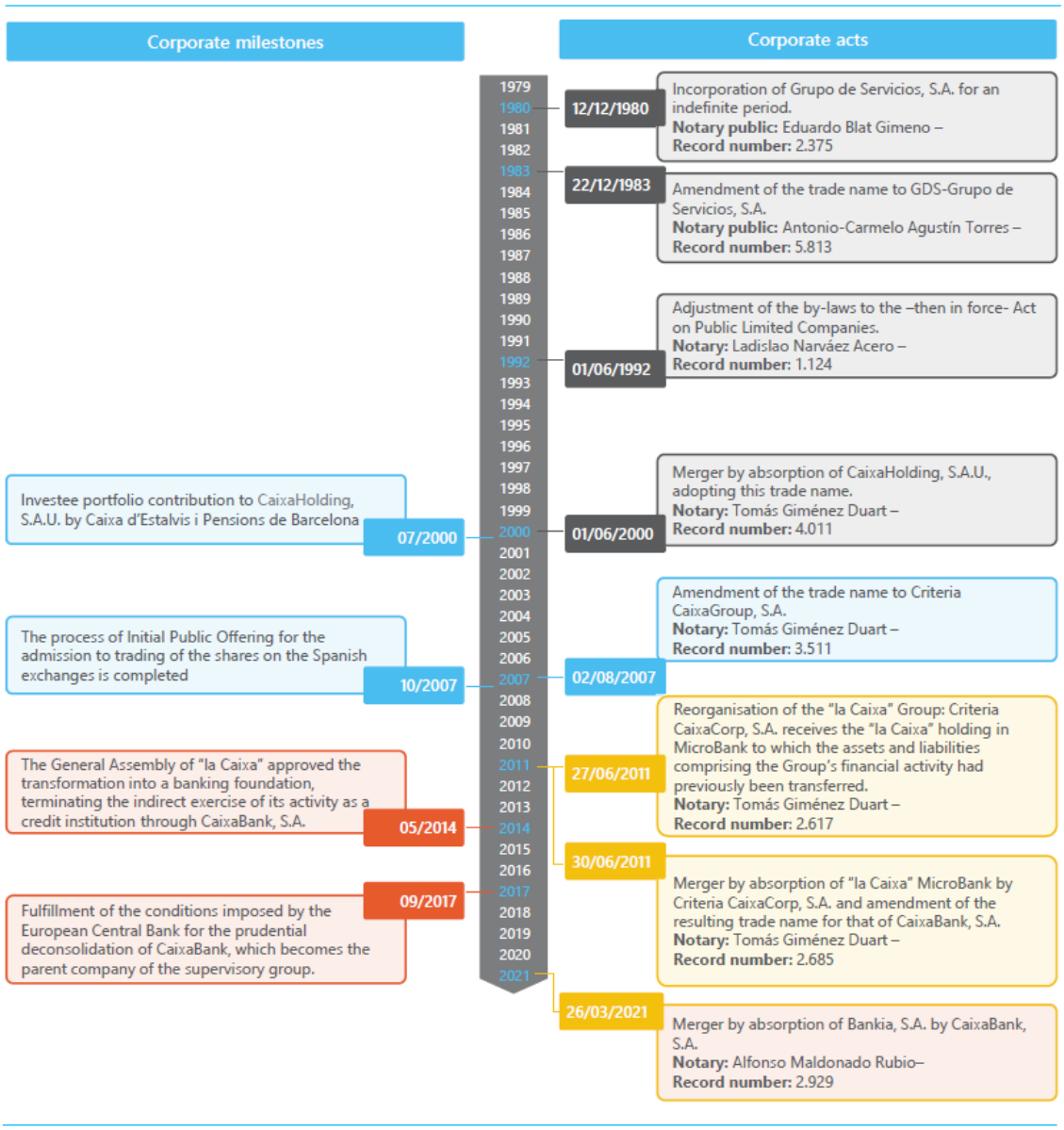
Since 1 July 2011, CaixaBank's shares are listed on the Madrid, Barcelona, Valencia and Bilbao stock exchanges (the "**Spanish Stock Exchanges**") and are quoted on the Automated Quotation System of the Spanish Stock Exchanges (*Sistema de Interconexión Bursátil or Mercado Continuo*).

CaixaBank is the parent company of the financial conglomerate formed by the Group's entities that are considered to be regulated, recognising CaixaBank as a significant supervised entity, whereby CaixaBank comprises, together with the credit institutions of its Group, a significant supervised group of which CaixaBank is the entity at the highest level of prudential consolidation.

As a listed bank, it is subject to oversight by the ECB and the CNMV, however, the entities of the Group are subject to oversight by supplementary and industry-based bodies.

Since CaixaBank is a Spanish commercial enterprise structured as a public limited company, it is therefore subject to the Spanish Companies Act, enacted by Royal Legislative Decree 1/2010 of 2 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 "**Spanish Companies Act**") and its implementing provisions. Furthermore, given that it is a listed company, it is also governed by the Securities Markets Act, and its implementing provisions.

The Issuer's most relevant company milestones during its period of activity are:



2019-2021 Strategic Plan

The 2019-2021 Strategic Plan has the following five strategic lines:

- To offer the best customer experience.
- To accelerate digital transformation to boost efficiency and flexibility.
- To foster a people-centric, agile and collaborative culture.
- To generate attractive shareholder returns and solid financials.
- To become a benchmark in responsible banking and social commitment.

Key recent events

Unsecured Issuances

During 2020 and 2021 the Bank has issued €7,511 million of securities in nine separate unsecured transactions, all of which were placed among institutional investors. A breakdown of these issuances is set out in the table below:

Issue	Total amount € million	Amount per issue € million equivalent[1]	Issue Date	Maturity[2]	Cost[3]
Ordinary Senior Debt	2,000	1,000	January 2020	5 years	0.434% (mid-swap + 0.58%)
		1,000	July 2020	6 years	0.835% (mid-swap + 1.17%)
Senior non-preferred debt	3,761	1,000	November 2020	6 years	0.429 % (mid-swap +0.85%)
		1,000	February 2021	8 years	0.571 % (mid-swap +0.90%)
		1,000	May 2021	7 years	0.867% (mid-swap + 1.00%)
		579	June 2021	5.5 years	1.523% (UK Gilt + 1.32%)
		182	July 2021	6 years	0.477% (CHF mid-swap + 0.87%)
Tier 2 subordinated debt	1,000	1,000	March 2021	10.25 years	1.335 % (mid-swap +1.63%)
Contingently Convertible Preferred Securities (Additional Tier 1)	750	750	October 2020	Perpetual	5.875% (mid-swap +6.346%)

(1) As of the date of issuance.
(2) All the Issuer Calls are subject to regulatory approval
(3) Yield and equivalent floating rate (expressed as spread over midswap or other benchmark) at the time of issuance.

Labour agreements

The Group keeps funds to cover the commitments of its discontinuation programmes, both in terms of severance payments, and social costs, from the moment of termination until reaching the age established in the agreements. Funds are also in place covering length of service bonuses and other obligations with existing personnel.

The main programmes initiated from 2019 for which funds are kept are as follows:

Redundancy schemes	Year recognised	Number of people	Initial provision (millions of euros)
Labour agreement 08-05-2019	2019	2,023	978
Labour agreement 31-01-2020	2020	229	109
Labour agreement 7 July 2021	2021	6,452	1,884

Upon completion of the Merger, on 13 April 2021, negotiations commenced with the legal representatives of employees to undertake a process of substantial changes in working conditions (ex article 41 of the restated text of the Workers' Statute Law approved by Royal Legislative Decree 2/2015, of 23 November (the "**Workers' Statute**")) and contract termination (ex article 51 of the Workers' Statute). The negotiation process consists of two consecutive but separate consultation periods: the first (the informal period) is governed by the applicable Collective Bargaining Agreement, and the second (the formal period) is regulated by the Workers' Statute.

The informal consultation period that took place until 5 May 2021 involved the exchange of various proposals by the CaixaBank management and the legal representatives of employees, an explanation of the grounds for the current process, and a presentation of the outplacement plan developed by CaixaBank. The parties sought to seek common ground in the meetings held, participating in the process in accordance with good faith negotiation rules.

On 11 May 2021, the parties were summoned to begin the formal consultation period governed by the Workers' Statute and the relevant documentation was presented to the corresponding trade union sections.

On 1 July 2021, CaixaBank informed that an agreement had been reached with trade unions representing an ample majority of the workforce for the execution of a labour restructuring process that will affect 6,452 employees. The agreement was finally ratified on 7 July 2021, after the signature of the final text by CaixaBank and the legal representatives of the employees. The related profit and loss charge is estimated at €1.9 billion (gross), with a related capital impact of approximately -83 basis points on the CET1 ratio both fully booked in the second quarter of 2021. The agreement allows for a minimum of €770 million in total cost synergies, in line with the targets announced for the merger transaction. Furthermore, these conditions are also consistent with a back then ex IFRS 9

Transitional Arrangements CET1 ratio of >12% at 30 June 2021, both on a reported basis and pro forma for all outstanding regulatory and M&A impacts.

Agreement between CaixaBank Payments & Consumer S.A. and Global Payments Inc.

On 30 July 2020, CaixaBank's 100% owned subsidiary CaixaBank Payments & Consumer S.A. ("**CPC**") reached an agreement with Global Payments Inc. ("**Global Payments**") to sell a 29% stake in the share capital of Comercia Global Payments, Entidad de Pago, S.L. (the "**Company**"), a joint venture between CPC and Global Payments, for a cash consideration of €493 million (the "**Transaction**"). The Transaction was materialised on 1 October 2020.

As a result of the Transaction, CPC maintains a 20% stake in the share capital of the Company and CaixaBank maintains a presence and degree of significant influence in the Company's merchant acquiring business, while also realising a significant capital gain (€420 million, net of tax, equal to 28 basis points of CET1 ratio -adjusted by dividend accrual).

The current commercial agreement between the Company and CaixaBank will remain in place and be extended until 2040, in order to facilitate product innovation, accelerate the growth trajectory of the business and better serve the client network.

MREL requirement[18]

On 28 December 2020, the Bank was notified by the Bank of Spain of its MREL requirement, as determined by the SRB.

As set out in the notification, the Bank, on a consolidated basis, must comply by 1 January 2024 with a minimum amount of own funds and eligible liabilities of 20.19% of RWA, which would equate to 22.95% when including the "combined buffer requirement". As for the intermediate requirement, the SRB has decided that, by 1 January 2022, the Bank must comply with a Total MREL requirement of 19.33% of RWA, which would be equal to 22.09% when including the "combined buffer requirement". Furthermore, the Bank, on a consolidated basis, must comply by 1 January 2022 with a total MREL requirement of 6.09% of the LRE.

With regard to the requirement for a minimum amount of own funds and subordinated eligible liabilities, the SRB has decided that CaixaBank, on a consolidated basis, must comply from 1 January 2022 with a subordinated MREL requirement of 13.50% of RWA, which would equal to 16.26% including the "combined buffer requirement", in addition to a subordinated MREL requirement of 6.09% over LRE (see "*Capital and Eligible Liabilities Requirements and Loss Absorbing Powers -Capital and Eligible Liabilities Requirements -Capital and MREL requirements of the Bank*").

Merger with Bankia

On 17 September 2020, the Boards of Directors of CaixaBank and Bankia approved the joint merger plan for the Merger.

The merger plan was approved by the extraordinary shareholders' meetings of CaixaBank and Bankia held in December 2020 by more than 99% in both cases, with a quorum of more than 70% in the case of CaixaBank, and more than 80% in the case of Bankia.

After obtaining the required authorisations, the Merger was registered with the Commercial Registry of Valencia on 26 March 2021 and, thus, became effective as of that date, and CaixaBank acquired, by universal succession, all the rights and obligations of Bankia. As a result thereof, this was the last day Bankia's shares were traded on the Spanish Stock Exchanges before being exchanged for CaixaBank shares.

CaixaBank covered the Merger exchange ratio by delivering to Bankia's shareholders 0.6845 new-issue ordinary shares of CaixaBank for every share in Bankia with a nominal value of one euro. CaixaBank increased its share capital by issuing 2,079,209,002 new ordinary shares, each of a nominal value of one euro, for distribution to Bankia's shareholders, that started trading on the Barcelona, Bilbao, Madrid and Valencia stock exchanges on 29

[18] Still pending to be updated by the SRB post Bankia integration.

March 2021. As a result thereof, the share capital of CaixaBank is represented by 8,060,647,033 shares, each of a nominal value of one euro, belonging to the same class and series.

The Merger implied a transfer, by universal succession, of Bankia's assets and liabilities as a whole to CaixaBank, who acquired all the rights and obligations of Bankia. As a result, with regards to the outstanding securities of Bankia, CaixaBank has assumed the position of Bankia and became the issuer of the securities in accordance with their terms and conditions (as a consequence all terms applicable to Bankia in the outstanding securities apply now to CaixaBank).

The operational integration process is expected to be carried out before the end of 2021.

Minimum prudential capital requirements for the CaixaBank Group for 2021

On 22 June 2021, CaixaBank was informed about the amendments to the latest SREP due to the Merger. This decision replaces the established requirements of the 2019 SREP decision, applicable up to the moment, increasing the P2R by 15 basis points, setting the requirement at 1.65%. Thus, the current minimum CET1 requirements for the merged entity stand at 8.19% of the total amount of RWAs, which includes Pillar 1 regulatory minimum (4.5% of RWA), P2R[19] (0.93% of RWA), the capital conservation buffer (2.5% of RWA), the O-SII buffer (0.25% of RWA)[20] and the countercyclical buffer (0.01% of RWA based on the geographical composition of the portfolio at 31 March 2021 (updated quarterly))[21]. In addition, based on the minimum Pillar 1 requirements applicable to Tier 1 capital (6%) and Total Capital (8%), the requirements stand at 10.00% and 12.41%, respectively, and at 1.24% and 1.65% of the P2R, respectively (see "*Capital and Eligible Liabilities Requirements and Loss Absorbing Powers -Capital and Eligible Liabilities Requirements -Capital and MREL requirements of the Bank*").

As a result of these communications, the CET1 threshold below which CaixaBank Group[22] would be forced to limit 2021 distributions in the form of dividend payments, variable remuneration and interest to holders of Additional Tier 1 instruments, commonly referred to as the activation level of the maximum distributable amount (or MDA trigger), is set at 8.19%, to which potential shortfalls of Additional Tier 1 or Tier 2 should be added with respect to the minimum implicit "Pillar 1" and P2R of 1.81% and 2.41%, respectively. Taking into account the current capital levels of the CaixaBank Group, these requirements do not imply any of the aforementioned limitations.

The internal CET1 solvency target approved by the Board of Directors is set between 11% and 11.5% (without considering IFRS 9 transitional adjustments) and a buffer of between 250 and 300 basis points on the SREP regulatory requirement.

Sale of the merchant acquiring business to Comercia Global Payments EP, S.L.

In July 2021, CaixaBank reached an agreement on the sale of certain activities, that were directly undertaken by Bankia, to the following related companies:

- Sale of the merchant acquiring business to Comercia Global Payments EP, S.L. ("**CGP**") for a consideration of €260 million. CGP is 80% owned by Global Payments Inc and 20% owned by CaixaBank.

- Sale of the pre-paid cards business to Global Payments MoneytoPay, EDE, SL ("**MTP**") for a consideration of €17 million. MTP is 51% owned by Global Payments Inc and 49% owned by CaixaBank.

Execution of the above transactions, which are independent of each other, is conditional to the approval by the Ministry of Economic Affairs and Digital Transformation (*Ministerio de Asuntos Económicos y Transformación*

---

[19] P2R does not apply at an individual level.

[20] It does not apply at an individual level. 0.375% from 1 January 2022 and 0.50% from 1 January 2023 after being updated due to the Merger.

[21] As of 31 March 2021. It applies to both individual and consolidated basis. Updated quarterly. It may differ between individual and consolidated level. As of 31 March 2021 both levels coincide.

[22] At an individual level, CaixaBank's CET1 ratio reached 13.8% as of 30 June 2021. This is in comparison with a minimum requirement of CET1 for 2021 of 7.01% (including 0.01% of countercyclical buffer to be updated quarterly). Thus, capital requirements are more restrictive at a consolidated level than at an individual level.

Digital) for each individual transaction, and by the approval of the National Commission for Markets and Competition (*Comisión Nacional de los Mercados y la Competencia*) for the transaction comprising the merchant acquiring business.

The transactions undertaken with CGP and MTP are expected to result in a net consolidated capital gain of €187 million with a positive impact of 11 basis points on CET1 based on the ratio as of 30 June 2021.

Closing is expected to take place in the fourth quarter of 2021.

BUSINESS OVERVIEW

Business overview by segment

The objective of business segment reporting is to allow internal supervision and management of the Group's activity and profits. The information is broken down into several lines of business according to the Group's organisation and structure. The segments are defined and segregated taking into account the inherent risks and management characteristics of each one, based on the basic business units which have accounting and management figures.

The following description is based on the following principles: (i) the same presentation principles as those used in Group management information, and (ii) the same accounting principles and policies as those used to prepare the financial statements.

Accordingly, the Group is made up of the following business segments according to its consolidated financial statements and management report:

- **Banking and Insurance**: shows earnings from the Group's banking, insurance and asset management activity mainly in Spain, as well as liquidity management, ALCO, income from financing the other businesses and the Group-wide corporate centre. It also includes the business acquired by CaixaBank from Banco BPI ("**BPI**") during 2018 (insurance, asset management and cards).

  The Banking and Insurance business is presented in a unified way consistent with the joint business and risk management, since it is a comprehensive business model within a regulatory framework that shares similar monitoring and accounting objectives. The Group markets insurance products, in addition to the other financial products, through its business network with the same client base, because the majority of the insurance products offer savings alternatives (life-savings and pensions) to the banking products (savings and investment funds).

- **Equity Investments**: this line of business essentially shows earnings, net of financing costs, from the stakes held in Erste, Telefónica, Banco Fomento de Angola SA, Banco Comercial e de Investimentos, SA ("**BCI**"), Coral Homes and Gramina Homes.

- **BPI**: covers the income from BPI's domestic banking business. The income statement shows the reversal of the fair value adjustments of the assets and liabilities resulting from the business combination and excludes the results and balance sheet figures associated with the assets of BPI assigned to the equity investments business (essentially Banco Fomento de Angola SA and BCI).

The operating expenses of these business segments include both direct and indirect costs, which are assigned according to internal distribution methods.

The allocation of capital to the investment businesses takes into account both the 11.5% consumption of capital for risk-weighted assets and any applicable deductions.

The allocation of capital to Banco BPI is at sub-consolidated level (i.e. taking into account the subsidiary's own funds). The capital consumed in Banco BPI by the investees allocated to the investment business is allocated consistently to this business.

The difference between the Group's total shareholders' equity and the capital assigned to the other businesses is attributed to the banking and insurance business, which includes the Group's corporate centre.

The table below shows the consolidated statement of profit or loss of the Group by business segments for the six-month period ended 30 June 2021 (subject to a limited review) and the years ended 31 December 2020 (audited), 2019 and 2018 (non audited):

(Millions of euros)	BANKING AND INSURANCE BUSINESS				INVESTMENTS				BANCO BPI			
	June 2021	**2020**	**2019**	**2018**	**June 2021**	**2020**	**2019**	**2018**	**June 2021**	**2020**	**2019**	**2018**
NET INTEREST INCOME.....	2,625	4,534	4,659	4,659	(22)	(78)	(124)	(149)	224	444	416	397
Dividend income and share of profit/(loss) of entities accounted for using the equity method(*)	113	250	232	220	232	186	335	746	12	18	21	6
Net fee and commission income.	1,510	2,330	2,340	2,303					130	245	258	280
Gains/(losses) on financial assets and liabilities and others	65	250	239	219	2	(9)	35	11	13	(2)	24	48
Income and expenses under insurance and reinsurance contracts	318	598	556	551								
Other operating income and expense	(299)	(338)	(369)	(498)	(8)	(3)			(32)	(15)	(17)	(26)
GROSS INCOME...	4,332	7,624	7,657	7,454	204	96	246	608	347	690	702	705
Administrative expenses.....	(4,212)	(3,657)	(4,803)	(3,813)	(2)	(4)	(4)	(4)	(189)	(378)	(397)	(436)
Depreciation and amortisation.....	(280)	(479)	(479)	(368)					(35)	(61)	(67)	(37)
PRE-IMPAIRMENT INCOME.....	(160)	3,488	2,375	3,273	202	92	242	604	123	251	238	232
Impairment losses on financial assets and other provisions	(486)	(2,123)	(811)	(673)					2	(40)	200	106
NET OPERATING INCOME (LOSS) ...	(646)	1,365	1,564	2,600	202	92	242	604	125	211	438	338
Gains/(losses) on disposal of assets and others.....	4,285	216	(169)	(179)		(311)		(607)	0	28	2	51
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS.....	**3,639**	**1,581**	**1,395**	**2,421**	**202**	**(219)**	**242**	**(3)**	**125**	**239**	**440**	**389**
Income tax.....	238	(179)	(332)	(695)	8	24	71	90	(31)	(65)	(108)	(107)
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS.....	**3,877**	**1,402**	**1,063**	**1,726**	**210**	**(195)**	**313**	**87**	**94**	**174**	**332**	**282**
Profit/(loss) attributable to minority interests.....			3	57				33				20
PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP..	**3,877**	**1,402**	**1,060**	**1,669**	**210**	**(195)**	**313**	**54**	**94**	**174**	**332**	**262**
Total assets.....	631,151	410,689	355,416	350,783	3,463	3,267	4,554	4,685	39,474	37,564	31,444	31,078

(*) Insurance business includes the contribution of the stake in SegurCaixa Adeslas, S.A.

Banking and Insurance

This is the Group's core business segment and includes the entire banking business (retail banking, corporate and institutional banking, among others, cash management and market transactions) and insurance business, primarily carried out in Spain through its branch network and other distribution channels. The banking business segment

also includes the liquidity management and the asset liability committee (ALCO) and income from financing other businesses.

The Group's gross balance of customer loans amounted to €336,570 million as at 30 June 2021 (€218,277 million as at 31 December 2020). Total customer funds, using management criteria, amounted to €566,621 million as at 30 June 2021 (€382,794 million as at 31 December 2020).

Banking business

The Banking business relies on a universal banking model based on quality, innovation, accessibility and personalised service, with a wide range of products and services that are adapted to customers' various needs and an extensive multi-channel distribution network.

As of 30 June 2021, CaixaBank had over 19 million customers in Spain, including individuals, companies and institutions, served through a network of 5,775 branches in Spain, of which 5,433 are retail branches.

The Banking business has different divisions based on the type of customers its services are directed at:

Retail Banking

Retail Banking is directed at individuals with less than €60,000 in net worth, as well as businesses, including retail establishments, self-employed and freelance professionals, micro-companies and agribusiness, with a turnover of less than €2 million annually. This division represents the Group's most traditional business, and provides the basis for the development of other, more specialised, lines of business. As a result of CaixaBank's high-quality multi-channel approach it has strengthened customer loyalty through the launch of a wide range of new products and services.

The market share for payroll deposits, which is a key indicator of customer engagement, has evolved from 27.6% as of 31 December 2020 to 39,0% as of 31 May 2021, mainly due to the integration of Bankia (source: *data prepared in-house based on Social Security data*).

Premier Banking division is directed towards individual customers with a net worth of between €60,000 and €500,000, with advisory services provided by specialised managers that are focused on tailored solutions to customer needs. Meanwhile, 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 Centers.

Business Banking

The Business Banking division provides services to business customers with annual turnover of between €2 million and €200 million. The purpose of this specialised business line is to establish a long-term relationship with companies, underpinning their growth and day-to-day management.

CaixaBank manages this business line through a network of specialised offices and specialist managers. Customers also receive support from the Group's branch network and advisory services from its professionals specialised in financing and services, treasury and foreign trade.

Corporate and Institutional Banking and International Banking

Corporate and Institutional Banking:

The Corporate and Institutional division provides services to business customers with annual turnover in excess of €200 million.

Corporate Banking's value proposition offers a tailor-made service to corporate clients, seeking to become their main bank. This involves crafting personalised value propositions and working with clients in export markets.

Institutional Banking serves public and private-sector institutions, through specialist management of financial services and solutions.

International Business:

The Group provides international banking services to its clients through operating branches: one in Poland (Warsaw), one in the United Kingdom (London), three in Morocco (Casablanca, Tangier and Agadir), one in Germany (Frankfurt), and one in France (Paris), representative offices and correspondent banks.

Insurance

CaixaBank complements its banking services with a variety of life insurance, pension and general insurance products and services. The Group offers these insurance and pension products and services through the following entities:

– VidaCaixa, a wholly-owned subsidiary through which the Group provides life insurance products and pension plans.

– BPI Vida e Pensoes – Companhia de Seguros, S.A., a wholly-owned subsidiary through which the Group provides life insurance products and pension plans.

– SegurCaixa Adeslas, S.A. ("**SegurCaixa Adeslas**"), an associate to the Group (49.9% of which is owned by VidaCaixa, 50% of which is owned by Mutua Madrileña and the remaining 0.1% of which is owned by minority shareholders), through which the Group provides non-life insurance products.

As of 30 June 2021, the Group was the largest pensions and life insurance provider in the Spanish market, with 33.7% share of the pension market (according to INVERCO (*Asociación de Instituciones de Inversión Colectiva y Fondos de Pensiones*)) and 30.2% share of the life insurance market, regarding technical provisions (according to ICEA (*Investigación Cooperativa entre Entidades Aseguradoras y Fondos de Pensiones*)). As of 30 June 2021, SegurCaixa Adeslas was the market leader in health insurance in Spain, with a market share of 28.7% and had a number two market position in the Spanish home insurance market (Source: *ICEA (Investigación Cooperativa entre Entidades Aseguradoras y Fondos de Pensiones*)).

Equity Investments

The Equity Investments business line includes the income of equity stakes in international financial entities, such as Erste, as well as stakes in certain corporates mainly in the service sector, such as Telefónica, among others.

Erste

Erste is one of the leading banking groups in Austria and the Central and Eastern Europe region in terms of total assets. Erste is present in Austria, the Czech Republic, Romania, Slovakia, Hungary, Croatia and Serbia (core markets). Erste serves a total of around 16 million customers through a network of 2,168 branches in its core markets. As of 30 June 2021, Erste had total assets amounting to €303,435 million (€277,394 million as of 31 December 2020) (Source: *Erste Group investor presentation – Q2 2021 results, 30/07/2021*).

As of 30 June 2021, CaixaBank held 9.9% of the issued outstanding share capital of Erste.

Telefónica

Telefónica is a digital telecommunications operator, present in 14 countries across Europe and Latin America. It generated a relevant portion of its business outside Spain, being the leading operator in the Spanish-Portuguese speaking market. For the first half of 2021, Telefónica achieved consolidated revenues of approximately €20 billion and, at 30 June 2021, its total accesses amounted to more than 367 million, of which, 274.9 million were mobile phones, 31.4 million fixed telephony, 25.7 million Broadband, 11.3 million pay TV and 23.7 million wholesale accesses. As of 30 June 2021, total assets managed by Telefónica amounted to approximately €114 billion. (Source: *Telefónica's financial statements and company website*).

As of 30 June 2021, CaixaBank held 4.6% of the issued outstanding share capital of Telefónica.

Banco BPI

The Banco BPI business segment includes the profit and loss contributed by Banco BPI to the consolidated Group. The statement of profit and loss reflects the reversal of the adjustments derived from the fair value measurement

of assets and liabilities assumed in the business combination. Equity in this business segment relates exclusively to Banco BPI's equity at the sub-consolidated level.

As of June 2021, Banco BPI had solid market shares in Portugal, with 1.9 million customers: 10.8% in lending activity and 11.3% in customer funds (data prepared in-house; for customers funds includes deposits, mutual funds, capitalisation insurance and insured pensions plans) (Source: *Banco de Portugal, APS, APFIPP*).

As of 30 June 2021, CaixaBank's stake in Banco BPI stood at 100%.

Business by Geographical Area

The Group's ordinary income(*) for the six months ended 30 June 2021 and each of the years ended 31 December 2020, 2019 and 2018 by geographical area is as follows:

	ORDINARY INCOME FROM CUSTOMERS				ORDINARY INCOME BETWEEN SEGMENTS				TOTAL ORDINARY INCOME			
	June 2021	2020	2019	2018	June 2021	2020	2019	2018	June 2021	2020	2019	2018
						(€ million)						
Banking and insurance	**6,358**	**11,245**	**11,345**	**11,071**	**29**	**90**	**138**	**160**	**6,387**	**11,335**	**11,483**	**11,231**
Spain	6,240	11,039	11,170	10,981	29	90	138	160	6,269	11,129	11,308	11,141
Other countries	118	206	175	90					118	206	175	90
Equity investments	**220**	**177**	**370**	**758**					**220**	**177**	**370**	**758**
Spain	49	62	106	347					49	62	106	347
Other countries	171	115	264	411					171	115	264	411
Banco BPI	**405**	**750**	**757**	**820**	**22**	**42**	**64**	**60**	**427**	**792**	**821**	**880**
Spain / Portugal	401	742	749	812	22	42	64	60	423	784	813	872
Other countries	4	8	8	8					4	8	8	8
Ordinary adjustments and eliminations between segments					**(51)**	**(132)**	**(202)**	**(220)**	**(51)**	**(132)**	**(202)**	**(220)**
TOTAL	**6,983**	**12,172**	**12,472**	**12,649**	**0**	**0**	**0**	**0**	**6,983**	**12,172**	**12,472**	**12,649**

Notes:

(*) Corresponding to the following items in the Group's public statement of profit or loss: (i) interest income, (ii) dividend income, (iii) share of profit/(loss) of entities accounted for using the equity method, (iv) fee and commission income, (v) gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net, (vi) gains/(losses) on financial assets and liabilities held for trading, net, (vii) gains/(losses) on assets not designated for trading compulsorily measured at fair value through profit or loss, net, (viii) gains/(losses) on financial assets and liabilities designated at fair value through profit or loss, net, (ix) gains/(losses) from hedge accounting, net, (x) other operating income and (xi) income from assets under insurance and reinsurance contracts.

RECENT MAIN SINGULAR EQUITY INVESTMENTS AND DIVESTMENTS

Agreement to sell the stake in Comercia

See information in "*History and Developments of the Issuer -Key recent events -Agreement between CaixaBank Payments & Consumer S.A. and Global Payments Inc*.".

Merger with Bankia

See information in "*History and Developments of the Issuer -Key recent events -Merger with Bankia"*.

Sale of the merchant acquiring business to Comercia Global Payments EP, S.L.

See information in "*History and Developments of the Issuer -Key recent events - Sale of the merchant acquiring business to Comercia Global Payments EP, S.L.*".

TREND INFORMATION

In view of recent global events (in particular, the latest developments in the COVID-19 pandemic) that have taken place between 31 December 2020 and the date of this Prospectus, the key aspects of the macroeconomic framework have been reviewed, and the relevant scenarios for the entity's business have been updated as indicated below.

Global economic scenario

The growth figures of the first quarter of 2021 revealed that the global economy entered in an uneven stage of expansion. Such disparity was driven by differences among countries regarding their control of the pandemic and the speed at which they are vaccinating their respective populations. It was also caused by differences in the economic structure of countries and the stimulus measures implemented. Hence, China had already exceeded its pre-pandemic levels by 7% and growth proceeds on a solid footing (0.6% during the first quarter of 2021 (source: *National Bureau of Statistics of China*)). The United States was on course to reach its pre-pandemic levels over the coming months following a solid 1.6% quarter on quarter growth rate during the first quarter of 2021 (source: *Bureau of Economic Analysis*). The Eurozone's gross domestic product dropped 0.3% during the first quarter of 2021 (source: *Eurostat*) (see "*Eurozone, Spain and Portugal*" for more details).

By contrast, during the second quarter of 2021, indicators confirm that countries in an advanced post pandemic stage have maintained their robust growth rates whereas, countries that lagged behind, in particular, European advanced economies are posting solid economic growth. Foreseeably, in the second half of 2021 activity growth will be remarkable, driven by fiscal stimulus, expansionary financial conditions and progress in the vaccination campaign. As a whole, CaixaBank expects global growth in 2021 to be around 6% after a 3.3% decline in 2020.

In this context, the balance of risks is more favourable than in the past and is rapidly changing. The main source of risk in 2021 is expected to continue to come from the epidemiological evolution. In particular, the main concern arises from new variants of the virus against which the vaccines might prove less effective. More recently there has been a focus on the potential consequences of economic overheating, especially in the United States. Such risk exists, and its likelihood of materializing has increased. Yet, the spike in inflation in the United States has an important transitory component and the labour market will need some time to recover. The Federal Reserve Bank, in view of such heightened concerns regarding overheating, adopted a tougher line at its June sitting so that a rate increase is likely to happen in 2023 (before its June meeting such increase was not foreseen before 2024). With regards to upside risks, these include fiscal stimulus having greater effect than expected (for instance, due to a better international level of coordination than in previous occasions) or a higher impact from pent-up demand.

Eurozone, Spain and Portugal

In the Eurozone, activity declined 0.3% quarter on quarter in the first quarter of 2021 (source: *Eurostat*) as a result of the measures that where put in place in order to contain the spread of the third wave of the pandemic. In the second quarter, faster vaccine deployment and the immunization of high-risk groups relieved pressure on the health care system and allowed unwinding social restrictions measures gradually. As a result, activity picked up and the Euro area gross domestic product growth posted a solid 2.0% in this second quarter (source: *Eurostat*).

Against this favourable backdrop, inflation has increased significantly. Although the bulk of the increase is mostly due to technical factors (calendar effects, update of weights in the price basket, readjustments in the German VAT and the rebound in oil prices), this increase is expected to continue to cause volatility during 2021 and is expected to bring inflation temporarily over 2.5%. This volatility is expected to fade and should not affect ECB decisions, whom, after increasing in March its assets purchases, will continue to maintain expansive financial conditions without any need of further measures.

CaixaBank expects the recovery to intensify during the second half of 2021 and forecasts growth of more than 4.0% for 2021 as a whole. The key factors underlying this forecast are: (i) the advance of the vaccination campaign, (ii) continued accommodative financial conditions, (iii) a pent-up demand effect due to increased savings during the lockdown period, (iv) disbursements of the Next Generation EU programme ("**NGEU**").

Most recent available indicators suggest that the Spanish economy followed the same pattern as the rest of Europe but with greater intensity. Hence, after a 0.4% quarterly gross domestic product drop in the first quarter of 2021 (source: *Spanish Statistical Office*), the Spanish economy is undergoing a significant expansion of activity during the second quarter of 2021. The strength of the recovery of the labour market and consumption is particularly remarkable, and gross domestic product grew 2.8% in the second quarter of 2021 (source: *Spanish Statistical Office*).

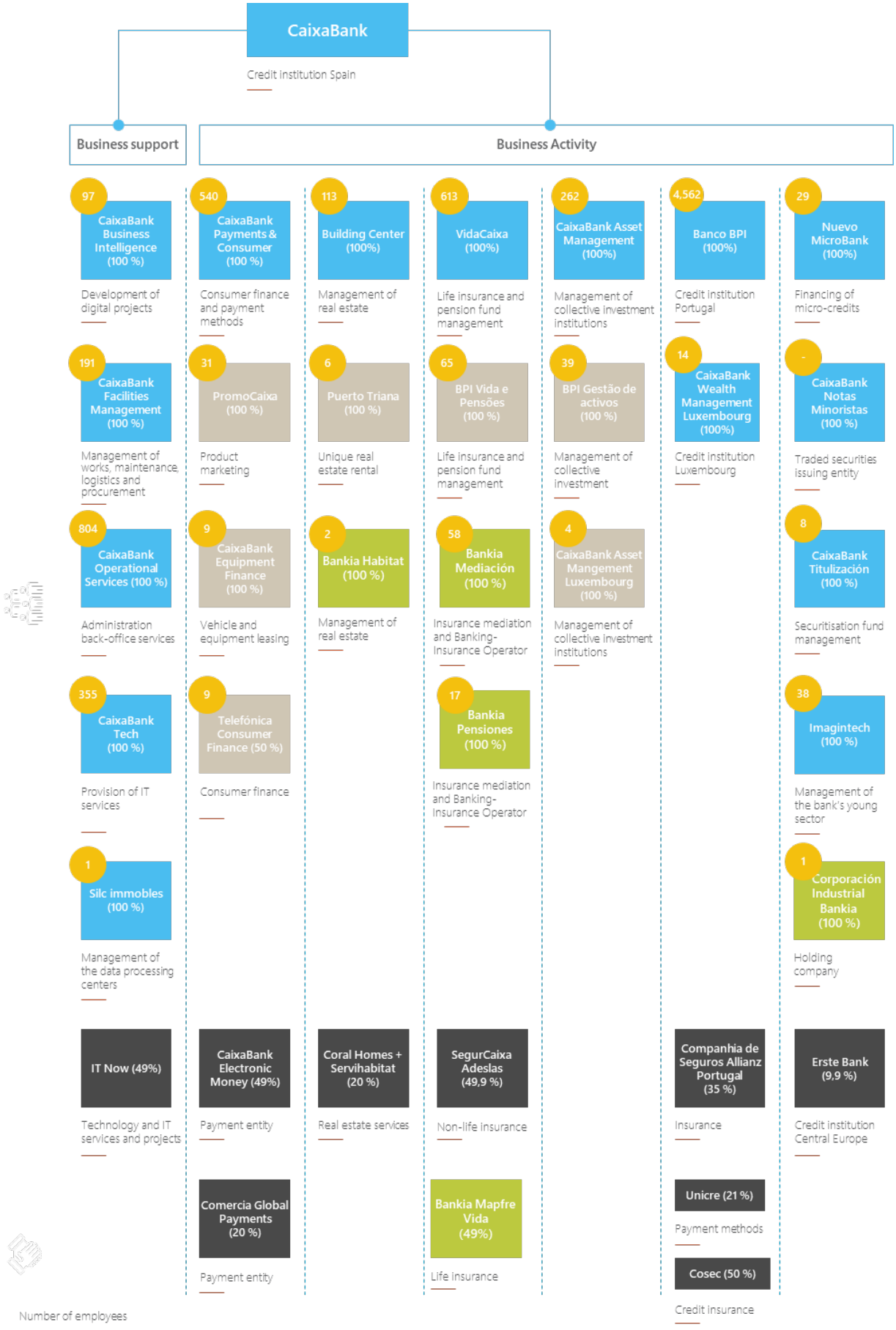
This scenario is closely linked to the European driving forces already mentioned (vaccination, deferred demand, expansive financial conditions and initial disbursement of the NGEU). Additionally, in the Spanish case, the recovery of the touristic incomes is expected to add a positive effect to the recovery. While the rapid increase of contagions that has been taking place during June and July may hamper the recovery of the tourist sector in the third quarter of 2021, the strength of the recovery of consumption as well as the fast implementation of the NGEU

programme will help sustain relatively high rates of growth in the coming quarters. As a whole, CaixaBank expects a growth figure close to 6% in 2021 and to accelerate further in 2022, to slightly above 6%.

In Portugal, the virulence of the third wage forced the implementation of more severe confinement measures than the ones implemented in Spain, which lead to a 3.3% decrease during the first quarter of 2021 (source: *Portuguese Statistical Office*). Nonetheless, the second quarter of 2021 figures show a dynamic recovery of the activity and the Portuguese economy's gross domestic product growth was 4.9%. The decisive factors of the Portuguese recovery are similar to the Spanish factors, this is, vaccination, deferred demand, maintenance of expansive financial conditions, recovery of the tourism and the initial disbursement of the NGEU.

ORGANISATIONAL STRUCTURE

The organisational structure as of 30 June 2021, which incorporates the Bankia group companies contributed as a result of the Merger, is presented below. The corporate structure and the internal organisation of the Group's activities are currently being reviewed in the context of the Merger.



Orange circle in the top left corner of each square contains the number of employees.

CAPITAL STRUCTURE

As at the date of this Prospectus, CaixaBank's share capital is €8,060,647,033 divided into 8,060,647,033 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 ECB and the Bank of Spain.

Major Shareholders

The following table sets forth information as of the date of this Prospectus concerning the significant ownership interests of CaixaBank's shares (as defined by Spanish regulations, those who hold a stake in the Issuer's share capital representing 3% or more of the total voting rights, or 1% or more if the relevant significant shareholder is established in a tax haven), based on filings with the CNMV, excluding the members of the Board of Directors:

Name of Shareholder	Ownership (voting rights in shares)		
	Direct	Indirect	% Total
la Caixa Banking Foundation[(1)]	-	2,419,131,875	30.012
FROB[(2)]	-	1,299,124,905	16.117
Blackrock INC[(3)]	-	238,556,736	2.960

Notes:

(1) la Caixa Banking Foundation's indirect stake is held through its wholly subsidiary CriteriaCaixa, S.A.U.

(2) Fondo de Restructuración Ordenada Bancaria ("**FROB**")'s indirect stake is held through its wholly subsidiary BFA Tenedora de Acciones, S.A.U.

(3) The total stake of Blackrock INC. in CaixaBank is 3.613% and is obtained as follows: 2.960% through shares and 0.653% through financial instruments (0.205% through securities lent and 0.448% through financial instruments with similar economic effect -CFDs).

The Savings Banks and Banking Foundations Act requires banking foundations to enter into a protocol for managing their stakes in financial institutions. The Caixa Banking Foundation protocol managing its ownership interest in CaixaBank regulates, among others: (a) the basic strategic lines governing the management by la Caixa Banking Foundation of its ownership interest in CaixaBank; (b) the relationships between the board of trustees of la Caixa Banking Foundation and CaixaBank's governing bodies; (c) the general criteria governing transactions between la Caixa Banking Foundation and CaixaBank and the mechanisms to avoid conflicts of interest; and (d) the granting to la Caixa Banking Foundation of a right of first refusal in respect of the interest of CaixaBank in Monte de Piedad.

In addition, la Caixa Banking Foundation as parent company of the "la Caixa" group, CriteriaCaixa, S.A.U., as direct shareholder of CaixaBank, and CaixaBank, as a listed company, have an Internal Relations Protocol in place whose main objectives are: (a) to manage the related-party transactions deriving from transactions or services rendered; (b) to establish mechanisms that attempt to avoid the emergence of conflicts of interest; (c) to make provision for la Caixa Banking Foundation to have a pre-emptive right in the event of a transfer by CaixaBank of Monte de Piedad; (d) to establish the basic principles for a possible collaboration between CaixaBank and la Caixa Banking Foundation; and (e) regulate the proper flow of information so that la Caixa Banking Foundation, CriteriaCaixa, S.A.U. and CaixaBank can elaborate their financial statements and comply with periodical information and supervision obligations. Another essential objective of the protocol is the acceptance and firm commitment of the parties to comply with the conditions established by the ECB for the prudential deconsolidation of Criteria in CaixaBank.

CaixaBank is not aware of the existence of any agreement which could lead to a change of control at a subsequent date.

MANAGEMENT OF THE ISSUER

Board of Directors

The table below sets out the names of the members of the Board of Directors as of the date of this Prospectus, the respective dates of their first appointment, their positions within CaixaBank and the nature of their membership:

Name	Post	Nature	Date of first appointment	Shareholder represented
José Ignacio Goirigolzarri [10] [15]	Chairman	Executive	03-12-2020	
Tomás Muniesa [10] [14]	Deputy Chairman	Proprietary	01-01-2018 [2][3]	"la Caixa" Banking Foundation
Gonzalo Gortázar [10] [15]	CEO	Executive	30-06-2014[4][5][6]	--
John S. Reed [11]	Lead Independent Director	Independent	03-11-2011[4][7]	--
Joaquín Ayuso [13] [14]	Director	Independent	03-12-2020	--
Francisco Javier Campo [11] [12]	Director	Independent	03-12-2020	--
Eva Castillo [10] [15]	Director	Independent	03-12-2020	--
Fernando María Costa [11] [14]	Director	Other external	03-12-2020	--
María Verónica Fisas [10] [14]	Director	Independent	25-02-2016[8]	--
Cristina Garmendia [12] [13] [15]	Director	Independent	05-04-2019	--
María Amparo Moraleda [10] [13] [15]	Director	Independent	24-04-2014[4]	--
Eduardo Javier Sanchiz [11] [12] [14]	Director	Independent	21-09-2017[2]	--
Teresa Santero [12]	Director	Proprietary	03-12-2020	FROB and BFA Tenedora de Acciones S.A.U.
José Serna [12] [13]	Director	Proprietary	30-06-2016 [1] [16]	"la Caixa" Banking Foundation
Koro Usarraga [10] [12] [14]	Director	Independent	30-06-2016[1][16]	--
Óscar Calderón	General Secretary and Secretary to the Board of Directors	General Secretary and Secretary to the Board of Directors (non-director)	27-06-2011[9]	--
Óscar Figueres	First Deputy Secretary to the Board of Directors	First Deputy Secretary to the Board of Directors (non-director)	23-10-2017	--

Notes:

[1] Ratified and appointed Board of Director member on 6 April 2017.
[2] Ratified and appointed Board of Director member on 6 April 2018.
[3] Qualified as Proprietary Director on 22 November 2018.
[4] Reelected on 5 April 2019.
[5] Ratified and appointed Director on 23 April 2015.
[6] Reelected CEO on 23 April 2015 and 5 April 2019.
[7] Appointed as Lead Independent Director by the Board on 20 February 2020, with effects since 22 May 2020.
[8] Ratified and appointed as Director on 28 April 2016. Reelected Board of Director member on 22 May 2020.
[9] Appointed Secretary to the Board of Directors on 1 January 2017. Appointed General Secretary on 29 May 2014.
[10] Member of the Executive Committee. Mr José Ignacio Goirigolzarri is the Chairman of the Executive Committee.
[11] Member of the Appointments and Sustainability Committee. Mr John S. Reed is the Chairman of the Appointments and Sustainability Committee.
[12] Member of the Audit and Control Committee. Ms. Koro Usarraga is the Chairwoman of the Audit and Control Committee.
[13] Member of the Remuneration Committee. Ms. María Amparo Moraleda is the Chairwoman Remuneration Committee.
[14] Member of the Risks Committee. Mr. Eduardo Javier Sanchiz is the Chairman of the Risks Committee.
[15] Member of the Innovation, Technology and Digital Transformation Committee. Mr. José Ignacio Goirigolzarri is the Chairman of the Innovation, Technology and Digital Transformation Committee.
[16] Reelected on 14 May 2021.

The table below sets out all entities in which the members of the Board of Directors are members of administrative, management or supervisory bodies or in which they hold partnership positions as of the date of this Prospectus, notified to the Register of Senior Officers at the Bank of Spain, except (i) purely familiar or patrimonial

companies, (ii) subsidiaries of an issuer in which they are also a member of the administrative, management or supervisory bodies and (iii) CaixaBank Group companies.

Name	Company	Title
José Ignacio Goirigolzarri	Spanish Confederation of Savings Banks - CECA	Deputy Chairman
	Garum Fundation Fundazioa	Chairman
Tomás Muniesa	SegurCaixa Adeslas, S.A. de Seguros y Reaseguros (multigrupo)	Deputy Chairman
	Companhia de Seguros Allianz Portugal, S.A.	Director
Joaquin Ayuso	Adriano Care Socimi, S.A.	Chairman
Francisco Javier Campo	Meliá Hotels International, S.A.	Director
Eva Castillo	Zardoya Otis, S.A.	Director
	International Consolidated Airlines Group, S.A. (IAG)	Director
María Verónica Fisas	Natura Bissé Int. S.A. (España)	CEO
Cristina Garmendia	Mediaset España Comunicación, S.A.	Director
	Compañía de Distribución Integral Logista Holding, S.A.	Director
	Ysios Asset Management, S.L.	Director
María Amparo Moraleda	Vodafone Group, PLC	Director
	Airbus Group, N.V.	Director
	A.P. MØLLER - MÆRSK A/S	Director
John.S. Reed	American Cash Exchange	Chairman
Eduardo Javier Sanchiz	Pierre Fabre, S.A.	Director
Koro Usarraga	005 KP Inversiones, S.L.	Director
	Vehicle Testing Equipment, S.L.	Director
	Vocento, S.A.	Director

Since 31 December 2020, no director has notified the Issuer of any situation that places him or her in a permanent conflict of interest with the Group.

Committees of the Board of Directors

The Board of Directors has delegated all of its powers in favour of the Executive Committee, except for those which cannot be delegated pursuant to the provisions of the Spanish Companies Law, the Board Regulations and CaixaBank's By-laws.

As part of its self-governance activities, the Board of Directors of CaixaBank, besides the Executive Committee, has five specialised committees, with supervisory and advisory powers, which are: (i) the Audit and Control Committee, (ii) the Appointments and Sustainability Committee, (iii) the Remuneration Committee, (iv) the Risks Committee and (v) the Innovation, Technology and Digital Transformation Committee.

The Board of Directors and its Committees are governed by the provisions of the By-laws and the Board of Directors Regulations. The composition, functions and regulations of the Board of Directors and its Committees is available at CaixaBank's corporate website (www.caixabank.com).

Management Committee

The following table identifies the members of the senior management (*Comité de Dirección*) of CaixaBank, which is composed of CaixaBank's CEO and the persons responsible for the different areas as of the date of this Prospectus:

Name	Post	Date of appointment (Management Committee)
Gonzalo Gortázar	CEO	30-06-2011
Juan Antonio Alcaraz	Head of Retail, Business and Private Banking	30-06-2011
Xavier Coll*	Chief Human Resources Officer	30-06-2011
Jordi Mondéjar	Chief Risks Officer	10-07-2014
Iñaki Badiola	Head of CIB and International Banking	22-11-2018
Luis Javier Blas	Chief Operating Officer	30-10-2019
Matthias Bulach	Head of Accounting, Management Control and Capital	28-11-2016
Manuel Galarza	Head of Control and Compliance	30-03-2021
María Luisa Martínez	Head of Communications and Institutional Relations	27-05-2016
Javier Pano	Chief Financial Officer	24-10-2013
Marisa Retamosa	Head of Internal Audit	22-11-2018
Eugenio Solla	Chief Sustainability Officer	30-03-2021
Javier Valle	Head of Insurance	22-11-2018
Óscar Calderón	Board Secretary and General Council	29-05-2014

Notes

* On 1 January 2022 will be substituted by David López as new Chief Human Resources Officer.

The table below sets out all entities in which the members of senior management are members of administrative, management or supervisory bodies or in which they hold partnership positions as of the date of this Prospectus, except (i) purely familiar or patrimonial companies, (ii) subsidiaries of an issuer in which they are also a member of the administrative, management or supervisory bodies and (iii) CaixaBank Group companies.

Name	Company	Title
Juan Antonio Alcaraz	SegurCaixa Adeslas, S.A. de Seguros y Reaseguras	Member of the Board
Matthias Bulach	Erste Group Bank AG	Member of the Supervisory Board and of the Audit Committee
Jordi Mondéjar	SAREB	Director
Javier Pano	CecaBank	Director and member of the Appointment Committee
Javier Valle	Unespa	Deputy Chairman/Member of the Executive Committee and the Board of Directors
	Icea	Director

LITIGATION

The Group is party to certain legal proceedings arising from the normal course of its business, including claims in connection with lending activities, relationships with employees and other commercial or tax matters. The outcome of court proceedings is inherently uncertain. The Group provisions under the concept "*Pending legal issues and tax litigation*", which totalled €671 million as of 30 June 2021 (€332 million as of 31 December 2020 and €394 million as of 31 December 2019), are considered reasonable to cover the obligations that may arise from ongoing lawsuits based on available information. In addition, the Group provisions under the concept "*Other Provisions*", which totalled €656 million as of 30 June 2021 (€468 million as of 31 December 2020 and €497 million as of 31 December 2019), are maintained to cover, among others, the losses from agreements not formalised and other risks such as those related with the class action brought by ADICAE due to the application of floor clauses in certain mortgage loans as described below. Given the nature of these obligations, the expected timing of these economic outflows, if any, is uncertain.

Regarding Bankia, provisions held under "Pending procedural issues and tax litigation" to cover the risks of lawsuits and proceedings arising from the ordinary course of operations, along with other legal, regulatory and tax risks amounted to €195.9 million as of 31 December 2020 (€224.5 million as of 31 December 2019).

However, in view of the inherent difficulty in predicting the outcome of legal matters, particularly where the claimants seek very large or indeterminate damages, or where the cases present novel legal theories, involve a large number of parties or are in the early stages of investigation or discovery, the Group cannot state with confidence what the eventual outcome of these pending matters will be or what the eventual loss, fines or penalties related to each pending matter may be. As such, the provisions made by the Group or the estimate for maximum risk could prove to be inadequate and may have to be increased to cover the impact of the different proceedings

or to cover additional liabilities, which could lead to higher costs for the Group. This could have a material adverse effect on the Group's results and financial situation.

Litigiousness in the field of banking and financial products is subject to comprehensive monitoring and control to identify risks that may lead, based on the best information available at any given time, to raise the appropriate provisions to cover such risks.

In the case of disputes under general conditions, generally linked to the granting of mortgage loans to consumers (e.g. floor clauses, multicurrency clauses, mortgage expenses, advance maturity, etc.), the necessary provisions are held by the Group. The Group keeps a constant dialogue with clients to explore the possibility of agreements on a case-by-case basis. Likewise, CaixaBank has adhered to extrajudicial dispute resolution systems promoted by certain judicial bodies that resolve these matters, in order to promote agreed solutions that avoid litigation with clients and help alleviate the legal burden.

In the same way, CaixaBank has adapted its provisions to the risk of ongoing actions arising from claims for the amounts of payments on account for the purchase of off-plan housing, banking, financial and investment products, excessive and abnormal price of interest rates (see specific section below), right to honor or statements of subsidiary civil liability arising from possible conduct of persons with employment links.

Lastly, a criterion of prudence is adopted for constituting provisions for possible punishable administrative procedures, for which hedging is allocated in accordance with the economic criteria that may be laid down by the specific administration regarding the procedure, without prejudice to the right of defence that can be exercised in all instances in order to reduce or cancel the potential fine

The content of the main sections of this heading is set out below. The expected timing of outflows of funds embodying economic benefits, should they arise, is uncertain.

Floor clauses in mortgages

The legal proceeding initiated by the class action brought by ADICAE due to the application of floor clauses in certain mortgage loans is currently in the phase of Reversal and Procedural Infringement before the Spanish Supreme Court.

The risk associated with this matter was managed with specific provisions amounting to €625 million, and a team and specific procedures were developed to comply with the requests filed under the framework of Royal Decree-Law 1/2017, of 20 January, on urgent measures to protect consumers against floor clauses.

The disbursements accumulated in 2019 and associated with this procedure reached €102 million and there have not been significant disbursements associated to this procedure in 2020 nor in the first semester of 2021.

Resulting from the Merger, as of 30 June 2021 there are legal proceedings currently underway (individual actions) seeking the invalidity of floor clauses, in addition to the class action brought by ADICAE mentioned above.

With the available information, the risk derived from the disbursements that could arise due to these litigation proceedings is reasonably covered by the corresponding provisions.

Ongoing criminal investigation of certain corporate transactions

As a result of a private prosecution, a set of corporate transactions in 2015 and 2016, together with an asset transaction, as alleged by the referred prosecution, are under investigation before the Central Investigation Court no.5 (Audiencia Nacional), the latter however being non-existent (since it was never granted and therefore never executed). Without prejudice to the reputational damage resulting from any judicial investigation, it is not considered as probable that an economic risk linked to this criminal proceeding would materialise or cause a negative effect.

Transparency of IRPH interest rate clauses

In relation to the official benchmark rate for mortgage loans in Spain called "**IRPH**" (*Índice de Referencia de Préstamos Hipotecarios*), the judgment issued by the Court of Justice of the European Union ("**CJEU**") on 3 March 2020, and the set of judgments issued by the First Chamber of the Spanish High Court on 6 November 2020 and on 12 November 2020 have provided clarity and guidance in the context of claims questioning lack of transparency in the marketing of mortgage loans indexed to the IRPH rate.

The chief legal conclusion of the current judicial framework, notwithstanding any eventual change to come, is that mortgage loans indexed to the IRPH rate are valid.

In those mortgage loans indexed to the IRPH rate in the context of public agreements for facilitating access to social housing, the Spanish High Court determined the existence of transparency based on, among others: (i) the essential information relating to the calculation of the IRPH rate contained in the agreement was easily accessible, (ii) the IRPH rate is an official benchmark rate included in the Bank of Spain's Transparency Circular and subject to specific regulation, (iii) the relevant clause expressly referred to this regulation and to the relevant public agreements and (iv) both the regulation and the public agreements are publicly available since they are published in the Spanish Official State Gazette (BOE).

In cases not covered by the abovementioned scenario, pre-contractual and contractual information provided to consumers of mortgage loans indexed to the IRPH rate should be examined on a case-by-case basis, in order to determine whether there is lack of transparency, since there are no assessed means of testing material transparency. Most importantly, any determination of lack of transparency requires the Spanish High Court – according to the legal principle established on by the CJEU – to determine the existence of abuse (due to bad faith and major imbalance). In the opinion of the Spanish High Court, there is no imbalanced situation at the time of subscribing the relevant agreement since the subsequent evolution is irrelevant at such time, and good faith is not infringed when offering an official rate included among those to be used in mortgage lending transactions as indicated by the Bank of Spain since the end of 1993. Moreover, some regulatory provisions had determined that the reference rate for financing the purchase of social housing was the IRPH rate. Additionally, it should be noted that the hypothetical substitution of the IRPH reference rate by the "IRPH Entidades" reference rate, as "supplementary legal index" expressly quoted by the CJEU in case of abuse and where no substitutive reference rate had been previously agreed by the parties, would not make any significant difference.

Notwithstanding the foregoing, the Court of First Instance No. 38 of Barcelona has formulated a new request for preliminary rulings with the CJEU, following its judgment of 3 March 2020 in Case C-125/18, which will be subject to specific monitoring by the Group.

As of 30 June 2021, the total amount of mortgages up to date with payments indexed to the IRPH rate subscribed by individuals, mostly consumers, is approximately €6,088 million, €1,141 million of which resulting from the Merger, (approximately €5,328 million as of 31 December 2020). The Group does not hold provisions for this item considering the current legal basis and the legal reasoning followed in the case law and in accordance with the current best available information.

Anti-money laundering investigation

In April 2018, the Anti-Corruption Prosecutor's Office started legal proceedings against CaixaBank, the Entity's former head of Regulatory Compliance and 11 employees, for events that could be deemed to constitute a money laundering offence, primarily due to the activity carried out in 10 branches of CaixaBank by alleged members of certain organisations formed of Chinese nationals, who allegedly conducted fraud against the Spanish Treasury between 2011 and 2015. The procedure is currently in its investigation stage and neither CaixaBank nor its legal advisers consider the risk associated with these criminal proceedings as being likely to arise. Moreover, the Central Investigation Court no. 2 (Audiencia Nacional) has already dismissed the proceedings in relation with four employees. The potential impact of these events is not currently considered material, although CaixaBank is exposed to reputational risk due to these ongoing proceedings.

Spanish High Court ruling regarding interest rates in revolving credit cards

The Spanish High Court issued a ruling with specific relevance to credit agreements relating to revolving and/or deferred payments credit cards. The ruling determines (i) that credit cards as form of credit cards as a form of revolving credit are a specific segment within the credit facilities, (ii) that the Bank of Spain publishes a specific benchmark interest rate for this product in its official statistics gazette (*Boletín Estadístico*), which is the one that must be used as a reference to determine which is the "normal interest rate", (iii) that the average interest rate applicable to credit card and revolving credit transactions as published in the official statistics of the Bank of Spain was slightly higher than 20% and (iv) that an interest rate like the one analysed in the case studied by the Spanish Supreme Court (that is, between 26.82% and 27.24%) is "significantly disproportionate", which entails that the relevant contract shall be considered null and void and the relevant interest paid by the consumer shall be refunded. Unlike the preceding court ruling in this matter, which applied the supra duplum rule to determine when the interest rate shall be considered disproportionate (i.e. when exceeding twice the average ordinary interest rate), this new ruling does not provide specific criteria or accuracy which may allow entities to establish with legal

certainty which level or gap from the "normal interest of money" can lead to the relevant agreement being considered null and void. This circumstance will probably lead to an increase in litigation and diverse judicial positions the impact of which cannot be determined at this time and which will be specifically followed up and specifically managed.

Furthermore, CaixaBank and its card-issuing subsidiary, CaixaBank Payments and Consumer, received a class action formulated by an association of consumers and users ("**ASUFIN**") which was partially dismissed by the Commercial Court No. 4 of Valencia on 30 December 2020: the procedure was limited to an action of eventual cessation of general conditions and the possibility of claiming refunds of amounts requested by ASUFIN was rejected. Subsequently, the ruling fully dismissed the claim against CaixaBank and only requested CaixaBank Payments and Consumer to discontinue the advance maturity clause, disregarding the rest of requests (related to lack of transparency in the credit card transactions, interest calculation methods, right to compensation for debt and amendment of conditions of agreements of indefinite duration). The ruling has not yet become final.

Resulting from the Merger, as of 30 June 2021 the number of outstanding proceedings related to this matter is not relevant and the related economic risk is not significant.

Provisions maintained by the Group as of 30 June 2021 under the concept "*Other Provisions*" include an estimate based on current best available information of current obligations that may arise form judicial proceedings relating to revolving and/or deferred-payment cards, the occurrence of which is deemed to be likely.

Notwithstanding the foregoing, any disbursements that may ultimately be necessary will depend on the specific terms of the judgments which the Group must face, and/or the number of claims that are brought, among others. Given nature of these obligations, the expected timing of the outflow of financial resources, in the event they are produced, is uncertain, and, in accordance with the best available information today, the Group also deems that any responsibility arising from these proceedings will not, as a whole, have a material adverse effect on the Group's businesses, financial position or the results of its operations.

Procedures of the Portuguese Resolution Fund

On 3 August 2014, the Bank of Portugal applied a resolution procedure to Banco Espírito Santo, SA through the transfer of its net assets and under the management of Novo Banco, SA ("**Novo Banco**"). Within the framework of this procedure, the Portuguese Resolution Fund ("**PRF**") completed a capital increase in Novo Banco for an amount of €4,900 million, becoming the sole shareholder. The increase was financed through loans to the PRF for an amount of €4,600 million, €3,900 million of which was granted by the Portuguese State and €700 million granted by a banking syndicate through the Portuguese financial institutions, including BPI with €116 million.

On 19 December 2015, the Bank of Portugal initiated a procedure to put Banco Internacional do Funchal (Banif) into resolution, which came to a head with (i) the partial sale of its assets for €150 million to Banco Santander Totta, S.A.; and (ii) the contribution of the rest of its assets that were not sold to Oitante, SA. The resolution was financed through the issuance of €746 million of debt, guaranteed by the PRF and the Portuguese State as a counter-guarantee. The operation also included the ultimate guarantee of the Portuguese State amounting to €2,255 million intended to cover future contingencies.

For the reimbursement of the PRF obligations with the Portuguese State (in the form of loans and guarantees) in relation to resolution measures adopted, the PRF has contributed ordinary instruments through the various contributions of the banking sector. Along these lines, the conditions of the loans with the PRF have been amended to bring them in line with the collection of the aforementioned contributions; there is no foreseen need to turn to additional contributions from the banking sector.

In 2017, the Bank of Portugal chose Lone Star to conclude the sale of Novo Banco, after which the PRF would hold 25% of the share capital and certain contingent capital mechanisms would be established by the shareholders. To cover the contingent risk, the PRF has the financial means of the Portuguese State, the reimbursement of which – where applicable – would have repercussions on the contributory efforts of the banking sector.

On 31 May 2021 the PRF signed a credit line with a group of Portuguese financial institutions of up to €475 million, the participation of BPI is up to €87.4 million. On 4 June 2021, the PRF withdrew €317 million in order to comply with Novo Banco's contingent capital mechanism, of which €58.3 million were from BPI. An additional payment from the PRF to Novo Banco still under analysis.

At this time, it is not possible to estimate the possible effects for the Resolution Funds deriving from: (i) the sale of the shareholding in Novo Banco; (ii) the application of the principle that none of the creditors of a credit

institution under resolution may assume a loss greater than that which it would have assumed if that entity had gone into liquidation; (iii) the guarantee granted to the bonds issued by Oitante and (iv) other liabilities that – it is concluded – must be assumed by PRF.

Notwithstanding the possibility considered in the applicable law for the collection of special contributions, given the renegotiation of the terms of the loans granted to the PRF, which include BPI, and the public statement made by the PRF and the Office of the Minister of Finance of Portugal, declaring that this possibility will not be used, the consolidated financial statements of 2020 reflect the expectation of the Administrators that the Bank will not have to make special contributions or any other type of extraordinary contributions to finance the resolution measures applied to BES and Banif or any other contingent liability or liabilities assumed by the PRF.

Any change in this regard may have material implications for the financial statements of the Group.

Criminal judicial investigation for alleged acts that could be deemed to constitute a bribery and wrongful disclosure of secrets criminal offense

In July 2021, the Central Investigation Court No. 6 (Audiencia Nacional) opened an investigation to CaixaBank as legal entity and called a legal representative to make depositions and provide information on the compliance programme to prevent crimes or significantly reduce such a risk.

The investigation refers to events that could be deemed to constitute bribery and wrongful disclosure of secrets based on an alleged wilful misconduct in hiring a public officer for private security activities.

On 29 July 2021, the Court decided to stay or close the proceedings against CaixaBank based on the robustness of its compliance programme. This resolution is not final and it is currently subject to appeal.

According to the best estimation that can be made based on the current state of knowledge, no material impact is foresaw as a consequence of this proceedings.

Litigation relating to Bankia

Regarding Bankia, as of the time of the Merger, it was involved in, among others, proceedings linked to the granting of mortgage loans to consumers (floor clauses, mortgage expenses, IRPH interest rate clauses), claims requesting the nullification of derivative agreements, proceedings filed in accordance with Law 57/1968 (regarding payments received prior to the construction and sale of property), proceedings arising from claims of excessive and abnormal price of interest rates, subsidiary civil liability arising from alleged misconduct of certain individuals and criminal and civil procedures related to Bankia's shares initial public offering.

Information on litigation relating to Bankia as of 31 December 2020 is contained in the Bankia's 2020 consolidated financial statements.

The following procedures, considered as particularly relevant, are described below:

IPO litigation

Certain criminal and civil proceedings were taken against Bankia regarding the sale of shares in the context of its initial public offering ("**IPO**") in July 2011.

Civil proceedings

There is a limited number of currently ongoing procedures seeking the invalidity of the acquisition of Bankia's shares, either in the IPO or subsequently in the secondary market, although the second case is rather residual.

On 16 July 2016, Bankia was notified of a class action brought by ADICAE but the proceeding is currently suspended.

On 3 June 2021 the CJEU issued its judgement to a preliminary ruling requested by the Spanish Supreme Court stating that, in the event of an offer of shares to the public for subscription which is addressed to both retail investors and qualified investors, an action for damages on the grounds of the information given in the prospectus may be brought not only by retail investors but also by qualified investors. Nevertheless, in the context of an action for damages brought by a qualified investor on the grounds of the information given in the prospectus, the

national court shall take account of the fact that that investor was, or ought to have been, aware of the economic situation of the issuer of the offer of shares to the public, otherwise than through the prospectus.

The Group maintains provisions to cover the risks arising from this litigation.

Criminal Proceedings before the Central Examining Court No. 4 of the Spanish National High Court

These criminal proceedings were initiated when the court admitted the lawsuit filed by Unión Progreso y Democracia (UPyD) against Bankia, BFA Tenedora de Acciones, S.A.U. ("**BFA**") and former members to their respective Board of Directors. On a later stage, criminal lawsuits filed by parties allegedly affected by Bankia's IPO (private prosecution) and by other claimants who did not have such consideration (class prosecution) were incorporated thereto. Bankia raised a total of €3,092 million in July 2011 from the IPO: €1,237 million from institutional investors and €1,855 million from retail investors. Since retail investors were refunded for practically the total amounts invested in the IPO through civil lawsuits or by virtue of the voluntary repayment process carried out by Bankia, the contingency related thereto is considered as practically resolved.

On 23 November 2018, as part of the civil liability proceedings separate piece, a payment (*fianza*) of €38.3 million was set. Outstanding payment requests, where a decision has yet to be issued by the Court amount to approximately €5.8 million.

On 11 May 2017, the presiding judge of Central Examining Court No. 4 of the National High Court concluded the investigation phase. On 17 November 2017, the Central Examining Court No. 4 of the National High Court ordered the commencement of the trial, opening the oral trial phase for the crimes of falsification of financial statements (article 290 of the Spanish Criminal Code) and investor fraud (article 282 bis of the Spanish Criminal Code) against certain former directors and current and former executives of Bankia and BFA, the external auditor at the time of the IPO, and against BFA and Bankia as legal persons. The Public Prosecutor and the FROB filed written submissions seeking the dismissal of the criminal charges against BFA and Bankia. The FROB did not seek secondary civil liability of Bankia or BFA.

On 29 September 2020 the National High Court delivered a judgment whereby it unanimously acquitted all the defendants. Only two private accusations have filed a cassation appeal before the Spanish Supreme Court against the judgement.

Litigation under Abbreviated Proceedings 1/2018 (originated under Preliminary Proceedings no. 59/2012) is considered by the Group as a contingent liability whose final outcome is uncertain.

Banco de Valencia

In 2012 a criminal claim (*querella*) was brought by Asociación de Pequeños Accionistas del Banco de Valencia "Apabankval" against the members of the Board of Directors of Banco de Valencia and the external auditors, in respect of accusations of corporate crimes. The amount of the civil liability claims has not yet been quantified. This criminal claim led to Preliminary Proceedings 65/2013-10 at Central Examining Court No. 1 of the Spanish National High Court.

On 6 June 2016, the Central Court of Instruction No. 1 of the National High Court admitted the addition to the existing preliminary proceedings of a claim submitted by certain shareholders of Banco de Valencia against certain members of its board of directors, the external auditors and Bankia in place for Bancaja (*como sustituta de Bancaja*) for the corporate crime of falsification of accounting documents set forth under Article 290 of the Spanish Criminal Code. On 13 March 2017, Section 3 of the National High Court's Criminal Chamber issued a ruling confirming that: (i) Bankia cannot be held criminally liable for the events; and (ii) Bankia should be held secondarily liable in the civil liability case.

As of 1 June 2017, Apabankval represented approximately 351 affected parties. In addition, Central Examining Court No. 1 ruling issued on 8 January 2018 identified 89 additional affected parties so far, whose legal representation and defense was assumed by the Apabankval in accordance with article 113 of Spain's Criminal Procedure Law.

On 6 September 2017, a new criminal claim was filed by an individual for the crime of falsification of financial statements under article 290.2 of the Criminal Code. In this case, it was brought against the former members of the Board of Directors (as natural person) regarding criminal liability and against Bankia (and also Valenciana de Inversiones Mobiliarias and the external auditor) regarding civil liability only.

On 13 December 2017, an indictment was issued for including BFA and Fundación Bancaja as subsidiary civil liable parties in in the civil liability proceedings. BFA filed an appeal against this indictment – which was rejected by a ruling dated 13 December 2017 – and a subsequent appeal to a superior civil court which was later withdrawn by BFA with the intention to fil it on a later stage of the proceedings since it considers it solid and well-founded.

On 19 October 2018, a ruling was issued rejecting the appeal filed by the FROB – which BFA joined– against the ruling upholding BFA's subsidiary civil liability, with one dissenting vote related to the circumstance that the FROB – as a public body – cannot be included in the proceedings where subsidiary civil liability of BFA is being claimed, when the FROB owns 100% of BFA.

On 2 December 2019, the Central Court issued a transformation order agreeing to continue the preliminary proceedings by means of an abbreviated procedure for the alleged participation in a continued corporate crime of falsification of accounting documents of Banco de Valencia for the 2009-2010 financial years, provided under Article 290.1 and Article 74 of the Spanish Criminal Code, against the members of the Board of Directors of Banco de Valencia and against other companies as subsidiary civil liable (*responsable civil subsidiario*), including BFA, Bankia, Bankia Habitat and Valenciana de Inversiones Mobiliarias, These companies have filed appeals for reconsideration with the same Central Examining Court and, subsidiarily, with the Criminal Chamber of the National High Court or directly on appeal. Following a ruling delivered on 12 June 2020 dismissing the appeals for amendment filed by the defense, Bankia filed an appeal with the Criminal Chamber of the National High Court.

The court has declared CaixaBank to occupy Bankia's position in the proceeding as a result of the Merger.

This has been considered by the Group as a contingent liability whose final outcome is uncertain.

CREDIT RATINGS

As at the date of this Prospectus, the Issuer has been assigned the following debt ratings by the following credit rating agencies:

	Long Term Rating	Short Term Rating	Outlook	Review Date
Moody's	Baa1	P-2	Stable	22/09/2020
S&P Global	BBB+	A-2	Stable	22/04/2021
Fitch	BBB+	F2	Stable	02/09/2021
DBRS Ratings GmbH	A	R-1 (low)	Stable	29/03/2021

ALTERNATIVE PERFORMANCE MEASURES

This Prospectus (and the documents incorporated by reference in this Prospectus) contains certain non-IFRS measures of performance or alternative performance measures ("**APMs**"), which are used by management to evaluate the Group's overall performance or liquidity. These APMs are not audited, reviewed or subject to review by CaixaBank's auditors and are not measures required by, or presented in accordance with, the International Financial Reporting Standards adopted by the EU ("**IFRS-EU**"). Accordingly, these APMs should not be considered as alternatives to any performance or liquidity measures prepared in accordance with IFRS-EU. Many of these APMs are based on CaixaBank's internal estimates, assumptions, calculations and expectations of future results and there can be no guarantee that these results will actually be achieved. Accordingly, investors are cautioned not to place undue reliance on these APMs.

Furthermore, these APMs, as used by CaixaBank, may not be comparable to other similarly titled measures used by other companies. Investors should not consider such APMs in isolation, as alternatives to the information calculated in accordance with IFRS-EU, as indications of operating performance or as measures of the Group's profitability or liquidity. Such APMs must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU and investors are advised to review these APMs in conjunction with the Interim Consolidated Financial Statements, the 2020 Consolidated Annual Financial Statements, the 2019 Consolidated Annual Financial Statements (as defined in "*Additional Information - Documents on Display*") and the 2018 Consolidated Annual Financial Statements (as defined in "*Additional Information -Documents on Display*") incorporated by reference in this Prospectus.

CaixaBank believes that the description of these APMs in this Prospectus follows and complies with the "ESMA Guidelines on Alternative Performance Measures" dated 5 October 2015. In accordance with these guidelines, the Interim Consolidated Financial Statements, CaixaBank's management report in respect of the 2020 Consolidated

Annual Financial Statements, CaixaBank's management report in respect of the 2019 Consolidated Annual Financial Statements and CaixaBank's management report in respect of the 2018 Consolidated Annual Financial Statements contain a list of the APMs used, along with a reconciliation between them and the IFRS indicators or measures presented in the Interim Consolidated Financial Statements, 2020 Consolidated Annual Financial Statements, the 2019 Consolidated Annual Financial Statements and the 2018 Consolidated Annual Financial Statements prepared in accordance with IFRS-EU.

These APMs are commonly reported by financial institutions, as they capture information that is not immediately apparent from the IFRS-EU framework. Further, they may be helpful for the in-depth analysis of the performance of the highly regulated and specialized sector in which CaixaBank operates, and should allow securities analysts, investors and other interested parties to compare CaixaBank performance with that of its peers more effectively.

CAPITAL AND ELIGIBLE LIABILITIES REQUIREMENTS AND LOSS ABSORBING POWERS

CAPITAL AND ELIGIBLE LIABILITIES REQUIREMENTS

The following is a summary of the most relevant aspects of the regulatory framework applicable to the Group relating to regulatory capital requirements and the minimum requirement for own funds level and eligible liabilities ("**MREL**"). In addition, see "*Risk Factors*" which includes the relevant information on regulatory liquidity and funding requirements.

The CaixaBank Group is subject to capital requirements according to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on the prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as amended) ("**CRR**"), 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, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (as amended) (the "**CRD IV Directive**"), any regulatory capital rules implementing the CRD IV Directive or the CRR which may from time to time be introduced and which are applicable to CaixaBank or to the Group (including, without limitation, Law 10/2014, of 26 June, on the organisation, supervision and solvency of credit entities (as amended) ("**Law 10/2014**"), Royal Decree 84/2015, of 13 February, implementing Law 10/2014) (as amended) ("**RD 84/2015**") (all of them together, "CRD IV"), and to any other regulations, regulatory technical standards, circulars or guidelines implementing CRD IV through which the EU is implementing the Basel III capital reforms.

In addition to the minimum capital requirements under CRD IV, CaixaBank is also subject to the regime under Directive 2014/59/EU of 15 May 2014 establishing the framework for the recovery and resolution of credit institutions and investment firms (as amended, the "**BRRD Directive**")), and to any other recovery and resolution rules developing, complementing or implementing this Directive which are applicable to CaixaBank or to the Group (including, without limitation, Law 11/2015, of 18 June, on the recovery and resolution of credit institutions and investment firms (as amended) ("**Law 11/2015**") and Royal Decree 1012/2015, of 6 November, implementing Law 11/2015 (as amended) ("**RD 1012/2015**")) (all of them referred together as the "**BRRD**"), and to other regulations or policies through which the EU is implementing the recovery and resolution framework. This framework prescribes that banks shall hold a minimum level of capital and eligible liabilities in relation to total liabilities and own funds.

On 27 June 2019, a comprehensive package of reforms amending CRR, the CRD IV Directive, BRRD Directive and Regulation (EU) No 806/2014 (the "**SRM Regulation**") came into force: (i) Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 (as amended, replaced or supplemented from time to time, the "**CRD V Directive**") amending the CRD IV Directive, (ii) Directive (EU) 2019/879 of the European Parliament and of the European Council of 20 May 2019 (as amended, replaced or supplemented from time to time, "**BRRD II**") amending, among other things, the BRRD Directive as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms, (iii) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (as amended, replaced or supplemented from time to time, "**CRR II**") amending, among other things, the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, and reporting and disclosure requirements, and (iv) Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 (as amended, replaced or supplemented from time to time, the "**SRM Regulation II**") amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the CRD V Directive, BRRD II, CRR II and the SRM Regulation II, the "**EU Banking Reforms**"). Most of the provisions of the EU Banking Reforms have started to apply. CRD V Directive and BRRD II have been partially implemented into Spanish law through Royal Decree-Law 7/2021, of 27 April, ("**RDL 7/2021**") which has amended, amongst others, Law 10/2014 and Law 11/2015. Despite the fact that RDL 7/2021 is generally enforceable since 29 April 2021, the Spanish Parliament decided on 19 May 2021 to process it as a Law and so RDL 7/2021 provisions may be subject to changes. Furthermore, full implementation of CRD V Directive and BRRD II still requires approval of the relevant amendments to other secondary Spanish regulations, so it is uncertain how such amendments will affect the Bank or the holders of the Preferred Securities. In addition, there is also uncertainty as to how the EU Banking Reforms will be implemented and applied by the relevant authorities.

The package of reforms presented by the European Commission on 23 November 2016 included a proposal to create a new asset class of "non preferred" senior debt. On 27 December 2017, Directive 2017/2399 amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy was published

in the Official Journal of the European Union. Before that, Royal Decree-Law 11/2017, of 23 June, approving urgent measures on financial matters created in Spain the new asset class of senior non preferred debt.

As further explained below, CRR and CRR II were modified by Regulation 2020/873 of the European Parliament and of the Council of 24 June amending CRR and CRR II regarding certain temporary or permanent adjustments in response to the COVID-19 pandemic ("**CRR 2.5**" or "**Quick Fix**"), applicable from 27 June 2020.

Moreover, on 26 January 2021, the European Commission launched a targeted public consultation on technical aspects on a new review of BRRD, the SRM Regulation, and Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes. The consultation was open until 20 April 2021 and was split into two main sections: a section covering the general objectives of the review focus, and a section seeking technical feedback on stakeholders experience with the current framework and the need for changes in the future framework, notably on (i) resolution, liquidation and other available measures to handle banking crises, (ii) level of harmonisation of creditor hierarchy in the EU and impact on no creditor worse-off principle, and (iii) depositor insurance. Legislative proposals for BRRD III, SRM Regulation III and DGSD II are to be tabled on the fourth quarter of 2021.

Overview of applicable capital and MREL requirements

Under CRD IV, institutions are required, generally on an individual and consolidated basis, to hold a minimum "Pillar 1" amount of regulatory capital of 8% of RWAs of which at least 4.5% must be CET1 capital and at least 6% must be Tier 1 capital.

Moreover, Article 104 of CRD IV Directive, as implemented in Spain by Article 68 of Law 10/2014, and similarly Article 16 of Council Regulation (EU) No 1024/2013, of 15 October 2013, conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (the "**SSM Regulation**"), also contemplates that in addition to the minimum "Pillar 1" capital requirements, the supervisory authorities may require further capital to cover other risks. This may result in the imposition of further CET1, Tier 1 and Total Capital requirements on the Issuer and/or the Group pursuant to this "Pillar 2" framework (the "**P2R**"). Following the introduction of the single supervisory mechanism (the "**SSM**"), the ECB is in charge of assessing additional P2R through the SREP to be carried out at least on an annual basis (accordingly requirements may change from year to year).

In addition to the minimum "Pillar 1" capital requirements and the P2R, credit institutions must comply with the "combined buffer requirement" set out in the CRD IV Directive as implemented in Spain. The "combined buffer requirement" has introduced up to five new capital buffers to be satisfied with additional CET1 capital: (i) the capital conservation buffer of 2.5% of RWAs; (ii) the global systemically important institutions ("**G-SIIs**") buffer, of between 1% and 3.5% of RWAs; (iii) the institution-specific counter-cyclical capital buffer (consisting of the weighted average of the counter-cyclical capital buffer rates that apply in the jurisdictions where the relevant credit exposures are located), which may be as much as 2.5% of RWAs (or higher pursuant to the competent authority); (iv) the O-SII buffer, which may be as much as 3% of RWAs (or higher pursuant to the competent authority); and (v) the systemic risk buffer to prevent systemic or macro prudential risks, of at least 1% of RWAs (to be set by the relevant competent authority).

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, 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 (as defined below) calculation is limited to the amount not used to meet the minimum "Pillar 1" capital requirements and the P2R of the institution and, accordingly, the "combined buffer requirement" is in addition to the minimum "Pillar 1" capital requirements and to the P2R, and therefore it would be the first layer of capital to be eroded pursuant to the applicable stacking order. CRD V Directive clarifies that P2R should be positioned in the relevant stacking order of own funds requirements above the minimum "Pillar 1" capital requirements and below the "combined buffer requirement" or the leverage ratio buffer requirement[23], as applicable. In addition, CRD V Directive also clarifies that P2R should be set in relation to the specific situation of an institution excluding macroprudential or systemic risks, but including the risks incurred by individual institutions due to their activities (including those

[23] It applies to G-SII entities. CaixaBank is as of the date hereof an O-SII bank. Therefore, the leverage ratio buffer is not applicable to the Group.

reflecting the impact of certain economic and market developments on the risk profile of an individual institution) and it also allows the P2R to be partially covered with Additional Tier 1 instruments and Tier 2 instruments.

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 instruments, until the maximum distributable amount calculated according to CRD IV (the "**Maximum Distributable Amount**") has been calculated and communicated to the competent supervisor. 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 communicated by the EBA on 1 July 2016 and included in the CRD V Directive, in addition to the minimum "Pillar 1" capital requirements, the P2R and the "combined buffer requirements", the supervisor can also set a "Pillar 2" capital guidance ("**P2G**"). While P2R are binding requirements and breaches can have direct legal consequences for the banks, P2G is not directly binding and a failure to meet it does not automatically trigger legal action, even though the ECB expects banks to meet P2G. Banks are expected to meet the P2G with CET1 capital on top of the level of binding capital requirements (minimum "Pillar 1" capital requirements, P2R and the "combined buffer requirements"). Under the EU Banking Reforms, the P2G is not relevant for the purposes of triggering the automatic restriction of discretionary payments and calculation of the Maximum Distributable Amount, but CRD V Directive provides that when an institution repeatedly fails to meet the P2G, the competent authority should be entitled to take supervisory measures and, where appropriate, to impose additional own funds requirements. The CRD V Directive does not require its disclosure.

In reaction to the COVID-19 outbreak, on 12 March 2020 the ECB announced measures expected to provide capital relief to banks in support of the economy. These measures include the permission to (i) operate temporarily below the level of capital defined by P2G, the "capital conservation buffer" and the LCR and (ii) use capital instruments that do not qualify as CET1 (for example Additional Tier 1 instruments and Tier 2 instruments) to meet P2R[24].

In addition to the statements on using flexibility within accounting and prudential rules, such as those made by the Basel Committee of Banking Supervision, the EBA and the ECB, amongst others, the European Commission proposed a few targeted "quick fix" amendments to the EU's banking prudential rules in order to maximise the ability of banks to lend and absorb losses related to COVID-19. The Quick Fix sets out exceptional temporary measures to alleviate the immediate impact of COVID-19-related developments, by adapting the timeline of the application of international accounting standards on banks' capital, by treating more favourably public guarantees granted during this crisis, by postponing the date of application of the leverage ratio buffer[25], by setting a temporary prudential filter to mitigate the considerable negative impact of the volatility in central government debt markets during the COVID-19 pandemic on institutions, by modifying the way of excluding certain exposures from the calculation of the leverage ratio[26], by advancing the date of application of several agreed measures that incentivise banks to finance employees, SMEs and infrastructure projects and by aligning the minimum coverage requirements for NPLs that benefit from public guarantees with those that benefit from guarantees granted by official export credit agencies (among others). As of 30 June 2021, CaixaBank did not avail of the optional measures for treatment of the leverage ratio or the prudential filter of public debt.

In addition to the above, Article 429 of the CRR requires institutions to calculate their leverage ratio in accordance with the methodology laid down in that article. The EU Banking Reforms contain a binding 3% "Pillar 1" leverage

---

[24] The CRD V Directive establishes that P2R can be partially covered by Additional Tier 1 instruments and Tier 2 instruments, at least 56.25% must be covered with CET1, 18.75% with Additional Tier 1 and 25% with Tier 2. Before the CRD V Directive, and prior to their decision on 12 March 2020 related to the COVID-19 pandemic, the ECB required P2R to be covered with CET1 in its entirety.

[25] As the date of this Prospectus, CaixaBank is an O-SII bank. Therefore the leverage ratio buffer is not applicable to the CaixaBank Group.

[26] On 18 June 2021 the ECB determined that exceptional circumstances continue to exist to warrant the exclusion of the central bank exposures listed in the Quick Fix.

ratio requirement that has been added to the own funds requirements in Article 92 of the CRR, and which institutions must meet in addition to their risk-based requirements.

This leverage ratio requirement is a parallel requirement to the risk-based own funds requirements described above. Thus, any additional own funds requirements imposed by competent authorities to address the risk of excessive leverage should be added to the minimum leverage ratio requirement and not to the minimum risk-based own funds requirement. Institutions should also be able to use any CET1 instruments that they use to meet their leverage-related requirements to meet their risk-based own funds requirements, including the "combined buffer requirement". Moreover, the EU Banking Reforms include a leverage ratio buffer for G-SIIs to be met with Tier 1 capital and set at 50% of the applicable risk weighted G-SIIs buffer.

A new Article 141b of the CRD IV Directive, included by the CRD V Directive, will restrict discretionary payments by G-SIIs in the form of dividends, variable remuneration and payments to holders of Additional Tier 1 instruments in case of a failure to meet at the same time the leverage ratio buffer and the "combined buffer requirement". As of the date of this Prospectus, CaixaBank is an O-SII bank.

Further to the minimum capital requirements under CRD IV, the BRRD regime prescribes that banks shall hold a minimum level of capital and eligible liabilities. The MREL shall be calculated as the amount of own funds and eligible liabilities and expressed as a percentage of the total liabilities and own funds of the institution (pursuant to BRRD II, it shall be expressed as a percentage of the total risk exposure amount and of the total exposure measure of the institution, calculated in each case in accordance with CRR). The level of capital and eligible liabilities required under MREL is set by the resolution authority for each bank (and/or group) based on the resolution plan and other criteria. The SRB is the resolution authority for the Bank as the central body of the single resolution mechanism ("**SRM**"), as well as the Bank of Spain, as the national preventive resolution authority and the FROB, as the Spanish executive resolution authority. Eligible liabilities may be senior or subordinated liabilities, 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 EU Banking Reforms further include, as part of MREL, a new subordination requirements of eligible instruments (the "**Subordinated MREL Requirements**") for G-SIIs, "top tier" banks and other entities which the resolution authority considers that pose a systemic risk in the event of its failure ("**Other Pillar 1 Banks**"). CaixaBank is a "top tier" bank. These Subordinated MREL Requirements are composed of "Pillar 1" subordinated MREL requirements and any additional institution specific subordination requirements set by the resolution authority. The "Pillar 1" subordination requirements shall be satisfied with own funds and other eligible MREL instruments which may not for these purposes be senior debt instruments (only MREL instruments constituting "non-preferred" senior debt under the new insolvency hierarchy introduced into Spain will be senior debt eligible for compliance with the subordination requirement as other eligible MREL instruments). For G-SIIs, "top tier" banks and the Other Pillar 1 Banks, the resolution authority requires a subordination level equal to 8% of total liabilities and own funds ("**TLOF**"), for "top tier" banks (such as the Bank) the 8% TLOF target level is capped at 27% of RWAs. Resolution authorities may also impose minimum subordination requirements to institutions not constituting G-SIIs, "top tier" banks or the Other Pillar 1 Banks.

Furthermore, a new Article 16.a) of the BRRD Directive, as recently amended by BRRD II, better clarifies the stacking order between the "combined buffer requirement" and the MREL requirement. Pursuant to this new provision, a resolution authority will have the power to prohibit an entity from distributing more than the "maximum distributable amount" for own funds and eligible liabilities (calculated in accordance with the new Article 16.a)(4) of the BRRD Directive) (the "**MREL-Maximum Distributable Amount Provision**") through distribution of dividends, variable remuneration and payments to holders of Additional Tier 1 instruments, where it meets the "combined buffer requirement" in addition to its own funds requirements (referred to in points (a), (b), and (c) of Article 141a(1) of CRD) but fails to meet its "combined buffer requirement" when considered in addition to the MREL requirements. The referred Article 16.a) of the BRRD Directive includes a potential nine-month grace period whereby the resolution authority will assess on a monthly basis whether to exercise its powers under the MREL-Maximum Distributable Amount Provision before such resolution authority is compelled to exercise its power under the provisions (subject to certain limited exceptions). The MREL-Maximum Distributable Amount Provision will be fully applicable from 1 January 2022.

Capital and MREL requirements of the Bank

Capital requirements are applied to CaixaBank, on both an individual and consolidated basis, and also to Banco BPI on both an individual and sub-consolidated basis.

Neither the Bank nor the Group has been classified as G-SII by the Financial Stability Board ("**FSB**") nor by any competent authority so, unless otherwise indicated by the FSB or by the Bank of Spain in the future, it is not required to maintain the G-SII buffer. The Bank is considered an O-SII and accordingly, during 2021 it will be required to maintain a full O-SII buffer of 0.25%[27]. In addition, the Bank of Spain agreed to maintain the countercyclical capital buffer applicable to credit exposures in Spain at 0% for the third quarter of 2021 (percentages will be revised each quarter), and also the Bank of Portugal published that the countercyclical buffer for credit exposures in Portugal was to be maintained at 0% for the third quarter of 2021, but a 0.01% countercyclical capital buffer applied both on a consolidated and an individual basis in March 2021, based on the geographical composition of the portfolio of the Group for credit exposures other than in Spain and Portugal (to be updated quarterly) (this buffer may not be the same on consolidated and on individual basis in the future).

On 22 June 2021, CaixaBank was informed about the amendments to the latest SREP due to the Merger. This decision replaces the established requirements of the 2019 SREP decision, applicable up to the moment, increasing the P2R by 15 basis points, setting the requirement at 1.65%. Thus, the current minimum CET1 requirements for the merged entity stand at 8.19% of the total amount of RWAs, which includes Pillar 1 regulatory minimum (4.5% of RWA), P2R[28] requirement (0.93% of RWA), the capital conservation buffer (2.5% of RWA), the O-SII buffer (0.25% of RWA)[29] a and the countercyclical buffer (0.01% of RWA based on the geographical composition of the portfolio at 31 March 2021 (updated quarterly))[30]. In addition, based on the minimum Pillar 1 requirements applicable to Tier 1 capital (6%) and Total Capital (8%), the requirements stand at 10.00% and 12.41%, respectively, and at 1.24% and 1.65% of the P2R, respectively.

The following tables show the solvency requirements compared to the capital position of the Group on a consolidated basis as of 30 June 2021[31]:

	Capital position as of 30 June 2021	**Current Requirements**	**of which "Pillar 1"**	**of which P2R(*)**	**of which buffers**
CET1	12.9%	8.19%	4.5%	0.93%	2.76%
Tier 1	14.8%	10.00%	6.0%	1.24%	2.76%
Total capital.....	17.4%	12.41%	8.0%	1.65%	2.76%

(*) Updated with the requirements communicated by the ECB on June 2021.

As a result, the CET1 threshold below which the Group would be forced to limit the 2021 distributions in the form of dividend payments, variable remuneration and interests to holders of Additional Tier 1 instruments, commonly referred to as the activation level of the maximum distributable amount (or MDA trigger), is set at 8.19%, to which potential shortfalls of Additional Tier 1 or Tier 2 should be added with respect to the minimum implicit "Pillar 1" and P2R of 1.81% and 2.41%, respectively.

As reflected in the table above, as at 30 June 2021, CaixaBank reached a CET1 of 12.9% of RWAs[32], which totalled €220,660 million. The internal CET1 solvency target approved by the Board of Directors is set between 11% and 11.5% (without considering IFRS 9 transitional adjustments) and a buffer of between 250 and 300 basis points on the SREP regulatory requirement. As also reflected in the table above, the Tier 1 ratio at 30 June 2021 stands at 14.8%, covering the entire Additional Tier 1 bucket, both in terms of Pillar 1 requirements (1.5%) and the corresponding part of the P2R (0.31%). The Total Capital ratio stands at 17.4%.

The leverage ratio at a consolidated level stood at 5.1% of the regulatory exposure on 30 June 2021.

---

27 0.375% from 1 January 2022 and 0.50% from 1 January 2023 after being updated due to the merger with Bankia.

28 P2R does not apply at an individual level.

29 It does not apply at an individual. 0.375% from 1 January 2022 and 0.50% from 1 January 2023 after being updated due to the merger with Bankia.

30 As of 31 March 2021. It applies to both individual and consolidated basis. Updated quarterly. It may differ between individual and consolidated level. As of 31 March 2021 both levels coincide.

31 Capital ratios include IFRS9 transitional adjustments.

32 At an individual level, CaixaBank's CET1 ratio reached 13.8% as of 30 June 2021. This is in comparison with a minimum requirement of CET1 for 2021 of 7.01% (including 0.01% of countercyclical buffer to be updated quarterly). Thus, capital requirements are more restrictive at a consolidated level than at an individual level.

On 28 December 2020, CaixaBank received the formal communication from the Bank of Spain regarding the MREL requirement based on the BRRD II[33]. As set out in the notification, CaixaBank, on a consolidated basis, must comply by 1 January 2024 with a minimum amount of own funds and eligible liabilities of 20.19% of RWA, which would equate to 22.95% when including the "combined buffer requirement"[34]. As for the intermediate requirement, the SRB has decided that, by 1 January 2022, CaixaBank must comply with a Total MREL requirement of 19.33% of RWA, which would be equal to 22.09% when including the "combined buffer requirement". Furthermore, CaixaBank, on a consolidated basis, must comply by 1 January 2022 with a Total MREL requirement of 6.09% of the LRE.

With regard to the Subordinated MREL Requirement, the SRB has decided that CaixaBank, on a consolidated basis, must comply from 1 January 2022 with a Subordinated MREL Requirement of 13.50% of RWA, which would equal to 16.26% including the "combined buffer requirements", in addition to a Subordinated MREL Requirement of 6.09% over LRE.

The following tables show the MREL requirements compared to the MREL position of the Group on a consolidated basis as of 30 June 2021:

Requirement as % of RWAs	MREL position as of 30 June 2021	2022	2024
MREL.....	25.1%	22.09%	22.95%
Subordinated MREL.....	22.2%	16.26%	16.26%

Requirement as % of LREs	MREL position as of 30 June 2021	From 2022
MREL.....	8.7%	6.09%
Subordinated MREL.....	7.7%	6.09%

See the Risk Factor "*Risk Factors linked to the main quantitative and qualitative risk indicators of the Taxonomy -Risks related to the business model -Own funds / solvency risk*" for the risks associated to the failure by the Group to comply with its regulatory capital requirements.

Deductions related to Deferred Tax Assets

CRD IV Directive provides that deferred tax assets that rely on the future profitability of a financial institution ("**DTAs**") must be deducted from its regulatory capital (specifically from 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 financial institution facing difficulties.

This new deduction introduced by CRD IV had 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 "**CIT Law**") through Royal Decree Law 14/2013, of 29 November, on urgent measures to adapt the Spanish law to EU regulations on supervision and solvency of financial institutions which also provided for a transitional regime for DTAs generated before 1 January 2014. These amendments enabled certain DTAs to be treated as a direct claim against the Spanish tax authorities if a Spanish bank was unable to reverse the relevant differences within 18 years or if it is liquidated, becomes insolvent or incurs accounting losses. This, therefore, allowed a Spanish bank not to deduct such DTAs from its regulatory capital. The transitional regime provided for a period in which only a percentage (which increases yearly) of the applicable DTAs would have to be deducted. However, the European Commission initiated a preliminary state aid investigation in relation to the Spanish DTAs regime. Such investigation is now resolved to the extent that the European Commission, the Bank of Spain and the Spanish Ministries of Treasury and Economy agreed a commitment to amend the applicable law in order to reinforce the compatibility of the regime with European Law. In general terms, the amendment passed requires payment of a special tax charge in order for the conversion of the DTAs into a current asset to be enforceable. Royal Decree-

[33] Still pending to be updated by the SRB post Bankia integration.

[34] "Combined buffer requirements" amount to 2.76% of RWA at 30 June 2021.

Law 3/2016, of 2 December, implemented a number of amendments to the CIT Law including the limitation on the use of the DTAs treated as a direct claim and carried forward tax losses up to 25%.

Distributable Items

The following table shows the Distributable Items of CaixaBank (as defined in the Conditions) on an individual basis as of 30 June 2021, 31 December 2020 and 31 December 2019:

	30 June 2021	31 December	
		2020	2019
		(thousands of €)	
Reserves available	3,083,009	2,620,153	1,087,930
Profit of the period	3,489,561	688,241	2,073,521
Distributions to shareholders	-	(215,906)	(418,701)
Interim dividend	-	-	-
Final dividend	-	(215,906)	(418,701)
Distributable items of the Bank	**6,572,570**	**3,092,488[(1)]**	**2,742,750[(1)]**

Note:

(1) CaixaBank does not include within the Distributable Items figure the share premium account, which amounted to €15,268 million as of 30 June 2021 (€12,033 million as of 31 December 2020 and as of 31 December 2019).

Other relevant regulations related to capital - Prudential treatment of NPLs

Prior to the publication of CRR II, an amendment of CRR entered into force on 26 April 2019, by which a minimum loss coverage requirement for non-performing exposures (also known as "**NPLs Prudential Backstop**") was introduced. According to this amendment of the capital regulation, any shortfall of the stock of accounting provisions or other adjustments as compared to the prudential backstop shall be deducted from own funds. This backstop is only applicable to loans originated from 26 April 2019 onwards that turn non-performing. The coverage requirements are different depending if the loan is "secured" or "unsecured" and also on whether the collateral is movable or immovable.

Prior to the above referred capital requirements legislation, on 15 March 2018, the ECB had already published its supervisory expectations on prudent levels of provisions for NPLs. This was published as an addendum (the "**Addendum**") to the ECB's guidance to banks on non-performing loans published on 20 March 2017, which clarified the ECB's supervisory expectations regarding the identification, management, measurement and write-off of NPLs. The ECB stated that the Addendum set out what it deems to be a prudent treatment of NPLs with the aim of avoiding an excessive build-up of non-covered aged NPLs on banks' balance sheets in the future, which would require supervisory measures. The ECB clarified that the Addendum is applicable only to loans originated prior to the entry into force of the NPLs Prudential Backstop (26 April 2019) that have turned non-performing on or after 1 April 2018. In order to make the Addendum and the NPLs Prudential Backstop more consistent and, thereby, simplify banks' reporting, the calibration of both initiatives have been fully aligned. However, the main differences between the NPLs Prudential Backstop and the Addendum is that (i) the latter is not legally binding, (ii) it only sets a starting point for the supervisory dialogue ("Pillar 2" approach) and (iii) is subject to a case-by-case assessment. Further to the Addendum, the ECB has also disclosed that supervisory expectations will also be set on a case-by-case basis for loans that had already turned non-performing on or before 31 March 2018.

Other relevant regulations related to capital – The Basel III post-crisis regulatory reform agenda

On 7 December 2017, the Group of Governors and Heads of Supervision ("**GHOS**") published the finalisation of the Basel III post-crisis regulatory reform agenda (also known as "**Basel IV**"). This review of the regulatory framework covers credit, operational and credit valuation adjustment ("**CVA**") risks and introduces a floor to the consumption of capital by internal ratings-based methods ("**IRB**") and the revision of the calculation of the leverage ratio. The main features of the reform are: (i) a revised standard method for credit risk, which will improve the soundness and sensitivity to risk of the current method; (ii) modifications to the IRB methods for credit risk, including input floors to ensure a minimum level of conservatism in model parameters and limitations to its use for portfolios with low levels of non-compliance; (iii) regarding the CVA risk, and in connection with the above, the removal of any internally modelled method and the inclusion of a standardised and basic method; (iv) regarding the operations risk, the revision of the standard method, which will replace the current standard methods and the advanced measurement approaches ("**AMA**"); (v) the introduction of a leverage ratio buffer for G-SIIs; and (vi) regarding capital consumption, a minimum limit on the aggregate results (output floor), which prevents the RWA of the banks generated by internal models from being lower than the 72.5% of the RWA that are calculated with the standard methods of the Basel III framework. The GHOS extended the implementation of

the revised minimum capital requirements for market risk until January 2022, to coincide with the implementation of the reviews of credit, operational and CVA risks.

On 27 March 2020, the GHOS endorsed a set of measures to provide additional operational capacity for banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of COVID-19 on the global banking system. The measures endorsed by the GHOS comprise the following changes to the implementation timeline of the outstanding Basel III standards:

- The implementation date of the Basel III standards finalised in December 2017 has been deferred by one year to 1 January 2023. The accompanying transitional arrangements for the output floor have also been extended by one year to 1 January 2028.
- The implementation date of the revised market risk framework finalised in January 2019 has been deferred by one year to 1 January 2023.
- The implementation date of the revised Pillar 3 disclosure requirements finalised in December 2018 has been deferred by one year to 1 January 2023.

LOSS ABSORBING POWERS

The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in unsound or failing credit institutions or investment firms (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 BRRD, Law 11/2015 contains four resolution tools and powers which may be used alone or in combination where the FROB, the SRB, as the case may be and according to Law 11/2015, or any other entity with the authority to exercise any such tools and powers from time to time (each, a "**Relevant Resolution Authority**") as appropriate, considers that (a) an institution is failing or likely to fail in the near future, (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 Resolution Authority to direct the sale of the institution or the whole or part of its business on commercial terms); (ii) bridge institution (which enables the Relevant Resolution Authority to transfer all or part of the business of the institution 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 Resolution Authority to transfer certain categories of 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) the bail-in, which gives the Relevant Resolution Authority the right to exercise certain elements of the Spanish Bail-in Power (as defined below). This includes the ability of the Relevant Resolution Authority to write down (including to zero) and/or to 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 Power) certain unsecured debt claims and subordinated obligations (including the Preferred Securities).

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 BRRD, 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 Resolution Authority under Article 43 of Law 11/2015), in the case of any application of the Spanish Bail-in Power to absorb losses and cover the amount of the recapitalisation, the sequence of any resulting write-down or conversion shall be as follows: (i) CET1 items; (ii) the principal amount of Additional Tier 1 instruments; (iii) the principal amount of Tier 2 instruments; (iv) the principal amount of other subordinated claims that do not qualify as Additional Tier 1 capital or Tier 2 capital and (v) the principal or outstanding amount of eligible liabilities in accordance with the hierarchy of claims in normal insolvency proceedings (with "non-preferred" senior claims subject to the Spanish Bail-in Power after any subordinated claims against the Bank but before the other senior claims against the Bank) (following the entry into force of BRRD II, Article 48 of BRRD now refers to "**bail-inable liabilities**", defined as the liabilities and capital instruments that do not qualify as CET1, Additional Tier 1 instruments or Tier 2 instruments of an institution and that are not excluded from the scope of the bail-in tool).

In addition to the Spanish Bail-in Power, the BRRD, Article 38 of Law 11/2015 and the SRM Regulation provide for the Relevant Resolution Authority to have the further power to permanently write down or convert into equity capital instruments and certain internal eligible liabilities at the point of non-viability of an institution or a group (the "**Non-Viability Loss Absorption**"). The point of non-viability of an institution is the point at which the Relevant Resolution Authority determines that the institution meets the conditions for resolution or that it will no longer be viable unless the relevant capital instruments are written down or converted into equity or extraordinary public support is to be provided and without such support the Relevant Resolution Authority determines that the institution would no longer be viable. The point of non-viability of a group is the point at which the group infringes or there are objective elements to support a determination that the group, in the near future, will infringe its consolidated solvency requirements in a way that would justify action by the Relevant Resolution Authority in accordance with Article 38.3 of Law 11/2015. 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).

In accordance with Article 64.1(i) of Law 11/2015, the FROB has also the power to alter the amount of interest payable under debt instruments and other eligible liabilities of institutions subject to resolution proceedings and the date on which the interest becomes payable under the debt instrument (including the power to suspend payment for a temporary period).

DESCRIPTION OF SHARE CAPITAL

The following summary provides information concerning the Issuer's share capital and briefly describes certain significant provisions of the Issuer's By-laws (*estatutos sociales*) and Spanish corporate law, the Spanish Companies Act, Spanish Law 3/2009 on structural amendments of private companies, the Securities Market Act and Royal Decree 878/2015 on clearing, settlement and registry of negotiable securities in book-entry form and transparency requirements for issuers of securities admitted to trading on an official secondary market ("**Royal Decree 878/2015**").

This summary does not intend to be complete and is qualified in its entirety by reference to the By-laws, the Spanish Companies Act and other applicable laws and regulations. Copies of the By-laws are available (in Spanish and English) at CaixaBank's website at https://www.caixabank.com/es/accionistas-inversores/gobierno-corporativo/estatutos.html and https://www.caixabank.com/en/shareholders-investors/corporate-governance/by-laws.html (Spanish and English versions respectively). CaixaBank's Annual General Shareholders' Meeting, held on 14 May 2021 at second call, approved a number of amendments to the By-laws regarding the General Shareholders' Meeting, the Bank's governing bodies and the approval of the annual accounts, among others. The amendments to the By-Laws were approved subject to the authorisation regime provided for in Article 10 of RD 84/2015, according to which the authorisation is deemed to be granted if the competent authority does not take any decision within two months after submission of the application. In this regard, on 10 August 2021 the ECB formally informed CaixaBank that, after the expiry of the two-month period, the amendments to the By-Laws were deemed to be authorised. These amendments to the By-laws were subsequently notarised and eventually registered with the Commercial Registry on 10 September 2021. The restated text of the By-Laws (that includes these recent amendments) is publicly available at: https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Gobierno_Corporativo/Estatutos_inscritos_10092021_EN.pdf.

The issued share capital of CaixaBank as of the date of this Prospectus is €8,060,647,033 represented by a single series and class of 8,060,647,033 shares, with a nominal value per ordinary share of €1.00. All of the Ordinary Shares have equal voting and economic rights. Residents and non-residents in Spain may hold and exercise the rights attached to the shares of CaixaBank subject to the restrictions set forth below.

HISTORICAL PRICE INFORMATION OF THE ORDINARY SHARES

The following table sets forth the price of the Issuer's Ordinary Shares on a quarterly basis for the years 2019, 2020 and 2021:

	Average	Minimum	Maximum	Final
June 2021	€2.697	€2.496	€2.871	€2.595
March 2021	€2.344	€1.948	€2.689	€2.640
December 2020	€1.968	€1.562	€2.306	€2.110
September 2020	€1.974	€1.779	€2.118	€1.814
June 2020	€1.726	€1.522	€2.055	€1.901
March 2020	€2.443	€1.600	€2.913	€1.700
December 2019	€2.635	€2.286	€2.870	€2.798
September 2019	€2.288	€2.002	€2.632	€2.410
June 2019	€2.756	€2.438	€2.998	€2.518
March 2019	€3.075	€2.745	€3.400	€2.784

Source: Bloomberg

FORM AND TRANSFER

The shares are in book-entry (*anotaciones en cuenta*) form and are indivisible. Shares represented by a book-entry shall be constituted as such by virtue of their registration in the pertinent book-entry record. Joint holders must nominate one person to exercise their shareholders' rights, though joint holders are jointly and severally liable *vis-à-vis* CaixaBank for all obligations arising from their status as shareholders.

Iberclear, which manages the clearing and settlement system of the Spanish Stock Exchanges, maintains the central registry, which reflects the balance of shares held by each of its participating entities (*entidades participantes*) from time to time for their own account, the balance of shares held by each participating entity for the account of third parties, the balance of shares held by persons in segregate individual accounts and the balances of individual special accounts of financial intermediaries which use the optional procedure of settlement of orders. Each participating entity, in turn, keeps a record of the owners of such shares. The shares must be entered in the

corresponding register in the name of the person or persons that own them. The shareholders and holders of the limited real rights or encumbrances on the shares may obtain legitimation certificates (*certificados de legitimación*) as provided for under Royal Decree 878/2015.

As a general rule, transfers of shares quoted on the Spanish Stock Exchanges must be made through or with the participation of a member of a Spanish Stock Exchanges. Brokerage firms, official stock broker or dealer firms, Spanish credit entities, investment services entities authorized in other EU member states and investment services entities authorized by their relevant authorities and in compliance with Spanish regulations are eligible to be members of the Spanish Stock Exchanges. The transfer of shares may be subject to certain fees and expenses.

RIGHTS ATTACHED TO THE ORDINARY SHARES

Dividend and liquidation rights

Holders of the Issuer's Ordinary Shares have the right to participate in distributions of the Issuer's profits and proceeds from liquidations, proportionally to their paid up share capital. However, there is no right to receive a minimum dividend.

Payment of dividends is generally proposed by the Board of Directors and must then be authorized or ratified, as the case may be, by CaixaBank's shareholders at a General Shareholders' Meeting. Shareholders have the right to participate in such dividends from the date on which payment of such dividends is formally approved, unless otherwise resolved by the General Shareholders' Meeting. It must be noted that Spanish law requires each company to contribute at least 10% of its net income each year to a legal reserve until the balance of such reserve is equivalent to at least 20% of such company's issued share capital. In addition, when the net worth of the company is -or, as a result of the distribution, would be- below the company's share capital, the net income shall not be available for cash dividend payments, and shall necessarily be used to offset losses in case this net worth imbalance is due to losses from previous financial years. Furthermore, no dividend payments are allowed in case the amount of distributable reserves does not cover the research and development expenses that appear on the balance sheet. As regards the distribution of reserves, as long as the company's legal reserve does not exceed 20% of the share capital, the legal reserve will not be available for distribution to its shareholders except upon such company's liquidation.

The General Shareholders' Meeting and the Board of Directors are also entitled to declare interim dividends (*dividendos a cuenta*), provided the following requirements are met: (i) the Board of Directors must prepare an accounting statement that evidences that there is sufficient liquidity to proceed with the distribution and which is incorporated in the notes to the financial statements of the Issuer for the year in which the interim distribution was made; and (ii) the amount to be distributed may not exceed the profit obtained since the end of the immediately preceding financial year, less: (a) the accumulated losses from preceding years; (b) the amounts to be allocated to the legal reserve or any other reserves provided for in the law or the By-laws or under applicable law; and (c) an estimation of the taxes to be paid on the profit obtained since the end of the immediately preceding financial year.

The dividend policy of CaixaBank allows the Board of Directors to propose to the General Shareholders' Meeting the modality or type of payment of the dividends to shareholders. In this regard, shareholders may receive dividends in cash, which is the most common type of payment, or (totally or partially) in kind, provided in this latter case that the assets to be distributed are securities which are identical in nature and admitted to trading on an official market at the time the resolution is passed. According to the Issuer's current dividend policy, the Board of Directors shall also decide the periodicity of the payments, having declared its intention to approve a single annual cash payment that would take place around April. This dividend policy started applying in relation to the 2019 financial year profits.

With regard to the tax implications derived from dividends paid by CaixaBank see "*Taxation –Taxation on ownership and transfer of the Ordinary Shares -Direct taxation.*".

In case of liquidation, CaixaBank's shareholders would be entitled to receive a liquidation settlement proportionately to their stake, after payment of CaixaBank's debts and taxes and expenses of the liquidation. The following table sets forth the dividends distributed by CaixaBank from 2018 onwards:

Dividends Paid

	Euros per share	Amount paid in cash	Announcement date	Payment date
		(millions of euros)		
Interim for 2018.....	0.07	418	25-10-2018	05-11-2018
Final dividend for 2018	0.10	598	31-01-2019	15-04-2019
Dividend for 2019.....	0.07	418	26-03-2020	15-04-2020
Dividend for 2020(*).....	0.0268	216	29/01/2021	24-05-2021

(*) The dividend against the 2020 profits is aligned with the recommendation issued by the ECB on limitation of distribution of profits.

Regarding the 2019 financial year profits, on 1 February 2019, the Board of Directors of CaixaBank reiterated its intention to remunerate shareholders by distributing an amount in cash greater than 50% of consolidated net attributable income. However, on 26 March 2020, in view of the expansion of COVID-19, taking into account considerations of prudence and social responsibility, and aiming to contribute to the recovery of the economy, facilitating the provision of credit where it may be needed, in coordination with the public guarantee schemes provided by the authorities, the Board of Directors resolved to reduce the dividend for the 2019 financial year to 0.07€ per share, which represented a 24.6% pay-out. Moreover, the Board of Directors declared its intention to allocate, exclusively for the 2020 financial year and due to the circumstances arising from the COVID-19, a cash pay-out not higher than 30% of the reported consolidated earnings. Additionally, it declared its intention to allocate, at least, an amount higher than 50% of consolidated reported earnings as cash remuneration in future financial years, once the circumstances which led to the decision of reducing the dividend had passed. In addition, the Board of Directors declared its intention to distribute, in the future, any excess above a CET1 ratio of 12% in the form of special dividends and/or share buybacks. This extraordinary distribution of capital would also be subject to a prior return to normality of macroeconomic conditions.

On 30 March 2020 the ECB published a recommendation addressed to credit institutions, asking them not to pay or undertake any commitment to pay dividends for the financial years 2019 and 2020, at least until 1 October 2020. This measure would enable credit institutions to fulfil their role to fund households, small and medium businesses and corporations amid the COVID-19-related economic shock, retaining capital resources to support the real economy. This recommendation was subsequently extended until January 2021. On 15 December 2020, the ECB adopted a new recommendation asking credit institutions to exercise extreme prudence when deciding on or paying out dividends until 30 September 2021. To these purposes, the ECB informed that it would generally consider prudent a maximum distribution of an amount equivalent to 15% of the accumulated profit for the financial years 2019 and 2020, or more than 20 basis points in terms of the CET1 ratio, whichever was lower. Following this new recommendation, on 29 January 2021 the Board of Directors resolved to propose the General Shareholders' Meeting the approval of a cash dividend payment against 2020 earnings equivalent to 15% of the of the proforma adjusted consolidated net profit of CaixaBank and Bankia (absorbed by CaixaBank with effects as of 26 March 2021). The General Shareholders' Meeting approved this proposal on 14 May 2021, and the dividend was paid in May 2021.

On 23 July 2021 the ECB announced that it would not extend the above-referred recommendation on dividend payout beyond September 2021, despite asking credit institutions to adopt a prudent and forward-looking approach when deciding on remuneration policies. Based on such announcement, on 29 July 2021, the Board of Directors resolved to allocate against 2021 earnings a cash pay-out of 50% of the consolidated net profit, adjusted for extraordinary impacts related to the Merger, to be paid in a single payment during 2022.

It must be noted that as part of its supervisory review process, the ECB continues assessing banks' remuneration policies and the impact such policies may have on the banks' ability to maintain a sound capital base.

Attendance and voting at shareholders' meetings

In accordance with the By-laws of the Issuer, shareholders have the right to attend the General Shareholders' Meetings, either physically or remotely via a telematic real-time connection, if they hold at least 1,000 shares of CaixaBank. However, shareholders who do not reach this threshold may group their shareholdings so as to reach the minimum number of shares required and grant their representation to one of them, or delegate the representation of their shares to any person, either shareholder or not, holding and/or representing shareholders with a minimum 1,000 shares and thus, with the right to attend the meeting. In the event a shareholder does not reach such threshold and is unable to group its holding with those of other shareholders, such shareholder will not

be able to attend at shareholders' meetings and vote during the meeting. However, shareholders can vote through remote communication before the Annual General Shareholders' Meeting regardless of the number of shares they hold. In addition, any shareholder may also be represented by proxy. Proxies must be granted for each meeting in writing or in electronic form acceptable under the regulations of the General Shareholders' Meeting as approved by the Board of Directors. Proxies may be given to any person and may be revoked, either expressly or by remote voting or attendance by the shareholder at the meeting. In order to attend the general meeting, either physically or remotely via a telematic real-time connection, the proxy holder must be a shareholder and/or represent one or more shareholders holding a minimum of 1,000 shares.

It must be noted that the Spanish Companies Act has been recently been amended to enable companies to hold their general meetings exclusively using a remote, real-time connection provided that it is expressly envisioned in the company's By-laws and certain requirements are met. In this regard, the Annual General Shareholders' Meeting held on 14 May 2021 approved to amend the CaixaBank's By-laws and regulations of the General Shareholders' Meeting to expressly regulate the possibility of attending the Annual General Shareholders' Meeting exclusively using a remote, real-time connection, under the terms of the new Articles 182 bis of the Spanish Companies Act. These amendments to the By-laws were approved subject to the prior authorization from the ECB that, as described above, on 10 August 2021 formally notified CaixaBank the authorization. These amendments were subsequently notarised and eventually registered with the Commercial Registry on 10 September 2021.

Only shareholders duly registered in the book-entry records maintained by Iberclear and its member entities at least five days prior to the day on which a shareholders' meeting is scheduled may, in the manner provided in the notice for such meeting, attend or be represented at such meeting and exercise the voting rights.

According to the By-laws of CaixaBank, each share of the Issuer's share capital entitles the shareholder to one vote and there is no limit as to the maximum number of voting rights that may be held by each shareholder.

Pursuant to the By-laws of CaixaBank and the Spanish Companies Act, General Shareholders' Meetings may be either ordinary or extraordinary. Ordinary General Shareholders' Meetings must be convened within the first six months of each fiscal year on a date fixed by the Board of Directors. As a general rule, extraordinary General Shareholders' Meetings may be called from time to time by the Board of Directors of CaixaBank at its discretion or at the request of shareholders representing at least 3% of CaixaBank's share capital. Call notices of all General Shareholders' Meetings must be published (i) in the Spanish Commercial Registry Official Gazette (*Boletín Oficial del Registro Mercanti*l) or in one of the leading daily newspapers in Spain and (ii) on the CNMV and the CaixaBank website at least one month prior to the date fixed for the meeting unless the laws set a different minimum period or means. The interval between the first and second calls for a General Shareholders' Meeting must be at least 24 hours. The notice must include the name of the company, the date and place of the first call, the agenda of the meeting, the position of the persons signing the call notice of the meeting, the date on which shareholders need to be registered as such in order to attend, be represented and/or vote at the meeting, the place and form in which the information related to the proposed resolutions can be obtained by the shareholders, the website where such information will be available, and clear instructions on how shareholders can attend, be represented and vote in the General Shareholders' Meeting. It may also state the date in which, if applicable, the shareholders' meeting is to be held on second call.

Shareholders representing at least 3% of the share capital of CaixaBank have the right to request the publication of a supplementary notice including one or more additional items of the agenda of the ordinary general meeting and to add new resolution proposals to the agenda of any General Shareholders' Meeting, within the first five days following the publication of the call notice of the meeting.

At Ordinary General Shareholders' Meetings, shareholders shall resolve on the audited individual and consolidated annual accounts for the previous fiscal year, the management of the Issuer's directors during the previous fiscal year, and the allocation of the profit or loss attributable to CaixaBank corresponding to the previous fiscal year. All other matters that can be decided by a General Shareholders' Meeting may be addressed at either ordinary or extraordinary General Shareholders' Meetings if such items are included on the meetings' agenda, except for the dismissal of directors and the corporate action to demand liability from directors, which can be considered even if not included in the meetings' agenda.

The By-laws of CaixaBank provide that, in order to facilitate the shareholders' attendance at the meetings, shareholders shall be provided with registered attendance cards (*tarjetas de asistencia*).

The By-laws of CaixaBank and the Spanish Companies Act provide that generally, on the first call of a General Shareholders' Meeting, a duly constituted General Shareholders' Meeting requires a quorum of at least 25% of the

subscribed voting share capital, present in person or by proxy. If on the first call of the meeting the quorum is not achieved, the meeting may be held on second call. On the second call, there is no quorum requirement.

Resolutions relating to ordinary matters may be adopted upon the affirmative vote of a majority of votes cast at such meeting. The Spanish Companies Act and the By-laws of CaixaBank provide that in order to resolve on extraordinary matters such as the increase or decrease of the share capital, the amendment of the By-laws, the issuance of bonds (when the issuance is to be approved by the shareholders' meeting, which is the issue of bonds convertible into shares or bonds attributing a share in the company profit to the bondholders), the cancellation or restriction of the preferential subscription rights to acquire new shares, mergers, spin-offs, changes in the corporate form, global assignment of assets and liabilities and the transfer of the registered office abroad require on first call a quorum of at least 50% of the issued voting share capital, present in person or by proxy, and on second call, the presence of shareholders representing at least 25% of the issued voting share capital, present in person or by proxy. On first call, such resolutions may only be passed upon the affirmative vote of an absolute majority. If, on second call, the shareholders present or represented constitute less than 50 % of the subscribed voting share capital, present in person or by proxy, resolutions relating to such extraordinary matters may be adopted only with the approval of two-thirds of the votes validly cast at such meeting.

A resolution passed at a General Shareholders' Meeting is binding on all shareholders. As a general rule, and subject to certain exceptions provided for in the Spanish Companies Act, a resolution passed at a General Shareholders' Meeting may be contested if such resolution is (i) contrary to Spanish laws, to the Issuer's By-laws or to the General Shareholders' Meeting regulations, or (ii) prejudicial to the Issuer's corporate interests for the benefit of one or more shareholders or third parties. Damage to the company's corporate interest may also be caused when the resolution, without causing damage to the corporate assets, is imposed in an abusive manner by the majority. A resolution is understood to have been imposed in an abusive manner when, rather than responding reasonably to a corporate need, the majority adopts the resolution in their own interests and to the unjustifiable detriment of the other shareholders. The Spanish Companies Act acknowledges a legal right to initiate legal proceedings in favour of (i) directors, (ii) third parties with legitimate interest and (iii) shareholders holding shares in the company prior to the adoption of such resolutions as long as such shares represent, individually or in group, a minimum of 0.1% of the company's share capital. If the resolution is contrary to public order, any shareholder (whether or not he or she was a shareholder at the time when the resolution was adopted), director or third party is entitled to contest the resolution.

The right to challenge the resolution passed by the General Shareholders' Meeting lapses in three months from the date on which the resolution is passed or received in writing or, if applicable, from the date of registration with the commercial registry, except when the resolution is against the public order, in which case the right to challenge does not lapse.

In certain circumstances (such as a substantial modification of corporate purpose, change of the corporate form or transfer of registered office abroad, intra-EU merger with transfer of registered office to another EU country or incorporation of a limited liability European holding company if the dissenting shareholder is a partner of the promoter companies), Spanish corporate law gives shareholders that had not voted in favour of a resolution the right to withdraw from the company. If this right were to be exercised, the Issuer would be required to purchase or offset the relevant share ownership at prices determined on the basis of the average price of the shares in the Spanish Stock Exchanges within the last quarter.

Under the Spanish Companies Act, shareholders who voluntarily aggregate their shares so that the share capital so aggregated is equal to or greater than the result of dividing the total share capital by the number of directors have the right to appoint a corresponding proportion of the members of the Board of Directors, provided that the relevant vacancy or vacancies exist within the Board of Directors. Shareholders who exercise this right may not vote on the appointment of other directors. According to By-laws of CaixaBank, notwithstanding the proportional representation right to which the shareholders are entitled to in the terms set forth in the Law, no shareholder shall be represented in the Board of Directors by a number of proprietary directors that exceeds 40% of the total number of members of the Board of Directors.

Increase of share capital and preferential subscription rights

The General Shareholders' Meeting of a company may authorise the Board of Directors to increase the share capital up to 50% of the existing share capital of the company.

Pursuant to Spanish law, shareholders have preferential subscription rights to subscribe for any new shares issued in consideration to cash contributions and for any new bonds convertible into shares. However, a resolution passed

at a General Shareholders' Meeting (or for listed companies also at a meeting of the Board of Directors acting by delegation) may, in certain circumstances, suppress such preferential subscription rights, provided that the relevant requirements of Spanish law (particularly, Articles 308, 504, 505 and 506 of the Spanish Companies Act) are met. In such cases:

- When the authority corresponds to the General Shareholders' Meeting and an independent expert's report is not issued (the independent expert report will be required when the General Shareholders' Meeting proposes to issue shares or convertible bonds with the exclusion of preferential subscription rights, for an amount exceeding 20% of the share capital), the par value of the shares to be issued, plus, if applicable, the amount of the share premium, must correspond to the fair value resulting from the directors' report. Unless the directors justify otherwise, in which case they shall provide the appropriate report from an independent expert, and in any case for transactions not exceeding 20% of the share capital, the fair value will be presumed to be the market value, established by reference to the stock market price, provided that it is not more than 10% lower than the price of such stock market price. Shares may be issued at a price below fair value, and in this case the directors' report must justify that the corporate interest requires not only the exclusion of the preferential subscription right, but also the proposed issue price; in addition, an independent expert's report shall be required, which shall specifically state the amount of the expected economic dilution and the reasonableness of the data and considerations included in the consolidated directors' report.

- When the authority corresponds to the Board of Directors due to the delegation to increase the capital with exclusion of the pre-emptive subscription right, it shall not refer to more than 20% of the share capital of the company at the time of authorization. It must be noted that this 20% limit does not apply to convertible bond issues made by credit institutions, provided that these issues comply with the requirements set forth in Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms in order for the convertible bonds issued to qualify as Additional Tier 1 capital instruments of the issuing credit institution, in which case, the general limit of 50% will apply. The par value of the shares to be issued, plus, if applicable, the amount of the share premium, must correspond to the fair value resulting from the directors' report as described above.

Preferential subscription rights will not be available in the event of an increase in the share capital of CaixaBank on a conversion of convertible bonds into shares, a merger in which new shares are issued, acquiring all or part of another company's asset or in the case of a capital increase with non-cash contributions.

Preferential subscription rights are transferable, may be traded on the Automated Quotation System of the Spanish Stock Exchanges and may be of value to existing shareholders because new shares may be offered for subscription at prices lower than prevailing market prices.

The Annual General Shareholders' Meeting held on 22 May 2020 approved the renewal of the authorization in favour of the Board of Directors to increase the share capital one or more times and at any time, within a period of five years from the date of this General Meeting, in an amount not to exceed 2,990,719,015 euros, by issuing new shares (with or without a share premium and with or without voting rights), consisting the consideration for the new shares to be issued of cash contributions. Likewise, the Board of Directors expressly authorized by the Annual General Shareholders' Meeting to exclude, whether in full or in part, the preferential subscription rights under the provisions of Article 506 of the Spanish Corporation Law, although capital increases with exclusion of the preferential subscription rights will not exceed the maximum amount of 1,196,287,606 euros (as an exception, this limit shall not apply to capital increases that the Board of Directors may approve, suppressing the preferential subscription rights, in order to meet the conversion of securities issued pursuant to the previous authorisation resolved by the Annual General Shareholders' Meeting, being applicable to these capital increases the general limit of 2,990,719,015 euros).

In this regard, the Annual General Shareholders' Meeting held on 14 May 2021 approved the authorization in favour of the Board of Directors to issue securities contingently convertible into shares of the Bank, or instruments of a similar nature, for the purpose of meeting regulatory requirements for their eligibility as Additional Tier 1 regulatory capital instruments, subject to a maximum total amount of €3,500,000,000 for a period of three years, with the power to exclude pre-emptive subscription rights if this is in the company's best interest.

During the years 2021, 2020 and 2019 there has not been any change in the share capital of CaixaBank except for the capital increase by 2,079,209,002 euros to cover the exchange of Bankia shares by CaixaBank shares as a result of the Merger.

Shareholder claims

Under Spanish law, shareholders that wish to bring action against the directors or against the Issuer or challenge corporate resolutions must generally submit the claim before the courts of the judicial district of the Issuer's registered address (currently Valencia, Spain).

In general terms, directors are liable to the company, the shareholders and creditors of the company for the damages caused by acts or omissions that are contrary to Spanish law or the company's By-laws and for failure to carry out the duties and obligations required to directors, provided that they have acted wilfully or negligently. When in violation of the law or of the company's By-laws, directors are presumed to have acted negligently, but that presumption can be rebutted. Directors have such liability even if the transaction in connection with which the acts or omissions occurred is approved or ratified by the General Shareholders' Meeting.

The liability of the directors is joint and several, except to the extent any director can demonstrate that he or she did not participate in decision-making relating to the transaction at issue, was unaware of its existence or, being aware of it, did all that was possible to mitigate any damages or expressly disagreed with the decision-making relating to the transaction.

Information to shareholders

Under Spanish law, shareholders are entitled to receive certain company information, including information regarding any amendment to By-laws, any increase or reduction in share capital, the approval of the annual accounts, any issuance of debt securities, a merger or spin-off, the winding-up or liquidation, or any other major corporate events or actions.

Furthermore, shareholders may request any reports or explanations that they consider necessary in respect of the matters included in the agenda of a General Shareholders' Meeting or, as the case may be, any public information provided to the CNMV and the auditor's report, either (i) in writing beforehand until the fifth day prior to the date scheduled for the General Shareholders' Meeting in which case, the Board of Directors is obliged to provide these reports and explanations until the day of the General Shareholders' Meeting, or (ii) at the meeting, in which case and if the right of the shareholder could not be satisfied at the moment, the Board of Directors is obliged to provide these reports and explanations within the seven days following the conclusion of the General Shareholders' Meeting. The Board of Directors may refuse to provide the shareholders with the reports or explanations requested where such information should not be disclosed in order to protect the shareholders' rights, or it may be objectively considered that the information could be used for non-corporate purposes, or public exposure of the information requested may be detrimental to the Group's interests. However, the latter exception shall not apply should the request be backed by shareholders who together hold 25% or more of the share capital.

LEGAL RESTRICTIONS ON ACQUISITION OF SHARES IN SPANISH BANKS

Certain provisions of Spanish law require clearance by the competent authority prior to the acquisition by any individual or corporation of a significant holding of shares of a Spanish bank. The decision-making authority for the assessment of the proposed acquisition, formerly attributed to the Bank of Spain, now corresponds to the ECB by virtue of Regulation No. 1024/2013.

Any natural or legal person or such persons acting in concert, who have taken a decision either to acquire, directly or indirectly, a qualifying holding (*participación significativa*) in a Spanish bank or to further increase, directly or indirectly, such a qualifying holding in a Spanish bank as a result of which the proportion of the voting rights or of the capital held would reach or exceed 20%, 30% or 50% or so that the bank would become its subsidiary, must first notify the ECB (through the Bank of Spain), indicating the size of the intended holding and other relevant information. A qualifying holding for these purposes is defined as a direct or indirect holding in a Spanish bank which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that bank. In accordance with Article 23 of RD 84/2015, in any case, "significant influence" shall be deemed to exist when there is the capacity to appoint or dismiss a board member.

As soon as the Bank of Spain receives the notice, the Bank of Spain will request the Spanish Anti-Money Laundering Authority (*Servicio Ejecutivo de la Comisión para la Prevención del Blanqueo de Capitales e Infracciones Monetarias* – "**SEPBLAC**") for a report, and the SEPBLAC will submit such report within 30 business days from the day following the day of receipt of such request.

The ECB has 60 business days after the Bank of Spain acknowledges the receipt of any such notice (the Bank of Spain will acknowledge receipt in written within two business days from the date of receipt of the notification by the Bank of Spain to the extent such notification includes all the information required by Article 24 of RD 84/2015) to object to a proposed transaction. In case the notification does not have all the information required, the acquirer will be required to provide the outstanding information within ten business days. Such objection may be based on finding the acquirer unsuitable on the basis of its commercial or professional reputation, its solvency or the transparency of its corporate structure, among other things. If no such objection is raised within the 60 business days' period, the authorization is deemed to have been granted.

The above assessment term may be suspended in one occasion, between the request of information and the submission of information, for a maximum term of 20 business days (or, under certain circumstances, this term may be of 30 business days).

If the acquisition is carried out and the required notice is not given to the ECB (through the Bank of Spain) or if the acquisition is carried out before the 60 business days' period following the giving of notice elapses, or if the acquisition is opposed by the ECB, then there shall be the following consequences: (A) the voting rights corresponding to the acquired shares may not be exercised or, if exercised, will be deemed null, (B) the ECB may seize control of the bank or replace its Board of Directors, and (C) a fine may be levied on the acquirer.

Furthermore, pursuant to Royal Decree 84/2015, any natural or legal person, or such persons acting in concert, who has acquired, directly or indirectly, a holding in a Spanish bank so that the proportion of the voting rights or of the capital held reaches or exceeds 5%, must immediately notify in writing the Bank of Spain and the relevant Spanish bank, indicating the size of the acquired holding.

Any natural or legal person who has taken a decision to dispose, directly or indirectly, of a qualifying holding in a bank must first notify the Bank of Spain, indicating the size of his intended reduced holding. Such a person shall likewise notify the Bank of Spain if he has taken a decision to reduce his qualifying holding so that the proportion of the voting rights or of the capital held would fall below 20%, 30% or 50% or so that the bank would cease to be its subsidiary. Failure to comply with these requirements may lead to sanctions being imposed on the defaulting party.

Spanish banks are required, on becoming aware of any acquisitions or disposals of holdings in their capital that cause holdings to exceed or fall below one of the thresholds referred to above, to inform the Bank of Spain of those acquisitions or disposals. In addition, Spanish banks must provide the Bank of Spain quarterly, during the month following each natural quarter, with a list of all its shareholders that are financial institutions and all other shareholders that own at least 0.25% of the bank's share capital (or 1% in case of credit unions) by reference to the last day of each calendar quarter.

If the ECB determines at any time that the influence of a person who owns a qualifying holding of a bank may adversely affect that bank's management or financial situation, it may: (1) suspend the voting rights of such person's shares; (2) seize control of the bank or replace its Board of Directors; or (3) in exceptional circumstances revoke the bank's license. A fine may also be levied on the person owning the relevant qualifying shareholding.

REPORTING REQUIREMENTS

Acquisition of shares

Pursuant to Royal Decree 1362/2007, of 19 October, any individual or legal entity which, by whatever means, purchases or transfers shares which grant voting rights in the Issuer, must notify the Issuer and the CNMV, if, as a result of such transaction, the proportion of voting rights held by that individual or legal entity reaches, exceeds or falls below a threshold of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 60%, 70%, 75%, 80% and 90% of the Issuer's total voting rights.

The individual or legal entity obliged to carry out the notification must serve the notification by means of the form approved by the CNMV from time to time for such purpose, within four trading days from the date on which the individual or legal entity acknowledged or should have acknowledged the circumstances that generate the obligation to notify (Royal Decree 1362/2007 deems that the obliged individual or legal entity should have acknowledge the aforementioned circumstance within two trading days from the date on which the transaction was entered into, regardless of the date on which the transaction takes effect).

The reporting requirements apply not only to the purchase or transfer of shares, but also to those transactions in which, without a purchase or transfer, the proportion of voting rights of an individual or legal entity reaches,

exceeds or falls below the threshold that triggers the obligation to report as a consequence of a change in the total number of voting rights of a company on the basis of the information reported to the CNMV and disclosed by it. In such a case, the transaction is deemed to be acknowledged within two trading days from the date of publication of the relevant announcement of inside information (*comunicación de información privilegiada*) or other relevant information (*comunicación de otra información relevante*), as the case may be, regarding such transaction.

Should the individual or legal entity effecting the transaction be a non-resident of Spain, notice must also be given to the Spanish Registry of Foreign Investments maintained by the General Bureau of Commerce and Investments (a department of the Ministry of Industry, Trade and Tourism). See "*Restrictions on Foreign Investment*" below.

Regardless of the actual ownership of the shares, any individual or legal entity with a right to acquire, transfer or exercise voting rights granted by the shares, and any individual or legal entity which acquires, transfers or holds, whether directly or indirectly, other securities or financial instruments which grant a right to acquire shares with voting rights, will also have an obligation to notify the Issuer and the CNMV of the holding of a significant stake in accordance with applicable regulations.

Should the person or group effecting the transaction be resident in a tax haven (as defined in Royal Decree 1080/1991, of July 5), the threshold that triggers the obligation to disclose the acquisition or transfer of the Issuer's Ordinary Shares is reduced to 1% (and successive multiples thereof).

All members of the Board of Directors must report to both the Issuer and the CNMV any percentage or number of voting rights in the Issuer held by them at the time of becoming or ceasing to be a member of the Board of Directors within five trading days. Furthermore, all members of the Board of Directors must report any change in the percentage of voting rights they hold, regardless of the amount, as a result of any acquisition or disposition of the Issuer's shares or voting rights, or financial instruments which carry a right to acquire or dispose of shares which have voting rights attached, including any stock based compensation that they may receive pursuant to any of the Bank compensation plans. Members of the Bank senior management must also report any stock based compensation that they may receive pursuant to any of the Bank compensation plans or any subsequent amendment to such plans.

In addition, pursuant to Article 19 of Regulation (EU) No 596/2014, of 16 April 2014, on market abuse ("**MAR**"), persons discharging managerial responsibilities as well as persons closely associated with them (*vínculo estrecho*) must similarly report to the Issuer and the CNMV any acquisition or disposal of the Issuer's shares, derivative or financial instruments linked to the Issuer's shares regardless of the size, within three business days after the date of the transaction is made. The notification of the transaction must include particulars of, among others, the type of transaction, the date of the transaction and the market in which the transactions were carried out, the number of shares traded and the price paid.

In certain circumstances established by Royal Decree 1362/2007, the notification requirements on the acquisition or transfer of shares also apply to any person or legal entity that, directly or indirectly, and independently of the ownership of the shares or financial instruments, may acquire, transmit or exercise the voting rights granted by those shares or financial instruments, provided that the aggregated proportion of voting rights reaches, increases above or decreases below, the percentages set forth by Spanish law.

Moreover, pursuant to Article 30.6 of Royal Decree 1362/2007, in the context of a takeover bid, the following transactions should be notified to the CNMV: (i) any acquisition reaching or exceeding 1% of the voting rights of the Issuer, and (ii) any increase or decrease in the percentage of voting rights held by holders of 3% or more of the voting rights in the Issuer. The CNMV will immediately make this information public.

Disclosure of shareholders' agreements

The Securities Market Act and Articles 531, 533 and 535 of the Spanish Companies Act require parties to disclose certain types of shareholders' agreements that affect the exercise of voting rights at a General Shareholders' Meeting or contain restrictions or conditions on the transferability of shares or bonds that are convertible or exchangeable into shares of listed companies. If any shareholders enter into such agreements with respect to CaixaBank's shares, they must disclose the execution, amendment or extension of such agreements to CaixaBank and the CNMV and file such agreements with the appropriate Commercial Registry. The shareholder agreements must also be disclosed through an announcement of inside information (*comunicación de información privilegiada*) or an announcement of other relevant information (*comunicación de otra información relevante*), as the case may be, on the CNMV's website. Failure to comply with these disclosure obligations renders any such shareholders' agreement unenforceable and constitutes a violation of the Securities Market Act.

Such shareholders' agreement will have no effect with respect to the regulation of the right to vote in General Shareholders' Meetings and restrictions or conditions on the free transferability of shares and bonds convertible into shares until such time as the aforementioned notifications, deposits and publications are made.

Upon request by the interested parties, the CNMV may waive the requirement to report, deposit and publish the agreement when publishing the shareholders' agreement could cause harm to the Issuer.

Net short positions

In accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps ("**Regulation 236/2012**") (as further supplemented by several delegated regulations regulating technical aspects necessary for its effective enforceability and to ensure compliance with its provisions), net short positions on shares listed on the Spanish Stock Exchanges equal to, or in excess of, 0.2% of the relevant issuer's share capital and any increases or reductions thereof by 0.1% are required to be disclosed to the CNMV. If the net short position reaches 0.5%, and also at every 0.1% above that, the CNMV will disclose the net short position to the public. Regulation 236/2012 restricts uncovered short sales in shares, providing that a natural or legal person may enter into a short sale of a share admitted to trading on a trading venue only where one of the conditions established in Article 12 of the referred Regulation has been fulfilled.

The notification or disclosure mentioned above shall be made no later than 3:30 p.m. (Madrid time) on the following trading day.

The disclosure is mandatory even if the same position has been already notified to the CNMV in compliance with transparency obligations previously in force in that jurisdiction.

The information to be disclosed is set out in Table 1 of Annex I of Delegated Regulation 826/2012, according to the format approved as Annex II of this Delegated Regulation. The information will be published, where appropriate, on a website operated or supervised by the CNMV.

Moreover, pursuant to Regulation 236/2012, when the CNMV considers that (i) there are adverse events or developments that constitute a serious threat to financial stability or to market confidence (serious financial, monetary or budgetary problems, which may lead to financial instability, unusual volatility causing significant downward spirals in any financial instrument, etc.); and (ii) the measure is necessary and will not be disproportionately detrimental to the efficiency of financial markets in view of the advantages sought, it may, following consultation with ESMA, take any one or more of the following measures:

- impose additional notification obligations by either (a) reducing the thresholds for the notification of net short positions in relation to one or several specific financial instruments; and/or (b) requesting the parties involved in the lending of a specific financial instrument to notify any change in the applicable premiums; and

- restrict short selling activities by either prohibiting or imposing conditions on short selling.

In addition, according to Regulation 236/2012, where the price of a financial instrument has fallen significantly during a single day in relation to the closing price on the previous trading day (10% or more in the case of a liquid share), the CNMV may prohibit or restrict short selling of financial instruments for a period not exceeding the end of the trading day following the trading day on which the fall in price occurs.

Finally, Regulation 236/2012 also vests powers to ESMA in order to take similar measures to those described above in exceptional circumstances, when the purpose of these measures is to deal with a threat affecting several EU member states and the competent authorities of these member states have not taken adequate measures to address it.

ACQUISITION OF OWN SHARES

Share repurchases

Pursuant to the Spanish Companies Act, the Issuer may only repurchase the Issuer's own shares within certain limits and in compliance with the following requirements:

- the repurchase must be authorized by the General Shareholders' Meeting in a resolution establishing the maximum number of shares to be acquired, the titles for the acquisition, the minimum and maximum acquisition price and the duration of the authorization, which may not exceed five years from the date of the resolution;

- the repurchase, including the shares already acquired and currently held by the Issuer, or any person or company acting in its own name but on the Issuer's behalf, must not bring the Issuer's net worth below the aggregate amount of the Issuer's share capital and legal or non-distributable By-laws' reserves. For these purposes, net worth means the amount resulting from the application of the criteria used to draw up the financial statements, subtracting the amount of profits directly allocated to such net worth, and adding the amount of share capital subscribed but not called and the share capital par value and issue premium recorded in the Issuer's accounts as liabilities;

- the aggregate value of the Ordinary Shares directly or indirectly repurchased, together with the aggregate par value of the Ordinary Shares already held by the Issuer, must not exceed 10% of the Issuer's share capital; and

- Ordinary Shares repurchased for valuable consideration must be fully paid up. A repurchase shall be considered null and void if (i) the shares are partially paid up, except in the case of free repurchase, or (ii) the shares entail ancillary obligations.

The voting rights of treasury shares are suspended. Additionally, the economic rights (dividends and other distributions and liquidation rights), except the right to receive bonus shares as a result of a capital increase against reserves, will accrue proportionately to the Issuer's shareholders. Treasury shares are counted for purposes of establishing the quorum for General Shareholders' Meetings as well as majority voting requirements to pass resolutions at General Shareholders' Meetings.

The General Meeting held on 22 May 2020 renewed the authorization to the Board of Directors of CaixaBank to acquire, directly or indirectly through its subsidiaries, its own shares during a five-year period as of the date of that meeting, in the forms permitted by the applicable Laws, subject to the following limits and requirements: (i) the nominal value of the shares acquired, added to those already held by CaixaBank, may not at any time exceed 10% of CaixaBank's share capital; and (ii) the acquisition price of the treasury shares will be the closing price of the shares on the AQS corresponding to the day prior to the acquisition, increased or decreased by a maximum variation of 15%. The General Meeting also authorized the Bank's subsidiaries to acquire shares of CaixaBank in the same conditions referred above.

MAR establishes rules in order to ensure the integrity of European Community financial markets and to enhance investor confidence in those markets. This regulation maintains an exemption from the market manipulation rules regarding share buy-back programmes by companies listed on a stock exchange in a member state. Commission Delegated Regulation (EU) 2016/1052, of 8 March 2016, implements MAR with regard to the regulatory technical standards for the conditions applicable to buy-back programmes and stabilization measures. According to the provisions included in the Commission Delegated Regulation (EU) 2016/1052, in order to benefit from the exemption, an issuer implementing a buy-back programme must comply with the following requirements:

Prior to the start of trading in a buy-back programme, the issuer must ensure the adequate disclosure of the following information:

- The purpose of the programme. According to Article 5.2 of MAR, the buy-back programme must have as its sole purpose (a) to reduce the capital of the issuer; (b) to meet obligations arising from debt financial instruments convertible into equity instruments; or (c) to meet obligations arising from share option programmes, or other allocations of shares, to employees or to members of the administrative, management or supervisory bodies of the issuer or of an associate company;

- The maximum pecuniary amount allocated to the programme;

- The maximum number of shares to be acquired; and
- The period for which authorization for the programme has been granted.

The issuer must ensure that the transactions relating to the buy-back programme meet the conditions included on Article 3 of the Commission Delegated Regulation (EU) 2016/1052. Specifically, that the purchase price is not higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out. Furthermore, issuers must not purchase on any trading day more than 25% of the average daily volume of shares on the corresponding trading venue.

Issuers shall not, for the duration of the buy-back programme, engage on (a) selling of own shares; (b) trading during the closed periods referred to in Article 19.11 of MAR; and (c) trading where the issuer has decided to delay the public disclosure of inside information.

On 26 April 2017, the CNMV issued Circular 1/2017 setting out the requirements to be met by liquidity contracts entered into by issuers with financial institutions for the management of its treasury shares to constitute an accepted market practice and, therefore, be able to rely on a safe harbour for the purposes of market abuse regulations. Circular 1/2017 was amended by CNMV Circular 2/2019, of November 27.

In addition, Commission Delegated Regulation (EU) No 241/2014, of 7 January, supplementing CRR, prohibits redemptions, reductions and repurchases of own funds instruments (such as own shares) unless they have been previously approved by the competent authority.

Disclosure of acquisition of own shares

If an acquisition or series of acquisitions of the Issuer's Ordinary Shares reaches or exceeds or causes the Issuer and its affiliates' holdings to reach or exceed 1% of the voting shares, the Issuer must notify its final holding of treasury shares to the CNMV. If such threshold is reached as a result of a series of acquisitions, such reporting obligation will only arise after the closing of the acquisition which, taken together with all acquisitions made since the last of any such notifications, causes the Issuer and its affiliates' holdings to exceed 1% of the voting shares. Sales and other transfers of the Issuer's treasury shares will not be deducted in the calculation of such threshold. This requirement would also apply if the shares were acquired by one of its majority owned subsidiaries.

Moreover, pursuant to Spanish Companies Act, the management report of a company must include a reference to any treasury shares.

As of 26 March 2021, the number of treasury shares held by CaixaBank was 4,812,227 (including 4,321,193 shares held directly by CaixaBank and 491,034 shares held indirectly by subsidiaries), representing 0.06% of CaixaBank's total share capital.

TENDER OFFERS

Spanish regulation of takeover bids may delay, defer or prevent a change of control of CaixaBank in the event of a merger, acquisition or corporate restructuring. Law 6/2007, of 12 April and Royal Decree-Law 1066/2007, of 27 July, as amended, on the legal regime of takeover bids, set forth the Spanish rules governing takeover bids for listed companies such as CaixaBank. In particular:

- a bidder must make a tender offer in respect of 100% of the issued share capital of a target company if:
  - it acquires an interest in shares which (taken together with shares in which persons acting in concert with it are interested) carry 30% or more of the voting rights of the target company;
  - it acquires an interest in shares which (taken together with shares in which persons acting in concert with it are interested) carry less than 30% of the voting rights but enable the bidder to appoint a majority of the members of the target company's board of directors; or
  - it held 30% or more but less than 50% of the voting rights of the target company on the date the law came into force, and subsequently:
    - acquires, within 12 months, an additional interest in shares which carries 5% or more of such voting rights;

- acquires an additional interest in shares so that the bidder's aggregate interest carries 50% or more of such voting rights; or

- acquires an additional interest in shares which enables the bidder to appoint a majority of the members of the target company's board of directors;

- if a bidder's actions do not fall into the categories described above, such acquisition may qualify as an "a priori" or partial tender offer (i.e., in respect of less than 100% of the issued share capital of a target company), in which case such bidder would not be required to make a tender offer in respect of 100% of the issued share capital of a target company;

- the board of directors of a target company is exempt from the rule prohibiting certain board interference with a tender offer (the "passivity rule"), provided that (i) it has been authorized by the General Shareholders' Meeting to take action or enter into a transaction which could disrupt the offer, or (ii) it has been released from the passivity rule by the General Shareholders' Meeting vis-à-vis bidders whose boards of directors are not subject to an equivalent passivity rule;

- defensive measures included in a listed company's By-laws and transfer and voting restrictions included in agreements among a listed company's shareholders will remain in place whenever the company is the target of a tender offer unless the General Shareholders' Meeting resolves otherwise (in which case any shareholders whose rights are diluted or otherwise adversely affected may be entitled to compensation); and

- if, as a result of a tender offer in respect of 100% of the issued share capital of a target company, the bidder acquires an interest in shares representing at least 90% of the voting rights of the target company and the offer has been accepted by investors representing at least 90% of the voting rights of the target company (provided such voting rights are distinct from those already held by the bidder), the bidder may force the holders of the remaining share capital of the company to sell their shares. The minority holders shall also have the right to force the bidder to acquire their shares under these same circumstances.

FOREIGN INVESTMENT AND EXCHANGE CONTROL REGULATIONS

Restrictions on Foreign Investment

Exchange controls and foreign investments were, with certain exceptions, completely liberalized by Royal Decree 664/1999, of 23 April, which was approved in conjunction with Law 18/1992, of 1 July (the "**Spanish Foreign Investment Law**"), bringing the existing legal framework on foreign investments in line with the provisions of the Treaty of the EU.

Law 19/2003, of 4 July, on the establishment of a regulatory regime relating to capital flows to and from legal or natural persons abroad ("**Law 19/2003**"), generally provides for the liberalization of the regulatory environment with respect to acts, businesses, transactions and other operations between Spanish residents and non-residents in respect of which charges or payments abroad will occur, as well as money transfers, variations in accounts or financial debit or credits abroad, with the exceptions set out below. These operations must be reported to the Spanish Ministry of Industry, Trade and Tourism (*Ministerio de Industria, Comercio y Turismo*) and the Bank of Spain only for informational and statistical purposes. The most important developments resulting from Law 19/2003 are the obligations on financial intermediaries to provide to the Spanish Ministry of Industry, Trade and Tourism (*Ministerio de Industria, Comercio y Turismo*) and the Bank of Spain information corresponding to client transactions.

In March 2020, however, the Spanish government introduced a new provision in Law 19/2003 (article 7 bis) whereby certain direct foreign investments ("**DFIs**") became subject to an ex ante control. Article 7 bis of Law 19/2003 is inspired by Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union, of direct application from 11 October 2020.

For the purposes of this new control system, DFIs are those carried out in Spain by investors resident in countries outside the EU and the European Free Trade Association ("**EFTA**": Switzerland, Liechtenstein, Iceland and Norway), or by residents in EU or EFTA countries whose beneficial owners are foreign investors.

Investments made through vehicles resident in EU or EFTA countries whose beneficial owner is a foreign investor also fall under the new rules. This is where the foreign investor possesses or ultimately controls, directly or

indirectly, more than 25% of the capital or voting rights in the investor, or where by other means exercises direct or indirect control of the investor.

Relevant investments are those where the foreign investor either (i) reaches ownership of 10% or more of the Spanish company, or (ii) as a result of the transaction, becomes actively involved in the management or control of that company.

The value below which DFIs will be exempt from prior authorisation will be laid down in the detailed regulations that are expected to be passed soon (until this happens, this threshold has been set at €1 million).

These DFIs will be subject to the new screening regime under Article 7 bis of Law 19/2003 when they meet either of the two following alternative criteria (it will suffice for them to meet one of them):

(i) Due to the sector in which the investment target operates:

DFIs that affect "public order, public security and public health" and, in any case, those that refer to the following sectors are subject to control:

- Critical infrastructure, specifically designated as such under Spanish Law 8/2011, physical and virtual, and the key land and property used. This list of critical infrastructure is secret (it includes energy, transport, medical, financial system infrastructure etc.).
- Critical technologies and dual-use products: artificial intelligence, robotics, semiconductors, cyber security, aerospace, defence, energy storage, quantum and nuclear technologies, as well as nanotechnologies and biotechnologies.
- Supply of critical inputs, in particular energy, raw materials and food security.
- Sectors with access to confidential information, in particular personal data, or those with the capacity to control such information; this is a very broad category: suppliers, insurance companies, banks, call-centres, etc. all have access to personal data; and
- The media.

The Spanish Government may extend this regime to other sectors if it considers that they may affect public security, public order or public health.

(ii) Due to the nature of the investor (irrespective of the target company's sector or activities):

- Foreign investors controlled directly or indirectly by a 'third country' government (including public bodies, sovereign wealth funds or the armed forces).
- Foreign investors who have invested or participated in activities in sectors affecting security, public order and public health in another Member State and especially the sectors listed above.
- Foreign investors involved in administrative or judicial proceedings in another Member State, its State of origin or a foreign State for criminal or illegal activities.

When a DFI meets any of the requirements described above, it may require prior authorisation by the Spanish Council of Ministers, except for transactions the value of which ranges between €1 million and €5 million, in which case a simplified procedure applies and the competent authority to decide is the General Directorate for International Trade and Investment (*Dirección General de Comercio Internacional e Inversiones*) within the Ministry of Industry, Trade and Tourism *(Ministerio de Industria, Comercio y Turismo*). The performing of a DFI without the authorisation will mean that it is invalid and therefore null and void (until it is regularized, i.e. the approval is granted) and is an administrative law infringement.

Additional regulations to those described above apply to investments in some specific industries, including air transportation, manufacturing and revenue of weapons and explosives for civil use and national defense, radio, television and gambling. These restrictions do not apply to investments made by EU residents, other than the need for prior approval by the Spanish Council of Ministers (*Consejo de Ministros*) of foreign investments in companies related to national security. If such companies are listed, the approval requirement is only triggered if the

acquisition exceeds 5% of the share capital or if it allows the investor to be part of, directly or indirectly, the board of directors or management bodies of the Spanish company.

Other than the above restrictions, foreign investors may freely invest in shares of Spanish companies as well as transfer invested capital, capital gains and dividends out of Spain without limitation (subject to applicable taxes and exchange controls). Foreign investors who are not resident in a tax haven are required in any event to file a notification with the Spanish Registry of Investments maintained by the General Directorate for International Trade and Investment following an investment or divestiture, if any, solely for statistical, economic and administrative purposes. Where the investment or divestiture is made in shares of Spanish companies listed on any of the Spanish Stock Exchanges, the duty to provide notice of a foreign investment or divestiture lies with the relevant entity with whom the shares (in book entry form) have been deposited or which has acted as an intermediary in connection with the investment or divestiture.

If the foreign investor is a resident of a tax haven, as defined under Spanish law (Royal Decree 1080/1991, of 5 July), notice must be provided to the Registry of Investments prior to making the investment, as well as after consummating the transaction. However, prior notification is not necessary in the following cases:

- investments in listed securities, whether or not trading on an official secondary market;
- investments in participations in investment funds registered with the CNMV; and
- foreign shareholdings that do not exceed 50% of the capital of the Spanish company in which the investment is made.

Exchange control regulations

Pursuant to Royal Decree 1816/1991, of 20 December, relating to economic transactions with non-residents as amended by Royal Decree 1360/2011 of 7 October, and EC Directive 88/361/EEC, charges, payments or transfers between non-residents and residents of Spain must be made through payment services providers, through bank accounts opened abroad with a foreign bank or a foreign branch of a registered entity, in cash or by check payable to bearer.

CONDITIONS OF THE PREFERRED SECURITIES

The following is the text of the Conditions of the Preferred Securities (save for the paragraphs in italics which are for disclosure purposes only).

The Preferred Securities (as defined below) are issued by CaixaBank, S.A. by virtue of the resolutions passed by (a) the general meeting of shareholders of the Bank, held on 14 May 2021 and (b) the meeting of the Board of Directors (*Consejo de Administración*) of the Bank, held on 29 July 2021 and in accordance with the First Additional Provision of Law 10/2014 (as defined below) and the CRR (as defined below).

The Preferred Securities will be issued following the registration with the Mercantile Registry of Valencia of a public deed relating to the issuance of the Preferred Securities before the Closing Date (as defined below).

The Preferred Securities do not grant Holders (as defined below) preferential subscription rights in respect of any possible future issues of shares, preferred securities or any other securities to be carried out by the Bank or any of its Subsidiaries (as defined below).

1. Definitions

1.1 For the purposes of the Preferred Securities, the following expressions shall have the following meanings:

"**5-year Mid-Swap Rate**" means, in relation to a Reset Date and the Reset Period commencing on that Reset Date:

(a) the rate for the Reset Date of the annual swap rate for euro swap transactions with a maturity of five years, expressed as a percentage, which appears on the relevant Screen Page under the heading "EURIBOR BASIS – EUR" and above the caption "11AM FRANKFURT" as of 11.00 a.m. (CET) on the Reset Determination Date; or

(b) if such rate does not appear on the relevant Screen Page at such time on such Reset Determination Date, the Reset Reference Bank Rate for such Reset Period, unless a Benchmark Event has occurred, in which case the Successor Rate or Alternative Rate, plus or minus any Adjustment Spread (and subject to any other Benchmark Amendments), all determined pursuant to Condition 4.9;

"**5-year Mid-Swap Rate Quotations**" means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

(a) has a term of five years commencing on the relevant Reset Date; and

(b) is in a Representative Amount,

where the floating leg (calculated on an Actual/360 day count basis) is equivalent to EURIBOR 6-month or, if not available, such other benchmark rate and/or day count fraction as is in customary market usage in the markets for such euro interest rate swap transactions at the relevant time;

"**Accounting Currency**" means euro or such other primary currency used in the presentation of the Bank and/or Group's accounts from time to time;

"**Additional Ordinary Shares**" has the meaning given in Condition 6.4;

"**Additional Tier 1 Capital**" means additional tier 1 capital (*capital de nivel 1 adicional*) in accordance with Chapter 3 (Additional Tier 1 capital) of Title I (Elements of own funds) of Part Two (Own Funds and Eligible Liabilities) of the CRR and/or the Applicable Banking Regulations at any time;

"**Additional Tier 1 Instrument**" means any contractually subordinated obligation of the Bank constituting an additional tier 1 instrument (*instrumento de capital de nivel 1 adicional*) in accordance with the Applicable Banking Regulations and as referred to under Additional Provision 14.3.3 of Law 11/2015;

"**Adjustment Spread**" means either a spread or quantum (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, quantum, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) (if no such recommendation has been made, or in the case of an Alternative Rate) the Bank determines, following consultation with the Independent Financial Adviser and acting in good faith and in a commercially reasonable manner, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital market transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(iii) (if the Bank determines that no such spread is customarily applied) the Bank determines, following consultation with the Independent Financial Adviser and acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(iv) (if the Bank determines that no such industry standard is recognised or acknowledged) if no such spread, quantum, formula or methodology can be determined in accordance with (i) to (iii) above, the Bank determines, in its discretion and following consultation with the Independent Financial Adviser and acting in good faith and in a commercially reasonable manner, is appropriate, to reduce or eliminate to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to the Holders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"**AIAF**" means the Spanish AIAF Fixed Income Securities Market (*AIAF Mercado de Renta Fija S.A.*);

"**Alternative Rate**" means an alternative benchmark or screen rate which the Bank determines, following consultation with the Independent Financial Adviser and acting in good faith and in a commercially reasonable manner, is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in euro;

"**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 Bank and/or the Group including, without limitation to the generality of the foregoing, CRD IV, the BRRD, the SRM Regulation and those regulations, requirements, guidelines and policies of the Competent Authority relating to capital adequacy, resolution and/or solvency then in effect (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 Bank and/or the Group);

"**Bank**" means CaixaBank, S.A.;

"**Benchmark Amendments**" has the meaning given to such term in Condition 4.9.(c);

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will cease publishing the Original Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**") (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a Specified Future Date, be permanently or

indefinitely discontinued (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, by a Specified Future Date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or

(v) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, the Original Reference Rate is no longer representative of an underlying market and such representativeness will not be restored (as determined by such supervisor); or

(vi) it has or will become unlawful for the Bank or any other party to calculate any payments due to be made to any Holder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable),

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (ii), (iii) or (iv) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

"**BRRD**" means Directive 2014/59/EU, of 15 May, establishing the framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time including by BRRD II, as implemented into Spanish law by Law 11/2015 and Royal Decree 1012/2015, as amended or replaced from time to time and including any other relevant implementing regulatory provisions;

"**BRRD II**" means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC;

"**Business Day**" means 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 Barcelona, Madrid and London;

"**Capital Event**" means, at any time on or after the Closing Date, a change (or any pending change which the Competent Authority considers sufficiently certain) in the regulatory classification of the Preferred Securities that results (or would be likely to result) in:

(a) the exclusion of any of the outstanding aggregate Liquidation Preference of the Preferred Securities from the Bank's or the Group's Additional Tier 1 Capital; or

(b) the reclassification of any of the outstanding aggregate Liquidation Preference of the Preferred Securities as a lower quality form of own funds of the Bank or the Group in accordance with the Applicable Banking Regulations;

"**Certificate**" has the meaning given to such term in Condition 2.3;

"**Cash Dividend**" means any Dividend which is (a) to be paid or made in cash (in whatever currency), other than any such Dividend falling within paragraph (b) of the definition of "Spin-Off", or (b) to be treated as a Cash Dividend pursuant to paragraph (a) of the definition of "Dividend", and for the avoidance of doubt, a Dividend falling within paragraph (c) or (d) of the definition of "Dividend" shall be treated as being a Non-Cash Dividend;

"**CET**" means Central European Time;

"**CET1 Capital**" means common equity tier 1 capital (*capital de nivel 1 ordinario*) in accordance with Chapter 2 (Common Equity Tier 1 capital) of Title I (Elements of own funds) of Part Two (Own Funds and Eligible Liabilities) of the CRR and/or Applicable Banking Regulations at any time, including any applicable transitional, phasing-in or similar provisions;

"**CET1 ratio**" means with respect to the Bank or the Group, as the case may be, the ratio (expressed as a percentage) of the aggregate amount (in the Accounting Currency) of the CET1 Capital of the Bank or the Group, respectively, divided by the Risk-Weighted Assets Amount of the Bank or the Group, respectively, all as calculated by the Bank at any time in accordance with Applicable Banking Regulations and reported to the Competent Authority if and as applicable;

"**Chairperson**" has the meaning given to such term in Condition 13.3;

"**Clearstream Luxembourg**" has the meaning given to such term in Condition 2.2;

"**Closing Date**" means 14 September 2021;

"**Closing Price**" means, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security, warrant or other right or asset, on any dealing day, the closing price of an Ordinary Share, Security or, as the case may be, a Spin-Off Security, warrant or other right or asset on the Relevant Stock Exchange on such dealing day published by or derived from Bloomberg page HP (using the setting labelled "Last Price", or any successor thereto) for such Ordinary Share, Security or, as the case may be, Spin-Off Security, warrant or other right or asset in respect of the Relevant Stock Exchange and such dealing day (and for the avoidance of doubt, such Bloomberg page for the Ordinary Shares as at the Closing Date is CABK SM Equity HP), or, if the Closing Price cannot be determined as aforesaid, such other source (if any) as shall be determined in good faith to be appropriate by an Independent Financial Adviser on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Closing Price of an Ordinary Share, Security or, as the case may be, a Spin-Off Security, warrant or other right or asset, in respect of such dealing day shall be the Closing Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined or as an Independent Financial Adviser might otherwise determine in good faith to be appropriate;

"**CNMV**" means the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*);

"**Competent Authority**" means the European Central Bank or the Bank of Spain, as applicable, the Relevant Resolution Authority, or such other successor authority having primary bank supervisory authority with respect to prudential oversight and supervision in relation to the Bank and/or the Group;

"**Conversion Calculation Agent**" has the meaning given in Condition 6.14;

"**Conversion Price**" means, in respect of the Trigger Event Notice Date, if the Ordinary Shares are:

(a) then admitted to trading on a Relevant Stock Exchange, the higher of:

(i) the Current Market Price of an Ordinary Share;

(ii) the Floor Price; and

(iii) the nominal value of an Ordinary Share (being €1.00 on the Closing Date),

in each case on the Trigger Event Notice Date; or

(b) not then admitted to trading on a Relevant Stock Exchange, the higher of subparagraph (ii) or (iii) of paragraph (a) above;

"**Conversion Settlement Date**" means the date on which the relevant Ordinary Shares are to be delivered on Trigger Conversion, which shall be as soon as practicable and in any event not later than one month following (or such other period as Applicable Banking Regulations or the Competent Authority may require) the Trigger Event Notice Date;

"**Conversion Shares**" has the meaning given in Condition 6.2;

"**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 26 June 2013, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended or replaced from time to time including by the CRD V Directive;

"**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 Competent Authority, the European Banking Authority or any other relevant authority, which are applicable to the Bank (on a stand-alone basis) or the Group (on a consolidated basis), including, without limitation, Law 10/2014, as amended or replaced from time to time, Royal Decree 84/2015, as amended or replaced from time to time, and any other regulation, circular or guidelines implementing CRD IV;

"**CRD V Directive**" means Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures;

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on the prudential requirements for credit institutions and investment firms, as amended or replaced from time to time including by CRR II;

"**CRR II**" means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012;

"**Current Market Price**" means, in respect of an Ordinary Share at a particular date, the average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five consecutive dealing days ending on the dealing day immediately preceding such date (the "**Relevant Period**") provided that for the purposes of determining the Current Market Price pursuant to Condition 6.3(d) or (f) in circumstances where the relevant event relates to an issue of Ordinary Shares if at any time during the Relevant Period the Volume Weighted Average Price shall have been based on a price ex Dividend (or ex-any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement), then:

(a) if the Ordinary Shares to be issued and delivered do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum- such Dividend (or cum- such other entitlement) shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend (or other entitlement) per Ordinary Share as at the Ex Date of such Dividend or entitlement; or

(b) if the Ordinary Shares to be issued and delivered do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex- such Dividend (or ex- such other entitlement) shall for the purposes of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend (or entitlement) per Ordinary Share as at the Ex Date of such Dividend (or entitlement),

provided further that:

(i) for the purposes of determining the Current Market Price pursuant to Condition 6.3(d) or (f) in circumstances where the relevant event relates to an issue of Ordinary Shares if on each of the dealing days in the Relevant Period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Ordinary Shares to be issued and delivered do not rank for that Dividend (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount

thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such Dividend or entitlement;

(ii) if the Volume Weighted Average Price of an Ordinary Share is not available on one or more of the dealing days in the Relevant Period (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in the Relevant Period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the Relevant Period, or if the Ordinary Shares are not admitted to trading on a Relevant Stock Exchange at any relevant time for these purposes, the Current Market Price shall be determined in good faith by an Independent Financial Adviser; and

(iii) for the purposes of any calculation or determination required to be made pursuant to paragraphs (a)(i) or (a)(ii) of the definition of "Dividend", if on each of the said five consecutive dealing days the Volume Weighted Average Price shall have been based on a price cum the relevant Dividend or capitalisation giving rise to the requirement to make such calculation or determination, the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the relevant Dividend or capitalisation.

"**dealing day**" means, in relation to Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets, as the context may require, a day on which the Relevant Stock Exchange in respect thereof is open for business and on such Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets (as the case may be) may be dealt in (other than a day on which such Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time);

"**Delivery Notice**" means a notice to be provided by the relevant Holder in accordance with Condition 6.10 which contains the relevant account and related details for the delivery of any Ordinary Shares in connection with a conversion of the Preferred Securities;

According to the Iberclear procedures applicable as of the Closing Date, Delivery Notices will take the form of a Swift MT565 communication.

"**Distributable Items**" means, in respect of the payment of a Distribution at any time, those profits and reserves (if any) of the Bank that are available in accordance with Applicable Banking Regulations for the payment of that Distribution at such time.

As of the Closing Date, CRR defines "distributable items" as the amount of the profits at the end of the last financial year plus any profits brought forward and reserves available for that purpose, before distributions to holders of own funds instruments (excluding for avoidance of doubt any Tier 2 instruments), less any losses brought forward, any profits which are non-distributable pursuant to European Union or national law or the institution's bylaws and any sums placed in non-distributable reserves in accordance with applicable national law or the statutes of the institution, in each case with respect to the specific category of own funds instruments to which European or national law, institution's bylaws or statute relates; such profits, losses and reserves being determined on the basis of the individual accounts of the institution and not on the basis of the consolidated accounts.

"**Distribution**" means the non-cumulative cash distribution in respect of the Preferred Securities and a Distribution Period determined in accordance with Condition 4;

"**Distribution Payment Date**" means each of 14 March, 14 June, 14 September and 14 December, in each year, with the first Distribution Payment Date falling on 14 December 2021;

"**Distribution Period**" means the period from and including one Distribution Payment Date (or, in the case of the first Distribution Period, the Closing Date) to but excluding the next (or first) Distribution Payment Date;

"**Distribution Rate**" means the rate at which the Preferred Securities accrue Distributions in accordance with Condition 4;

"**Dividend**" means any dividend or distribution to Shareholders in respect of the Ordinary Shares (including a Spin-Off) whether of cash, assets or other property (and for these purposes a distribution of assets includes without limitation an issue of Ordinary Shares or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves), and however described and whether payable out of a share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to Shareholders upon or in connection with a reduction of capital, provided that:

(a) where:

(i) (x) a Dividend in cash is announced which may (at the election of a Shareholder or Shareholders) be satisfied by the issue or delivery of Ordinary Shares or other property or assets, or (y) an issue of Ordinary Shares or other property or assets by way of a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of cash (including without limitation where Shareholders have the option to transfer, sell or renounce all or a portion of their entitlement to receive Ordinary Shares to the Bank for a payment of cash by the Bank pursuant to a purchase commitment assumed by the Bank), then the Dividend in question shall be treated as a Cash Dividend of an amount equal to the greater of:

(A) the Fair Market Value of such cash amount as at the Ex Date of such Dividend or capitalisation; and

(B) the Current Market Price of such Ordinary Shares or, as the case may be, the Fair Market Value of such other property or assets, in each case as at the Ex Date of such Dividend or capitalisation or, in any such case, if later, the date on which the number of Ordinary Shares (or amount of such other property or assets, as the case may be) which may be issued and delivered is determined; or

(ii) (x) there shall be any issue of Ordinary Shares or other property or assets by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue is or is expressed to be in lieu of a Dividend (whether or not a Cash Dividend equivalent or amount is announced) or (y) a Dividend is announced that is to be satisfied by the issue or delivery of Ordinary Shares or other property or assets or (z) any issue of Ordinary Shares or other property or assets by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) that is to be satisfied by the payment of cash, in each case other than in the circumstances the subject of sub-paragraph (i) above), the Dividend or capitalisation in question shall be treated as a Cash Dividend of an amount equal to the Current Market Price of such Ordinary Shares or, as the case may be, the Fair Market Value of such other property or assets, in each case as at the Ex Date of such Dividend or capitalisation or, in any such case, if later, the date on which the number of Ordinary Shares (or amount of other property or assets) to be issued and delivered is determined;

(b) any issue of Ordinary Shares falling within Condition 6.3(a) or 6.3(b) shall be disregarded;

(c) a purchase or redemption or buy-back of share capital of the Bank by or on behalf of the Bank in accordance with any general authority for such purchases or buy-backs approved by a general meeting of Shareholders and otherwise in accordance with the limitations prescribed under the Spanish Companies Law for dealings generally by a company in its own shares shall not constitute a Dividend and any other purchase or redemption or buy-back of share capital of the Bank by or on behalf of the Bank or any member of the Group shall not constitute a Dividend unless, in the case of a purchase or redemption or buy-back of Ordinary Shares by or on behalf of the Bank or any member of the Group, the weighted average price per Ordinary Share (before expenses) on any one day (a "**Specified Share Day**") in respect of such purchases or redemptions or buy-backs (translated, if not in the Share Currency, into the Share Currency at the Prevailing Rate on such day) exceeds by more than 5 per cent. of the Current Market Price of an Ordinary Share on the Specified Share Day or, where an announcement (excluding, for

the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy-backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Ordinary Shares at some future date at a specified price or where a tender offer is made, on the date of such announcement or the date of first public announcement of such tender offer (and regardless of whether or not a price per Ordinary Share, a minimum price per Ordinary Share or a price range or a formula for the determination thereof is or is not announced at such time), as the case may be, in which case such purchase, redemption or buy-back shall be deemed to constitute a Dividend in the Share Currency in an amount equal to the amount by which the aggregate price paid (before expenses) in respect of such Ordinary Shares purchased, redeemed or bought back by or on behalf of the Bank or, as the case may be, any member of the Group (translated where appropriate into the Share Currency as provided above) exceeds the product of:

(i) 105 per cent. of the Current Market Price of an Ordinary Share determined as aforesaid; and

(ii) the number of Ordinary Shares so purchased, redeemed or bought back;

(d) if the Bank or any member of the Group shall purchase, redeem or buy-back any depositary or other receipts or certificates representing Ordinary Shares, the provisions of paragraph (c) above shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Adviser; and

(e) where a dividend or distribution is paid or made to Shareholders pursuant to any plan implemented by the Bank for the purpose of enabling Shareholders to elect, or which may require Shareholders, to receive dividends or distributions in respect of the Ordinary Shares held by them from a person other than (or in addition to) the Bank, such dividend or distribution shall for the purposes of these Conditions be treated as a dividend or distribution made or paid to Shareholders by the Bank, and the foregoing provisions of this definition, and the provisions of these Conditions, including references to the Bank paying or making a dividend, shall be construed accordingly;

"**Eligible Persons**" means those Holders or persons (being duly appointed proxies or representatives of such Holders) that are entitled to attend and vote at a meeting of the Holders, for the purposes of which no person shall be entitled to vote at any such meeting in respect of Preferred Securities held by or for the benefit, or on behalf, of the Bank or any of its Subsidiaries;

"**Equity Share Capital**" means, in relation to any entity, its issued share capital excluding any part of that capital which, in respect of dividends and capital, does not carry any right to participate beyond a specific amount in a distribution;

"**EUR**", "**€**" and "**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 or replaced from time to time;

"**EURIBOR**" means the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any person which takes over administration of that rate);

"**EURIBOR 6-month**" means:

(a) the rate for deposits in euro for a six-month period which appears on the relevant Screen Page as of 11.00 a.m. (CET) on the Reset Determination Date for the relevant Reset Date; or

(b) if such rate does not appear on the relevant Screen Page at such time on such Reset Determination Date, the arithmetic mean of the rates at which deposits in euros are offered by four major banks in the Eurozone interbank market, as selected by the Bank, at such time on such Reset Determination Date to prime banks in the Eurozone interbank market for a six-month period commencing on such Reset Date in a Representative Amount, with the Bank to request the principal Eurozone office of each such major bank to provide a quotation of its rate;

"**Euroclear**" has the meaning given to such term in Condition 2.2;

"**Existing Shareholders**" has the meaning given in the definition of "Newco Scheme";

"**Extraordinary Resolution**" has the meaning given to such term in Condition 13;

"**Ex Date**" means, in relation to any Dividend, capitalisation or other entitlement, unless otherwise defined herein, the first dealing day on which the Ordinary Shares are traded ex- the relevant Dividend, capitalisation or other entitlement on the Relevant Stock Exchange;

"**Fair Market Value**" means, with respect to any property on any date:

(a) in the case of a Cash Dividend, the amount of such Cash Dividend;

(b) in the case of any other cash amount, the amount of such cash;

(c) in the case of Securities or Spin-Off Securities, options, warrants or other rights or assets that are publicly traded on a Relevant Stock Exchange of adequate liquidity (as determined by the Conversion Calculation Agent in good faith):

(i) in the case of Securities or Spin-Off Securities (in each case to the extent constituting equity share capital), the average of the daily Volume Weighted Average Prices of such Securities or Spin-Off Securities; and

(ii) in the case of Securities or Spin-Off Securities (in each case other than to the extent constituting equity share capital), options, warrants or other rights or assets, the arithmetic mean of the daily Closing Prices of such Securities, Spin-Off Securities, options, warrants or other rights or assets,

in the case of both (i) and (ii) above during the period of five consecutive dealing days on the Relevant Stock Exchange commencing on such date (or, if later, the first such dealing day such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded on the Relevant Stock Exchange) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded on the Relevant Stock Exchange; and

(d) in the case of Securities, Spin-Off Securities, options, warrants or other rights or assets that are not publicly traded on a Relevant Stock Exchange of adequate liquidity (as aforesaid), the fair market value of such Securities, Spin-Off Securities, options, warrants or other rights or assets as shall be determined by an Independent Financial Adviser in good faith, on the basis of a commonly accepted market valuation method and taking into account such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof.

Such amounts shall, in the case of (a) above, be translated into the Share Currency (if such Cash Dividend is declared or paid or payable in a currency other than the Share Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Share Currency; and in any other case, shall be translated into the Share Currency (if expressed in a currency other than the Share Currency) at the Prevailing Rate on that date. In addition, in the case of (a) and (b) above, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;

"**First Reset Date**" means 14 March 2029;

"**Floor Price**" means €1.795 per Ordinary Share, subject to adjustment in accordance with Condition 6.3;

"**FTT**" means financial transaction tax;

"**Further Preferred Securities**" means any substantively similar instrument ranking by law or by its terms, to the extent permitted by law, *pari passu* with the Preferred Securities that is contingently convertible into Ordinary Shares other than at the option of the holders thereof;

"**Group**" means the Bank together with its consolidated Subsidiaries;

"**Holders**" means the holders of the Preferred Securities in the terms provided in Condition 2.3;

"**Iberclear**" means the Spanish clearing and settlement system (*Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal*);

"**Iberclear Members**" means the respective participating entities (*entidades participantes*) in Iberclear;

"**Independent Financial Adviser**" means an independent financial firm or financial adviser with appropriate expertise or financial institution of international repute, which may include without limitation the Conversion Calculation Agent, appointed by the Bank at its own expense;

"**Initial Margin**" means 3.857 per cent. per annum;

"**Insolvency Law**" means the consolidated text of the Insolvency Law approved by Royal Legislative Decree 1/2020, of 5 May, (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*), as amended or replaced from time to time;

"**Law 10/2014**" means Law 10/2014, of 26 June, on regulation, supervision and solvency of credit institutions (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*), as amended or replaced from time to time;

"**Law 11/2015**" means Law 11/2015, of 18 June, on the recovery and resolution of credit institutions and investment firms (*Ley 11/2015, de 18 de junio, de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*), as amended or replaced from time to time;

"**Liquidation Distribution**" means the Liquidation Preference per Preferred Security plus, if applicable, where not cancelled pursuant to, or otherwise subject to the limitations on payment set out in Condition 4, an amount equal to accrued and unpaid Distributions for the then current Distribution Period to (but excluding) the date of payment of the Liquidation Distribution;

"**Liquidation Preference**" means €200,000 per Preferred Security;

"**Maximum Distributable Amount**" means, at any time, the lower of any maximum distributable amount relating to the Bank or the Group required to be calculated, if applicable, at such time in accordance with (a) Article 48 of Law 10/2014 and any provision developing such Article, and any other provision of Spanish law transposing or implementing Article 141 of the CRD IV Directive and/or (b) Applicable Banking Regulations;

"**Newco Scheme**" means a scheme of arrangement or an analogous proceeding ("**Scheme of Arrangement**") which effects the interposition of a limited liability company ("**Newco**") between the Shareholders of the Bank immediately prior to the Scheme of Arrangement (the "**Existing Shareholders**") and the Bank, provided that:

(a) only ordinary shares of Newco or depositary or other receipts or certificates representing ordinary shares of Newco are issued to Existing Shareholders;

(b) immediately after completion of the Scheme of Arrangement, the only shareholders of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares of Newco are Existing Shareholders, and the Voting Rights in respect of Newco are held by Existing Shareholders in the same proportion as their respective holdings of such Voting Rights immediately prior to the Scheme of Arrangement;

(c) immediately after completion of the Scheme of Arrangement, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only ordinary shareholder (or shareholders) of the Bank;

(d) all Subsidiaries of the Bank immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary) are Subsidiaries of the Bank (or of Newco) immediately after completion of the Scheme of Arrangement; and

(e) immediately after completion of the Scheme of Arrangement, the Bank (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by the Bank immediately prior to the Scheme of Arrangement;

"**Non-Cash Dividend**" means any Dividend which is not a Cash Dividend, and shall include a Spin Off;

"**Ordinary Shares**" means ordinary shares in the capital of the Bank, each of which confers on the holder one vote at general meetings of Shareholders of the Bank and is credited as fully paid up;

"**Original Reference Rate**" means:

(a) the originally-specified benchmark (including the 5-year Mid-Swap Rate and EURIBOR) or screen rate (as applicable) used to determine the Distribution Rate (or any component part thereof) on the Preferred Securities; or

(b) any Successor Rate or Alternative Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 4.9(a);

"**outstanding**" means, in relation to the Preferred Securities, all the Preferred Securities issued other than those Preferred Securities:

(a) that have been redeemed pursuant to Condition 7 or otherwise pursuant to the Conditions;

(b) that have been or are in the process of being converted into Ordinary Shares following a Trigger Event under Condition 6;

(c) that have been purchased and cancelled under Condition 10; and

(d) that have become void under Condition 16,

provided that for each of the following purposes, namely:

(a) the right to attend and vote at any meeting of Holders; and

(b) the determination of how many and which Preferred Securities are for the time being outstanding for the purposes of Condition 13,

those Preferred Securities (if any) which are for the time being held by or for the benefit of the Bank or any of its Subsidiaries shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

"**Preferred Securities**" means the €750,000,000 Perpetual Non-Cumulative Contingent Convertible Additional Tier 1 Preferred Securities issued by the Bank on the Closing Date;

"**Prevailing Rate**" means, in respect of any currencies on any day, the mid-spot rate of exchange between the relevant currencies prevailing as at 12 noon (CET) on that date as appearing on or derived from the Reference Page or, if such a rate cannot be determined at such time, the mid-spot rate prevailing as at 12 noon (CET) on the immediately preceding day on which such rate can be so determined or, if such rate cannot be so determined by reference to the Reference Page, the mid-spot rate of exchange determined in such other manner as an Independent Financial Adviser in good faith shall prescribe;

"**Proceedings**" has the meaning given to such term in Condition 17;

"**Qualifying Preferred Securities**" means preferred securities issued directly or indirectly by the Bank where such securities:

(a) have terms not otherwise materially less favourable to the Holders than the terms of the Preferred Securities with any differences between their terms and conditions and these Conditions being those strictly necessary to (in the case of a Capital Event) comply with the requirements of the Competent Authority in relation to Additional Tier 1 Capital in accordance

with the Applicable Banking Regulations and/or (in the case of a Tax Event) cure the relevant Tax Event (provided that the Bank shall have delivered a certificate signed by two authorised signatories of the Bank to that effect to the Holders in accordance with Condition 15 not less than five Business Days prior to (x) in the case of a substitution of the Preferred Securities, the issue date of the relevant securities or (y) in the case of a variation of the Preferred Securities, the date such variation becomes effective); and

(b) subject to (a) above, shall (i) carry the same (or higher) Distribution Rates and the same Distribution Payment Dates as those from time to time applying to the Preferred Securities; (ii) have the same currency, denomination and aggregate outstanding Liquidation Preference as the Preferred Securities prior to the relevant substitution or variation; (iii) have the same redemption rights as the Preferred Securities, provided that (if and only to the extent required in order for the Preferred Securities to qualify, or to continue to qualify, as Additional Tier 1 Capital of either the Bank and/or the Group pursuant to the Applicable Banking Regulations) the optional redemption rights provided in Condition 7.2.1 may be disapplied; (iv) preserve any existing rights under the Preferred Securities to any accrued Distribution which has not been paid in respect of the period from (and including) the Distribution Payment Date immediately preceding the date of substitution or variation; (v) subject as set out in the proviso below, have at least the same ranking as the Preferred Securities as set out in Condition 3; (vi) be assigned (or maintain) at least the same credit ratings as were assigned to the Preferred Securities immediately prior to such variation or substitution; (vii) not, immediately following such substitution or variation, be subject to a Capital Event and/or Tax Event; (viii) be listed and admitted to trading on AIAF or any other Recognised Stock Exchange as selected by the Bank, if the Preferred Securities were listed and admitted to trading immediately prior to such variation or substitution; and (ix) comply with the then current requirements of the Applicable Banking Regulations in relation to Additional Tier 1 Capital,

provided that any variation in the ranking of the Preferred Securities as set out in Condition 3 resulting from any such substitution or variation shall be deemed not to be materially less favourable to the interests of the Holders where the ranking of such Preferred Securities following such substitution or variation is at least the same ranking as is applicable to the Preferred Securities under Condition 3 on the issue date of the Preferred Securities;

"**Recognised Stock Exchange**" means a regulated, regularly operating, recognised stock exchange or securities market in an OECD member state;

"**Redemption Price**" means, per Preferred Security, the Liquidation Distribution upon the date fixed for redemption of the Preferred Securities;

"**Reference Banks**" means five leading swap dealers in the Eurozone interbank market as selected by the Bank;

"**Reference Date**" means, in relation to a Retroactive Adjustment, the date as of which the relevant Retroactive Adjustment takes effect or, in any such case, if that is not a dealing day, the next following dealing day;

"**Reference Page**" means Bloomberg page BFIX, or if such page is not available, the relevant page (as determined in good faith by an Independent Financial Adviser) on Reuters or such other information service provider that displays the relevant information;

"**Relevant Nominating Body**" means, in respect of a benchmark or a screen rate (as applicable):

(a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the

aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

"**Relevant Resolution Authority**" means the Fund for Orderly Bank Restructuring (*Fondo de Restructuración Ordenada Bancaria*), the Single Resolution Board, the Bank of Spain, the CNMV or any other entity with the authority to exercise any of the resolutions tools and powers contained in Law 11/2015 from time to time that performs the role of primary bank resolution authority";

"**Relevant Stock Exchange**" means (i) in the case of Ordinary Shares, the Spanish Stock Exchanges or if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on any of the Spanish Stock Exchanges, the principal stock exchange or securities market on which the Ordinary Shares are then listed, admitted to trading or quoted or accepted for dealing and (ii) in the case of Securities (other than Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets, the principal stock exchange or securities market on which such Securities, Spin-Off Securities, options, warrants or other rights or assets are then listed, admitted to trading or quoted or accepted for dealing;

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market;

"**Reset Date**" means the First Reset Date and every fifth anniversary thereof;

"**Reset Determination Date**" means, in relation to each Reset Date, the second TARGET Business Day immediately preceding such Reset Date;

"**Reset Period**" means the period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date;

"**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 5-year Mid-Swap Rate Quotations provided by the Reference Banks at approximately 11.00 a.m. (CET) on the Reset Determination Date for such Reset Date. The Bank will request the principal offices of each of the Reference Banks to provide a quotation of its rate. If three or more quotations are provided, the Reset Reference Bank Rate for such Reset Period will be the percentage reflecting 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 Reset Reference Bank Rate for the Reset Period will be:

(a) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the 5-year Mid-Swap Rate in respect of the immediately preceding Reset Period; or

(b) in the case of the Reset Period commencing on the First Reset Date, -0.337 per cent. per annum;

"**Retroactive Adjustment**" has the meaning given in Condition 6.4;

"**Risk-Weighted Assets Amount**" means at any time, with respect to the Bank or the Group, as the case may be, the aggregate amount (in the Accounting Currency) of the risk-weighted assets of the Bank or the Group, respectively, calculated in accordance with CRR and/or Applicable Banking Regulations at such time;

"**Royal Decree 84/2015**" means Royal Decree 84/2015, of 13 February, implementing Law 10/2014 (*Real Decreto 84/2015, de 13 de febrero, por el que se desarolla la Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*), as amended or replaced from time to time;

"**Royal Decree 1012/2015**" means Royal Decree 1012/2015, of 6 November, developing Law 11/2015 (*Real Decreto 1012/2015, de 6 de noviembre, por el que se desarrolla la Ley 11/2015, de 18 de junio, de recuperación y resolución de entidades de crédito y empresas de servicios de inversión, y por el que se modifica el Real Decreto 2606/1996, de 20 de diciembre, sobre fondos de garantía de depósitos de entidades de crédito*) as amended or replaced from time to time;

"**Scheme of Arrangement**" has the meaning given in the definition of "Newco Scheme";

"**Screen Page**" means the display page on the relevant Reuters information service designated as:

(a) in the case of the 5-year Mid-Swap Rate, the "ICESWAP2" page; or

(b) in the case of EURIBOR 6-month, the "EURIBOR01" page,

or in each case such other page as may replace that page on that information service, or on such other equivalent information service as may be nominated by the person providing or sponsoring such information, for the purpose of displaying equivalent or comparable rates to the 5-year Mid-Swap Rate or EURIBOR 6-month, as applicable;

"**Securities**" means any securities including, without limitation, shares in the capital of the Bank, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Bank;

"**Settlement Shares Depository**" means any reputable independent financial institution, trust company or similar entity to be appointed by the Bank, on or prior to any date when a function ascribed to the Settlement Shares Depository in these Conditions is required to be performed, to perform such functions and who will hold Ordinary Shares in Iberclear or any Iberclear Members in a designated custody account for the benefit of the Holders and otherwise on terms consistent with these Conditions;

"**Share Currency**" means euro or such other currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at the relevant time or for the purposes of the relevant calculation or determination;

"**Shareholders**" means the holders of Ordinary Shares;

"**Spanish Companies Law**" means the consolidated text of the Spanish Companies Law approved by Royal Legislative Decree 1/2010, of 2 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*) as amended or replaced from time to time;

"**Spanish Stock Exchanges**" means the Madrid, Barcelona, Bilbao and Valencia stock exchanges and the Automated Quotation System – Continuous Market (*Sistema de Interconexión Bursátil– Mercado Continuo (SIB)*) (**AQS**);

"**Specified Date**" has the meanings given in Conditions 6.3(d), 6.3(f), 6.3(g) and 6.3(h), as applicable;

"**Spin-Off**" means:

(a) a distribution of Spin-Off Securities by the Bank to the Shareholders as a class; or

(b) any issue, transfer or delivery of any property or assets (including cash or shares or other securities of or in or issued or allotted by any entity) by any entity (other than the Bank) to Shareholders as a class or, in the case of or in connection with a Newco Scheme, Existing Shareholders as a class (but excluding the issue and allotment of ordinary shares (or depositary or other receipts or certificates representing such ordinary shares) by Newco to Existing Shareholders as a class), pursuant in each case to any arrangements with the Bank or any member of the Group;

"**Spin-Off Securities**" means equity share capital of an entity other than the Bank or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Bank;

"**SRM Regulation**" means Regulation (EU) No 806/2014 of the European Parliament and the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended or replaced from time to time, including by the SRM Regulation II;

"**SRM Regulation II**" means Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms;

"**SSM Regulation**" means Council Regulation (EU) No. 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions, as amended or replaced from time to time;

"**Subsidiary**" means any entity over which the Bank has, directly or indirectly, control in accordance with Article 42 of the Spanish Commercial Code (*Código de Comercio*) and Applicable Banking Regulations;

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body;

"**TARGET Business Day**" means any day on which the Trans-European Automated Real Time Gross Settlement Transfer (TARGET 2) system is open;

"**Tax Event**" means, at any time on or after the Closing Date, a change in, or amendment to, the laws or regulations of the Kingdom of Spain (including, for the avoidance of doubt, any political subdivision thereof or any authority or agency therein or thereof having power to tax), or any change in the application of such laws or regulations that results in:

(a) the Bank not being entitled to claim a deduction in computing taxation liabilities in Spain in respect of any Distribution to be made on the next Distribution Payment Date or the value of such deduction to the Bank being materially reduced; or

(b) the Bank being obliged to pay additional amounts pursuant to Condition 14 below; or

(c) the applicable tax treatment of the Preferred Securities changes in a material way that was not reasonably foreseeable at the Closing Date,

and, in each case, cannot be avoided by the Bank taking reasonable measures available to it;

"**Trigger Conversion**" has the meaning given in Condition 6.1;

"**Trigger Event**" means if, at any time, as determined by the Bank or the Competent Authority (or any other agent appointed for such purpose by the Competent Authority), the CET1 ratio is less than 5.125 per cent.;

"**Trigger Event Notice**" has the meaning given in Condition 6.1;

"**Trigger Event Notice Date**" means the date on which a Trigger Event Notice is given in accordance with Condition 6.1;

"**Volume Weighted Average Price**" means, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security on any dealing day, the order book volume-weighted average price of an Ordinary Share, Security or, as the case may be, a Spin-Off Security on the Relevant Stock Exchange on such dealing day published by or derived from Bloomberg page HP (using the setting labelled "Weighted Average Line" or any successor thereto) for such Ordinary Share, Security or, as the case may be, Spin-Off Security in respect of the Relevant Stock Exchange and such dealing day (and for the avoidance of doubt, such Bloomberg page for the Ordinary Shares as at the Closing Date is CABK SM Equity HP), or, if the Volume Weighted Average Price cannot be determined as aforesaid, such other source (if any) as shall be determined in good faith to be appropriate by an Independent Financial Adviser on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security or a Spin-Off Security, as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined or as an Independent Financial Adviser might otherwise determine in good faith to be appropriate.

As of the Closing Date, the price of the Ordinary Shares, which are listed and admitted to trading on the Relevant Stock Exchange, is published on such Bloomberg page as aforesaid on each dealing day;

"**Voting Right**" means the right generally to vote at a general meeting of Shareholders of the Bank (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the occurrence of any contingency);

"**Waived Set-Off Rights**" means any and all rights of or claims of any Holder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Preferred Security.

1.2 References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or in accordance therewith or under or in accordance with such modification or re-enactment.

1.3 References to any issue or offer or grant to Shareholders or Existing Shareholders as a class or by way of rights shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders or Existing Shareholders, as the case may be, other than Shareholders or Existing Shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

1.4 In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as the Conversion Calculation Agent or an Independent Financial Adviser determines in good faith appropriate to reflect any consolidation or subdivision of the Ordinary Shares or any issue of Ordinary Shares by way of capitalisation of profits or reserves, or any like or similar event.

1.5 For the purposes of Condition 6.3 only:

(a) references to the issue of Ordinary Shares or Ordinary Shares being issued shall, if not otherwise expressly specified in these Conditions, include the transfer and/or delivery of Ordinary Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Bank or any member of the Group; and

(b) Ordinary Shares held by or on behalf of the Bank or any member of the Group (and which, in the case of Conditions 6.3(d) and 6.3(f), do not rank for the relevant right or other entitlement) shall not be considered as or treated as in issue or issued or entitled to receive any Dividend, right or other entitlement.

2. Form, Denomination and Title

2.1 The Preferred Securities have been issued in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) in euro in an aggregate nominal amount of €750,000,000 and denominations of €200,000.

2.2 The Preferred Securities have been registered with Iberclear as managing entity of the central registry of the Spanish clearance and settlement system (the "**Spanish Central Registry**"). Holders of a beneficial interest in the Preferred Securities who do not have, directly or indirectly through their custodians, a participating account with Iberclear may participate in the Preferred Securities through bridge accounts maintained by each of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream Luxembourg**") with Iberclear.

Iberclear manages the settlement and clearing of the Preferred Securities, notwithstanding the Bank's commitment to assist, when appropriate, on the clearing and settlement of the Preferred Securities through Euroclear and Clearstream Luxembourg.

The Spanish National Numbering Agency (*Agencia Nacional de Codificación de Valores Mobiliarios*) has assigned the following International Securities Identification Number (ISIN) to identify the Preferred Securities: ES0840609038. The Common Code for this issue is 238461499.

Title to the Preferred Securities is evidenced by book entries, and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the Iberclear Members as having an interest in the Preferred Securities shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Preferred Securities recorded therein. In these Conditions, the "**Holder**" means the person in whose name such Preferred Securities is for the time being

registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book (or, in the case of a joint holding, the first named thereof) and Holder shall be construed accordingly.

One or more certificates (each a "**Certificate**") attesting to the relevant Holder's holding of Preferred Securities in the relevant registry will be delivered by the relevant Iberclear Member or by Iberclear (in each case, in accordance with the requirements of Spanish law and the relevant Iberclear Member's or, as the case may be, Iberclear's procedures) to such Holder upon such Holder's request.

The Preferred Securities are issued without any restrictions on their transferability. Consequently, the Preferred Securities may be transferred and title to the Preferred Securities may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and/or Iberclear itself, as applicable. Each Holder will be (except as otherwise required by Spanish law) treated as the absolute owner of the relevant Preferred Securities for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest, or any writing on, or the theft or loss of, the Certificate issued in respect of it), and no person will be liable for so treating the Holder.

3. Status of the Preferred Securities

Unless previously converted into Ordinary Shares pursuant to Condition 6, the payment obligations of the Bank under the Preferred Securities constitute direct, unconditional, unsecured and subordinated obligations (*créditos subordinados*) of the Bank in accordance with Article 281.1.2º of the Insolvency Law and, in accordance with Additional Provision 14.3 of Law 11/2015 or any other Spanish law provisions which replace them from time to time, 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 Bank, for so long as the obligations of the Bank under the Preferred Securities qualify as Additional Tier 1 Instruments of the Bank, rank:

(a) *pari passu* among themselves and with:

(i) any claims in respect of other contractually subordinated obligations (*créditos subordinados*) of the Bank in accordance with Article 281.1.2º of the Insolvency Law or any other Spanish law provisions which replace it from time to time, qualifying as Additional Tier 1 Instruments; and

(ii) any other subordinated obligations (*créditos subordinados*) of the Bank which by law and/or by their terms, to the extent permitted by Spanish law, rank *pari passu* with the Bank's obligations under the Preferred Securities;

(b) junior to:

(i) any claims in respect of unsubordinated obligations of the Bank;

(ii) any claims in respect of other contractually subordinated obligations (*créditos subordinados*) of the Bank in accordance with Article 281.1.2º of the Insolvency Law or any other Spanish law provisions which replace it from time to time, not qualifying as Additional Tier 1 Instruments; and

(iii) any other subordinated obligations (*créditos subordinados*) of the Bank which by law and/or by their terms, to the extent permitted by Spanish law, rank senior to the Bank's obligations under the Preferred Securities; and

(c) senior to:

(i) any claims for the liquidation amount of the Ordinary Shares; and

(ii) any other subordinated obligations (*créditos subordinados*) of the Bank which by law and/or by their terms, to the extent permitted by Spanish law, rank junior to the Bank's obligations under the Preferred Securities.

4. Distributions

4.1 The Preferred Securities accrue Distributions:

(a) in respect of the period from (and including) the Closing Date to (but excluding) the First Reset Date at the rate of 3.625 per cent. per annum; and

(b) in respect of each Reset Period, at the rate per annum equal to the aggregate of the Initial Margin and the 5-year Mid-Swap Rate (quoted on an annual basis) for such Reset Period, first calculated on an annual basis and then converted to a quarterly rate in accordance with market convention (rounded to four decimal places, with 0.00005 rounded down), all as determined by the Bank on the relevant Reset Determination Date.

Subject as provided in Conditions 4.3 and 4.4, such Distributions will be payable quarterly in arrear on each Distribution Payment Date.

If a Distribution is required to be paid in respect of a Preferred Security on any other date (other than as a result of the postponement of such payment as a result of the operation of Condition 4.2), it shall be calculated by the Bank by applying the Distribution Rate to the Liquidation Preference in respect of each Preferred Security, multiplying the product by (i) the actual number of days in the period from (and including) the date from which Distributions began to accrue (the "**Accrual Date**") to (but excluding) the date on which Distributions fall due divided by (ii) the actual number of days from (and including) the Accrual Date to (but excluding) the next following Distribution Payment Date multiplied by four, and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

4.2 Subject to any applicable fiscal or other laws and regulations, the payment of Distributions on the Preferred Securities will be made in euros by the Bank on the relevant Distribution Payment Date by transfer to an account capable of receiving euro payments, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the date on which the payment of Distributions falls due. Holders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments under the relevant Preferred Securities. The Bank will have no responsibility or liability for the records relating to payments made in respect of the Preferred Securities.

If any date on which any payment is due to be made on the Preferred Securities would otherwise fall on a date which is not a TARGET Business Day, the payment will be postponed to the next TARGET Business Day and the Holder shall not be entitled to any interest or other payment in respect of any such delay.

4.3 The Bank may elect, in its sole and absolute discretion, to cancel the payment of any Distribution (including any additional amounts pursuant to Condition 14) in whole or in part at any time that it deems necessary or desirable and for any reason.

4.4 Without prejudice to the right of the Bank to cancel the payments of any Distribution under Condition 4.3 above:

(a) Payments of Distributions (including any additional amounts pursuant to Condition 14) in any financial year of the Bank shall be made only to the extent the Bank has sufficient Distributable Items. To the extent that the Bank has insufficient Distributable Items to make Distributions (including any additional amounts pursuant to Condition 14) on the Preferred Securities scheduled for payment in the then current financial year and any interest payments, distributions or other payments on own funds items that have been paid or made or are scheduled or required to be paid out of or conditional to sufficient Distributable Items in the then current financial year, in each case excluding any portion of such payments already accounted for in determining the Distributable Items of the Bank or which are not required to be made conditional upon Distributable Items, the Bank will only make partial or, as the case may be, no payment of the relevant Distribution (including any additional amounts pursuant to Condition 14) on the Preferred Securities.

(b) If the Competent Authority, in accordance with Article 68 of Law 10/2014 and/or Article 16 of the SSM Regulation and/or with Applicable Banking Regulations, requires the Bank to cancel a relevant Distribution (including any additional amounts pursuant to Condition 14) in whole or in

part, the Bank will only make partial or, as the case may be, no payment of the relevant Distribution (including any additional amounts pursuant to Condition 14) on the Preferred Securities.

(c) The Bank may make partial or, as the case may be, no payment of the relevant Distribution (including any additional amounts pursuant to Condition 14) on the Preferred Securities (whether by way of a repayment of the Liquidation Preference, the payment of any Distribution or otherwise) if and to the extent that payment of any Distribution (including any additional amounts pursuant to Condition 14) would cause, when aggregated together with other distributions of the kind referred to in Article 141(2) of the CRD IV Directive (or, as the case may be, any provision of Spanish law transposing or implementing CRD IV, which will include Article 48 of Law 10/2014 and any of its development provisions), the Maximum Distributable Amount to be exceeded or otherwise would cause any other breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Capital pursuant to Applicable Banking Regulations;

(d) If the Trigger Event occurs at any time on or after the Closing Date, the Bank will not make any further Distribution (including any additional amounts pursuant to Condition 14) on the Preferred Securities and any accrued and unpaid Distributions up to a Trigger Event (whether or not such distributions have become due for payment) shall be automatically cancelled in accordance with Condition 6.1(b).

4.5 Distributions on the Preferred Securities will be non-cumulative. Accordingly, if any Distribution (or part thereof) is not made in respect of the Preferred Securities as a result of any election of the Bank to cancel such Distribution pursuant to Condition 4.3 above or the limitations on payment set out in Condition 4.4 above and Condition 6.1(b) below then the right of the Holders to receive the relevant Distribution (or part thereof) in respect of the relevant Distribution Period will be extinguished and the Bank will have no obligation to pay such Distribution (or part thereof) accrued for such Distribution Period or to pay any interest thereon, whether or not Distributions on the Preferred Securities are paid in respect of any future Distribution Period.

4.6 No such election to cancel the payment of any Distribution (or part thereof) pursuant to Condition 4.3 above or non-payment of any Distribution (or part thereof) as a result of the limitations on payment set out in Condition 4.4 above and Condition 6.1(b) below will constitute an event of default or the occurrence of any event related to the insolvency of the Bank or entitle Holders to take any action to cause the liquidation or winding-up of the Bank or in any way limit or restrict the Bank from making any distribution or equivalent payment in connection with any instrument ranking junior to the Preferred Securities (including, without limitation, any CET1 Capital of the Bank or the Group, respectively) or in respect of any other instrument ranking by law or by its terms, to the extent permitted by law, *pari passu* with Preferred Securities. If the Bank does not pay a Distribution or part thereof on the relevant Distribution Payment Date, such non-payment shall evidence the cancellation of such Distribution (or relevant part thereof) or, as appropriate, the Bank's exercise of its discretion to cancel such Distribution (or relevant part thereof) and accordingly, such Distribution shall not in any such case be due and payable. Notwithstanding the previous sentence, the Bank will give notice to the Holders in accordance with Condition 15 of any election under Condition 4.3 and of any limitation set out in Condition 4.4 occurring or applying and for avoidance of doubt, failure to deliver such notice shall not affect the validity of the cancellation.

4.7 The Bank will at, or as soon as practicable after, the relevant time on each Reset Determination Date at which the Distribution Rate is to be determined, determine the Distribution Rate for the relevant Reset Period. The Bank will cause the Distribution Rate for each Reset Period to be notified to any stock exchange or other relevant authority on which the Preferred Securities are for the time being listed or by which they have been admitted to listing and notice thereof is to be published in accordance with Condition 15 as soon as possible after its determination but in no event later than the fourth Business Day thereafter.

4.8 All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 by the Bank, shall (in the absence of wilful default, bad faith or manifest error) be binding on all Holders.

4.9 If the Bank determines that a Benchmark Event has occurred when the Distribution Rate (or any component part thereof) remains to be determined by reference to the Original Reference Rate, then the Bank shall use its reasonable endeavours to appoint an Independent Financial Adviser, as soon as reasonably practicable, with a view to the Bank and the Independent Financial Adviser (acting in good faith and in a commercially reasonable manner) determining, no later than three Business Days prior to the Reset Determination Date, a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.9(a)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4.9(b)) and any Benchmark Amendments (in accordance with Condition 4.9(c)).

(a) Successor Rate or Alternative Rate

If the Bank and the Independent Financial Adviser (acting in good faith and in a commercially reasonable manner):

(i) agree that there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.9(b)) subsequently be used in place of the Original Reference Rate to determine the Distribution Rate (or the relevant component part thereof) for all future Distributions (subject to the operation of this Condition 4.9); or

(ii) agree that there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4.9(b)) subsequently be used in place of the Original Reference Rate to determine the Distribution Rate (or the relevant component part thereof) for all future Distributions (subject to the operation of this Condition 4.9).

If (i) the Bank is unable to appoint an Independent Financial Adviser, (ii) the Bank and the Independent Financial Adviser, acting in good faith and in a commercially reasonable manner, do not agree on the selection of a Successor Rate or an Alternative Rate prior to the relevant Reset Determination Date, or (iii) the last paragraph of this Condition 4.9 applies, the Distribution Rate applicable to the next succeeding Reset Period shall be equal to the Distribution Rate last determined or applicable in relation to the Preferred Securities in respect of the immediately preceding Reset Period. If the Bank fails to make such determination prior to the first Reset Determination Date, the Distribution Rate applicable to the next succeeding Reset Period shall be 3.625 per cent. per annum. For the avoidance of doubt, this Condition 4.9(a) shall apply to the relevant next succeeding Reset Period only and any subsequent Reset Period are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.9(a).

(b) Adjustment Spread

If the Bank and the Independent Financial Adviser agree (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(c) Benchmark Amendments

If any Successor Rate, Alternative Rate and/or Adjustment Spread is determined in accordance with this Condition 4.9 and the Bank and the Independent Financial Adviser agree: (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Bank shall, subject to giving notice thereof in accordance with Condition 4.9(d), without any requirement for consent or approval of the Holders, vary these Conditions to give effect to such Benchmark Amendments with the date specified in such notice.

In connection with any such variation in accordance with this Condition 4.9(c), the Bank shall comply with the rules of any stock exchange on which the Preferred Securities are for the time being listed or admitted to trading.

(d) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4.9 will be notified promptly by the Bank to the Holders in accordance with Condition 15. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any, and will be binding on the Bank and the Holders.

(e) Survival of Original Reference Rate

Without prejudice to the obligations of the Bank under this Condition 4.9, the Original Reference Rate and the fallback provisions otherwise provided for in these Conditions will continue to apply unless and until a Benchmark Event has occurred.

Notwithstanding any other provision of this Condition 4.9, no Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (as applicable) will be adopted, if and to the extent that, in the determination of the Bank, the same could reasonably be expected to prejudice the qualification of the Preferred Securities as Additional Tier 1 Capital of the Bank or the Group.

5. Liquidation Distribution

5.1 Subject as provided in Condition 5.2 below, in the event of any voluntary or involuntary liquidation or winding-up of the Bank, the Preferred Securities (unless previously converted into Ordinary Shares pursuant to Condition 6 below) will confer an entitlement to receive out of the assets of the Bank available for distribution to Holders, the Liquidation Distribution. Such entitlement will arise before any distribution of assets is made to holders of Ordinary Shares or any other instrument of the Bank ranking junior to the Preferred Securities.

5.2 If, before such liquidation or winding-up of the Bank described in Condition 5.1, the Trigger Event occurs but the relevant conversion of the Preferred Securities into Ordinary Shares pursuant to Condition 6 below is still to take place, the entitlement conferred by the Preferred Securities for the purposes of Condition 5.1, will be an entitlement to receive out of the relevant assets of the Bank a monetary amount equal to that which holders of such Preferred Securities would have received on any distribution of the assets of the Bank if such conversion had taken place immediately prior to such liquidation or winding-up.

5.3 After payment of the relevant entitlement in respect of a Preferred Security as described in Conditions 5.1 and 5.2, such Preferred Security will confer no further right or claim to any of the remaining assets of the Bank.

6. Conversion

6.1 If the Trigger Event occurs at any time on or after the Closing Date, then the Bank will:

(a) notify the Competent Authority and Holders thereof immediately in accordance with Condition 15 below (together, the "**Trigger Event Notice**");

(b) not make any further Distribution on the Preferred Securities, including any accrued and unpaid Distributions which shall be cancelled by the Bank in accordance with Condition 4.4 above; and

(c) irrevocably and mandatorily (and without any requirement for the consent or approval of Holders) convert all the Preferred Securities into Ordinary Shares (the "**Trigger Conversion**") to be delivered on the relevant Conversion Settlement Date.

The Bank shall also notify Holders of the expected Conversion Settlement Date and of the Conversion Price in accordance with Condition 15 not more than ten Business Days following the Trigger Event Notice Date. Notwithstanding the previous sentence, failure to provide such notifications shall not have any impact on the effectiveness of or otherwise affect the Trigger Conversion or give Holders any rights as a result of such failure.

Holders shall have no claim against the Bank in respect of (A) any Liquidation Preference of Preferred Securities converted into Ordinary Shares or (B) any accrued and unpaid Distributions cancelled or otherwise unpaid, in each case pursuant to any Trigger Conversion.

The Bank will (x) calculate the CET1 ratio based on information (whether or not published) available to management of the Bank, including information internally reported within the Bank pursuant to its procedures for ensuring effective on-going monitoring of the capital ratios of the Bank and/or Group and (y) calculate and publish the CET1 ratio on at least a quarterly basis.

6.2 Subject as provided in Condition 6.9, the number of Ordinary Shares to be issued on Trigger Conversion in respect of each Preferred Security to be converted (the "**Conversion Shares**") shall be determined by dividing the Liquidation Preference of such Preferred Security by the Conversion Price in effect on the Trigger Event Notice Date.

The obligation of the Bank to issue and deliver Conversion Shares on the Conversion Settlement Date shall be satisfied by the delivery of the Conversion Shares either directly to the Holders or, alternatively, to the Settlement Shares Depository on behalf of them, all in accordance with Condition 6.10. Receipt of the Conversion Shares by the Holders or the Settlement Shares Depository, as appropriate, shall discharge the Bank's obligations in respect of the Preferred Securities.

Holders shall have recourse to the Bank only for the issue and delivery of Conversion Shares pursuant to these Conditions. After the delivery of any Conversion Shares to the Settlement Shares Depository in accordance with Condition 6.10, the relevant Holders shall have recourse to the Settlement Shares Depository only for the delivery to them of any cash amounts or Conversion Shares to which such Holders are entitled under such Condition.

6.3 Upon the occurrence of any of the events described below, the Floor Price shall be adjusted as follows:

(a) If and whenever there shall be a consolidation, reclassification/redesignation or subdivision affecting the number of Ordinary Shares, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to such consolidation, reclassification/redesignation or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Ordinary Shares in issue immediately before such consolidation, reclassification/redesignation or subdivision, as the case may be; and

B is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such consolidation, reclassification/redesignation or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification/redesignation or subdivision, as the case may be, takes effect.

(b) If and whenever the Bank shall issue any Ordinary Shares credited as fully paid to Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than where such issue constitutes a Cash Dividend pursuant to limb (b) of the definition thereof, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Ordinary Shares in issue immediately before such issue; and

B is the aggregate number of Ordinary Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Ordinary Shares.

(c)

(i) If and whenever the Bank shall pay any Extraordinary Dividend to Shareholders, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{B}$$

where:

A is the Current Market Price of one Ordinary Share on the Ex Date of the Extraordinary Dividend; and

B is the portion of the Fair Market Value of the aggregate Extraordinary Dividend attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Extraordinary Dividend by the number of Ordinary Shares entitled to receive the relevant Dividend.

Such adjustment shall become effective on the date (in respect of this Condition 6.3(c)(i), the "**Effective Date**") which is the Ex Date of the Extraordinary Dividend, or, if later, the first date upon which the Fair Market Value of the relevant Extraordinary Dividend can be determined.

"**Extraordinary Dividend**" means any Cash Dividend which is expressly declared by the Bank to be a capital distribution, extraordinary dividend, extraordinary distribution, special dividend, special distribution or return of value to Shareholders or any analogous or similar term, in which case the Extraordinary Dividend shall be such Cash Dividend.

(ii) If and whenever the Bank shall pay or make any Non-Cash Dividend to Shareholders, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Ordinary Share on the Non-Cash Dividend Effective Date; and

B is the portion of the Fair Market Value of the aggregate Non-Cash Dividend attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Non-Cash Dividend by the number of Ordinary Shares entitled to receive the relevant Non-Cash Dividend (or, in the case of a purchase, redemption or buy-back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares by or on behalf of the Bank or any member of the Group, by the number of Ordinary Shares in issue immediately following such purchase, redemption or buy-back, and treating as not being in issue any Ordinary Shares, or any Ordinary Shares represented by depositary or other receipts or certificates, purchased, redeemed or bought back).

Such adjustment shall become effective on the date (in respect of this Condition 6.3(c)(ii), the "**Effective Date**") which is the Non-Cash Dividend Effective

Date or, if later, the first date upon which the Fair Market Value of the relevant Non-Cash Dividend is capable of being determined as provided herein.

"**Non-Cash Dividend Effective Date**" means, in respect of this Condition 6.3(c)(ii), the Ex Date of the Non-Cash Dividend or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares by or on behalf of the Bank or any member of the Group, the date on which such purchase, redemption or buy back is made (or, in any such case if later, the first date upon which the Fair Market Value of the relevant Dividend is capable of being determined as provided herein).

(iii) For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (a) of the definition of "Dividend" and in the definition of "Fair Market Value") be determined as at the Ex Date of the relevant Extraordinary Dividend, or, as the case may be, the Non-Cash Dividend Effective Date.

(iv) In making any calculations for the purposes of this Condition 6.3(c), such adjustments (if any) shall be made as the Conversion Calculation Agent or an Independent Financial Adviser may determine in good faith to be appropriate to reflect:

(A) any consolidation or subdivision of any Ordinary Shares; or

(B) the issue of Ordinary Shares by way of capitalisation of profits or reserves (or any like or similar event); or

(C) any increase in the number of Ordinary Shares in issue in the relevant year in question.

(d) If and whenever the Bank shall issue Ordinary Shares to Shareholders as a class by way of rights, or the Bank or any member of the Group or (at the direction or request or pursuant to any arrangements with the Bank or any member of the Group) any other company, person or entity shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Ordinary Shares, or any Securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to acquire, any Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the Effective Date, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Ordinary Shares in issue on the Effective Date;

B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights, or for the Securities issued by way of rights, or for the options or warrants or other rights issued or granted by way of rights and for the total number of Ordinary Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Ordinary Share; and

C is the number of Ordinary Shares to be issued or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase or other rights of acquisition in respect thereof at the initial conversion, exchange, subscription, purchase or acquisition price or rate,

provided that if at the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange (as used in this Condition 6.3(d), the "**Specified**

Date") such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this Condition 6.3(d), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this Condition 6.3(d), the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

(e) If and whenever the Bank or any member of the Group or (at the direction or request or pursuant to any arrangements with the Bank or any member of the Group) any other company, person or entity shall issue any Securities (other than Ordinary Shares or options, warrants or other rights to subscribe for or purchase or otherwise acquire any Ordinary Shares or Securities which by their terms carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or rights to otherwise acquire, Ordinary Shares) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Securities (other than Ordinary Shares or options, warrants or other rights to subscribe for or purchase or otherwise acquire Ordinary Shares or Securities which by their term carry (directly or indirectly) rights of conversion into, or exchange or subscription for, rights to otherwise acquire, Ordinary Shares), the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Ordinary Share on the Effective Date; and

B is the Fair Market Value on the Effective Date of the portion of the rights attributable to one Ordinary Share.

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this Condition 6.3(e), the first date on which the Ordinary Shares are traded ex-the relevant Securities or ex-rights, ex-option or ex-warrants on the Relevant Stock Exchange.

(f) If and whenever the Bank shall issue (otherwise than as mentioned in Condition 6.3(d) above) wholly for cash or for no consideration any Ordinary Shares (other than Ordinary Shares issued on conversion of the Preferred Securities or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, or right to otherwise acquire Ordinary Shares) or if and whenever the Bank or any member of the Group or (at the direction or request or pursuance to any arrangements with the Bank or any member of the Group) any other company, person or entity shall issue or grant (otherwise than as mentioned in Condition 6.3(d) above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Ordinary Shares (other than the Preferred Securities, which term shall for this purpose include any Further Preferred Securities), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of such issue or grant, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Ordinary Shares in issue immediately before the issue of such Ordinary Shares or the grant of such options, warrants or rights;

B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the issue of such Ordinary Shares or, as the case may be, for the Ordinary Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Ordinary Share; and

C is the number of Ordinary Shares to be issued pursuant to such issue of such Ordinary Shares or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights,

provided that if at the time of issue of such Ordinary Shares or date of issue or grant of such options, warrants or rights (as used in this Condition 6.3(f), the "**Specified Date**"), such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this Condition 6.3(f), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this Condition 6.3(f), the date of issue of such Ordinary Shares or, as the case may be, the grant of such options, warrants or rights.

(g) If and whenever the Bank or any member of the Group or (at the direction or request of or pursuant to any arrangements with the Bank or any member of the Group) any other company, person or entity (otherwise than as mentioned in Condition 6.3(d), 6.3(e) or 6.3(f) above) shall issue wholly for cash or for no consideration any Securities (other than the Preferred Securities, which term for this purpose shall include any Further Preferred Securities) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, purchase of, or rights to otherwise acquire, Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be reclassified/redesignated as Ordinary Shares, and the consideration per Ordinary Share receivable upon conversion, exchange, subscription, purchase, acquisition or redesignation is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of issue of such Securities (or the terms of such grant), the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Ordinary Shares in issue immediately before such issue or grant (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, purchase of, or rights to otherwise acquire Ordinary Shares which have been issued, purchased or acquired by the Bank or any member of the Group (or at the direction or request or pursuant to any arrangements with the Bank or any member of the Group) for the purposes of or in connection with such issue, less the number of such Ordinary Shares so issued, purchased or acquired);

B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to such Securities or, as the case may be, for the Ordinary Shares to be issued or to

arise from any such reclassification/redesignation would purchase at such Current Market Price per Ordinary Share; and

C is the maximum number of Ordinary Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange, subscription, purchase or acquisition price or rate or, as the case may be, the maximum number of Ordinary Shares which may be issued or arise from any such reclassification/redesignation,

provided that if at the time of issue of the relevant Securities or date of grant of such rights (as used in this Condition 6.3(g), the "**Specified Date**") such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or, as the case may be, such Securities are reclassified/redesignated or at such other time as may be provided), then for the purposes of this Condition 6.3(g), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, reclassification/redesignation had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this Condition 6.3(g), the date of issue of such Securities or, as the case may be, the grant of such rights.

(h) If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such Securities (other than the Preferred Securities, which term shall for this purpose include any Further Preferred Securities) as are mentioned in Condition 6.3(g) above (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Ordinary Share receivable has been reduced and is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the proposals for such modification, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Ordinary Shares in issue immediately before such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, or purchase or acquisition of, Ordinary Shares which have been issued, purchased or acquired by the Bank or any member of the Group (or at the direction or request or pursuant to any arrangements with the Bank or any member of the Group) for the purposes of or in connection with such Securities, less the number of such Ordinary Shares so issued, purchased or acquired);

B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to the Securities so modified would purchase at such Current Market Price per Ordinary Share or, if lower, the existing conversion, exchange, subscription, purchase or acquisition price or rate of such Securities; and

C is the maximum number of Ordinary Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as an Independent Financial Adviser in good faith shall consider

appropriate for any previous adjustment under this Condition 6.3(h) or Condition 6.3(g) above,

provided that if at the time of such modification (as used in this Condition 6.3(h), the "**Specified Date**") such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or at such other time as may be provided) then for the purposes of this Condition 6.3(h), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this Condition 6.3(h), the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities.

(i) If and whenever the Bank or any member of the Group or (at the direction or request of or pursuant to any arrangements with the Bank or any member of the Group) any other company, person or entity shall offer any Securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Floor Price falls to be adjusted under Condition 6.3(b), 6.3(c), 6.3(d), 6.3(e) or 6.3(f) above or Condition 6.3(j) below (or would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Ordinary Share on the relevant dealing day under Condition 6.3(e) above) the Floor Price shall be adjusted by multiplying the Floor Price in force immediately before the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Ordinary Share on the Effective Date; and

B is the Fair Market Value on the Effective Date of the portion of the relevant offer attributable to one Ordinary Share.

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this Condition 6.3(i), the first date on which the Ordinary Shares are traded ex-rights on the Relevant Stock Exchange.

(j) If the Bank determines that a reduction to the Floor Price should be made for whatever reason, the Floor Price will be reduced (either generally or for a specified period as notified to Holders) in such manner and with effect from such date as the Bank shall determine and notify to the Holders.

Notwithstanding the foregoing provisions:

(i) where the events or circumstances giving rise to any adjustment pursuant to this Condition 6.3 have already resulted or will result in an adjustment to the Floor Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Floor Price or where more than one event which gives rise to an adjustment to the Floor Price occurs within such a short period of time that, in the opinion of the Bank, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Financial Adviser to be in its opinion appropriate to give the intended result; and

(ii) such modification shall be made to the operation of these Conditions as may be determined in good faith by an Independent Financial Adviser to be in its opinion appropriate:

(A) to ensure that an adjustment to the Floor Price or the economic effect thereof shall not be taken into account more than once; and

(B) to ensure that the economic effect of a Dividend is not taken into account more than once.

For the purpose of any calculation of the consideration receivable or price pursuant to Conditions 6.3(d), 6.3(f), 6.3(g) and 6.3(h), the following provisions shall apply:

(A) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;

(B) (I) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities; and

(II) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Bank to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant Effective Date as referred to in Condition 6.3(d), 6.3(f), 6.3(g) or 6.3(h), as the case may be, plus in the case of each of (I) and (II) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights or subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights; and

(III) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (I) or (II) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;

(C) if the consideration or price determined pursuant to (A) or (B) above (or any component thereof) shall be expressed in a currency other than the Share Currency, it shall be converted into the Share Currency at the Prevailing Rate on the relevant Effective Date (in the case of (A) above) or the relevant date of first public announcement (in the case of (B) above);

(D) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or Securities or options, warrants or rights, or otherwise in connection therewith; and

(E) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable regardless of whether all or part thereof is received, receivable, paid or payable by or to the Bank or another entity.

6.4 If the Conversion Settlement Date in relation to the conversion of any Preferred Security shall be after the record date in respect of any consolidation, reclassification/redesignation or subdivision as is mentioned in Condition 6.3 above, or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in Conditions 6.3(b), 6.3(c), 6.3(d), 6.3(e) or 6.3(i) above, or after the date of the first public announcement of the terms of any such issue or grant as is mentioned in Conditions 6.3(f) and 6.3(g) above or of the terms of any such modification as is mentioned in Condition 6.3(h) above, and the Trigger Event Notice Date falls before the relevant adjustment to the Floor Price (if applicable) becomes effective under Condition 6.3 above (such adjustment, a "**Retroactive Adjustment**"), then the Bank shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued and delivered to the Holders, in accordance with the instructions contained in the relevant Delivery Notices received by the Bank, or failing the relevant Delivery Notices, to the Settlement Shares Depository, such additional number of Ordinary Shares (if any) (the "**Additional Ordinary Shares**") as, together with the Ordinary Shares issued on conversion of the Preferred Securities (together with any fraction of an Ordinary Share not so delivered to any relevant Holder), is equal to the number of Ordinary Shares which would have been required to be issued and delivered on such conversion if the relevant adjustment to the Floor Price had been made and become effective immediately prior to the relevant Trigger Event Notice Date, provided that if the Settlement Shares Depository and/or the Holders, as the case may be, shall be entitled to receive the relevant Dividend in respect of the Ordinary Shares to be issued or delivered to them, then no such Retroactive Adjustment shall be made in relation to such Dividend, and Additional Ordinary Shares shall not be issued and delivered to the Settlement Shares Depository and Holders in relation thereto.

6.5 If any doubt shall arise as to whether an adjustment falls to be made to the Floor Price or as to the appropriate adjustment to the Floor Price, and following consultation between the Bank and an Independent Financial Adviser, a written determination of such Independent Financial Adviser in respect thereof shall be conclusive and binding on all parties, save in the case of manifest error.

6.6 No adjustment will be made to the Floor Price where Ordinary Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive or non-executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Bank or any member of the Group or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option or similar scheme.

6.7 On any adjustment, the resultant Floor Price shall be rounded down to the nearest integral multiple of €0.0001. No adjustment shall be made to the Floor Price where such adjustment (rounded down if applicable) would be less than 1 per cent. of the Floor Price then in effect. Any adjustment not required to be made and/or any amount by which the Floor Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Floor Price shall be given by the Bank to Holders through the filing of an announcement of inside information (*comunicación de información privilegiada*) or of other relevant information (*comunicación de otra información relevante*), as the case may be, with the CNMV and its publication in accordance with the rules and regulations of any applicable stock exchange or other relevant authority and Condition 15 promptly after the determination thereof.

6.8 On any Trigger Conversion of the Preferred Securities and upon the Trigger Event Notice Date, the Bank shall give instructions in accordance with the Iberclear procedures applicable from time to time so that all the Preferred Securities outstanding are blocked by Iberclear and the Iberclear Members at the relevant securities accounts on the Trigger Event Notice Date and the Ordinary Shares to be issued and delivered shall be issued and delivered subject to, and as provided in, Condition 6.10 below. Immediately on such conversion the Preferred Securities shall cease to be outstanding for all purposes and shall be cancelled.

6.9 Fractions of Ordinary Shares will not be issued on Trigger Conversion or pursuant to Condition 6.4 and no cash payment or other adjustment will be made in lieu thereof. Without prejudice to the generality of the foregoing, the number of Conversion Shares or Additional Ordinary Shares to be delivered in respect of Holders of more than one Preferred Security, shall be calculated on the basis of the aggregate Liquidation Preference of the corresponding Preferred Securities being so converted and rounded down to the nearest whole number of Ordinary Shares.

6.10 On the Conversion Settlement Date, the Bank shall deliver to the Holders or the Settlement Shares Depository, as set out below, such number of Ordinary Shares as is required to satisfy in full the Bank's obligation to deliver Ordinary Shares in respect of the Trigger Conversion of the aggregate number of Preferred Securities outstanding on the Trigger Event Notice Date.

In order to obtain direct delivery of the relevant Ordinary Shares upon any Trigger Conversion from the Bank, Holders will have to deliver a duly completed Delivery Notice to the Bank through the relevant Iberclear Members and in accordance with the Iberclear procedures applicable from time to time no later than the moment on or before the Conversion Settlement Date which the said procedures permit (the "**Notice Cut-off Date**"). The Bank shall then give the relevant instructions, in accordance with the Iberclear procedures applicable from time to time, for the relevant Ordinary Shares corresponding to the Preferred Securities in respect of which duly completed Delivery Notices have been delivered not later than the Notice Cut-off Date, to be delivered on the Conversion Settlement Date in accordance with the instructions given in the relevant Delivery Notices through Iberclear.

The Ordinary Shares corresponding to the Preferred Securities in respect of which no duly completed Delivery Notices have been delivered on or before the Notice Cut-off Date shall be delivered by the Bank to the Settlement Shares Depository on the Conversion Settlement Date through Iberclear.

Within ten Business Day following the Conversion Settlement Date, the Settlement Shares Depository shall procure that all Ordinary Shares so received are sold as soon as reasonably practicable based on advice from an independent financial firm or financial adviser with appropriate expertise or financial institution of international repute to be appointed by the Settlement Shares Depository after consultation with the Bank and, subject to the deduction by or on behalf of the Settlement Shares Depository of any amount payable in respect of its liability to taxation and the payment of any capital, stamp, issue, registration and/or transfer taxes and duties (if any) and any fees or costs (including in respect of such independent financial firm or financial adviser with appropriate expertise or financial institution of international repute as aforesaid) incurred by or on behalf of the Settlement Shares Depository in connection with the sale and allotment thereof, the net proceeds of sale shall as soon as reasonably practicable be distributed rateably to the relevant Holders in accordance with Condition 4.2 or in such other manner and at such time as the Bank shall determine and notify to the Holders. Such payment shall for all purposes discharge the obligations of the Bank and the Settlement Shares Depository in respect of the relevant Trigger Conversion.

The Settlement Shares Depository will be deemed to be acting on behalf of the relevant Holders of the Preferred Securities in respect of which no duly completed Delivery Notices are delivered on or before the Notice Cut-off Date for the purposes set out above and to that effect Holders of the Preferred Securities by virtue of the subscription and/or purchase and holding of the Preferred Securities will be deemed to be accepting and giving express instructions to the Settlement Shares Depository to do so in accordance with these Conditions.

The Bank and the Settlement Shares Depository shall have no liability in respect of any sale of any Ordinary Shares pursuant to these Conditions, whether for the timing of any such sale or the price at or manner in which any such Ordinary Shares are sold or the inability to sell any such Ordinary Shares.

If any Ordinary Shares could not be sold for any reasons by the Settlement Shares Depository in accordance with this Condition 6.10, such Ordinary Shares shall continue to be held by the Settlement Shares Depository until the relevant Holder delivers a duly completed Delivery Notice.

Any Delivery Notice shall be irrevocable. Failure to properly complete and deliver a Delivery Notice may result in such Delivery Notice being treated as null and void, and the Bank shall be entitled to procure the sale of any applicable Ordinary Shares to which the relevant Holder may be entitled in accordance with this Condition 6.10. Any determination as to whether any Delivery Notice has been properly completed and delivered as provided in this Condition 6.10 shall be made by the Bank in its

sole discretion, acting in good faith, and shall, in the absence of manifest error, be conclusive and binding on the relevant Holders.

6.11 A Holder or the Settlement Shares Depository must pay (in the case of the Settlement Shares Depository by means of deduction from the net proceeds of sale referred to in Condition 6.10 above) all taxes arising on Trigger Conversion other than:

(a) any taxes payable by the Bank; and

(b) any capital, issue and registration and transfer taxes or stamp duties;

in each case payable in Spain and in respect of the conversion of the Preferred Securities and the issue and delivery of the Ordinary Shares (including any Additional Ordinary Shares) in accordance with a Delivery Notice delivered pursuant to these Conditions which shall be paid by the Bank. For the avoidance of doubt, such Holder or the Settlement Shares Depository (as the case may be) must pay (in the case of the Settlement Shares Depository, by way of deduction from the net proceeds of sale as aforesaid) all, if any, taxes arising by reference to any disposal or deemed disposal of a Preferred Security or interest therein.

For the avoidance of doubt, the above shall not include any applicable FTT, such as the financial transaction tax introduced by Spanish Law 5/2020, of 15 October 2020, or similar FTTs, which (if payable) will be borne by the relevant Holder.

If the Bank shall fail to pay any capital, stamp, issue, registration and transfer taxes and duties for which it is responsible as provided above, the Holder or the Settlement Shares Depository, as the case may be, shall be entitled (but shall not be obliged) to tender and pay the same and the Bank as a separate and independent obligation, undertakes to reimburse and indemnify each Holder or Settlement Shares Depository, as the case may be, in respect of any payment thereof and any penalties payable in respect thereof.

6.12 The Ordinary Shares (including any Additional Ordinary Shares) issued on Trigger Conversion will be fully paid and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the Trigger Event Notice Date or, in the case of Additional Ordinary Shares, on the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law and except that such Ordinary Shares or, as the case may be, Additional Ordinary Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the Trigger Event Notice Date or, as the case may be, the relevant Reference Date.

6.13 Notwithstanding any other provision of this Condition 6 and subject to compliance with the provisions of the Spanish Companies Law and/or with any Applicable Banking Regulations, the Bank or any member of the Group may exercise such rights as it may from time to time enjoy to purchase or redeem or buy back any shares of the Bank (including Ordinary Shares) or any depositary or other receipts or certificates representing the same without the consent of the Holders.

6.14 So long as any Preferred Securities are outstanding, there shall at all times be a conversion calculation agent (the "**Conversion Calculation Agent**"), which may be the Bank or another person appointed by the Bank to serve in such capacity, who shall be responsible, in consultation with the Bank, for the calculation of all adjustments to the Floor Price and all related determinations required to be made in connection therewith. All such calculations and determinations performed by the Conversion Calculation Agent shall be conclusive and binding on the Holders, save in the case of bad faith or manifest error. If any provision in these Conditions at any time calls for any calculation or determination to be made by an Independent Financial Adviser, which may include the Conversion Calculation Agent appointed by the Bank to act in such Independent Financial Adviser capacity, and the person then serving as Conversion Calculation Agent is not wholly independent of the Bank, the Bank shall use commercially reasonable efforts to appoint an Independent Financial Adviser which is wholly independent of the Bank to make such calculation or determination. A written opinion of such Independent Financial Adviser in respect of such calculation or determination shall be conclusive and binding on the Bank and any Holders, save in the case of manifest error. The Bank has appointed Conv-Ex Advisors Limited as the initial Conversion Calculation Agent. The Bank may change the Conversion Calculation Agent at any time without prior notice to any Holder.

The Conversion Calculation Agent (if not the Bank) shall act solely upon request from, and solely as agent of, the Bank and will not thereby assume any obligations towards or relationship of agency or trust with, and it shall not be liable and shall incur no liability as against, the Holders.

7. Optional redemption

7.1 The Preferred Securities are perpetual and are only redeemable in accordance with the following provisions of this Condition 7.

7.2 Subject to Conditions 7.3 and 7.4 below, the Preferred Securities shall not be redeemable prior to 14 September 2028. All, and not some only, of the Preferred Securities may be redeemed at the option of the Bank:

7.2.1. at any time in the period commencing on (and including) 14 September 2028 and ending on (and including) the First Reset Date; or

7.2.2. on any Distribution Payment Date thereafter,

at the Redemption Price, subject to the prior consent of the Competent Authority (and otherwise in accordance with Applicable Banking Regulations then in force).

7.3 If, on or after the Closing Date, there is a Capital Event, the Preferred Securities may be redeemed, in whole but not in part, at the option of the Bank, subject to the prior consent of the Competent Authority (and/or otherwise in accordance with Applicable Banking Regulations then in force), at any time, at the Redemption Price.

7.4 If, on or after the Closing Date, there is a Tax Event, the Preferred Securities may be redeemed, in whole but not in part, at the option of the Bank, subject to the prior consent of the Competent Authority (and/or otherwise in accordance with Applicable Banking Regulations then in force), at the Redemption Price.

7.5 The decision to redeem the Preferred Securities must be, subject to Condition 6.1 above, irrevocably notified by the Bank to the Holders not less than 15 and not more than 60 days prior to the relevant redemption date through the filing of an announcement of inside information (*comunicación de información privilegiada*) or of other relevant information (*comunicación de otra información relevante*), as the case may be, with the CNMV and its publication in accordance with the rules and regulations of any applicable stock exchange or other relevant authority and Condition 15.

The Bank will not give notice under this Condition 7.5 unless, at least 15 days prior to the publication of any notice of redemption, it will make available to the Holders at its registered office, a certificate signed by two of its duly authorised officers stating that a Capital Event or a Tax Event has occurred, or there is sufficient certainty that it will occur, as the case may be.

7.6 If the notice of redemption has been given, and the funds deposited and instructions and authority to pay given as required above, then on the date of such deposit:

(a) Distributions on the Preferred Securities shall cease;

(b) such Preferred Securities will no longer be considered outstanding; and

(c) the Holders will no longer have any rights as Holders except the right to receive the Redemption Price.

7.7 The Bank may not give a notice of redemption pursuant to this Condition 7 if a Trigger Event Notice has been given. If any notice of redemption of the Preferred Securities is given pursuant to this Condition 7 and a Trigger Event occurs prior to such redemption, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, there shall be no redemption of the Preferred Securities on such redemption date and, instead, the conversion of the Preferred Securities shall take place as provided under Condition 6. The Bank shall give notice of any such automatic rescission of a redemption notice to the Holders in accordance with Condition 15 as soon as possible thereafter.

7.8 If either the notice of redemption has been given and the funds are not deposited as required on the date of such deposit or if the Bank improperly withholds or refuses to pay the Redemption Price of the

Preferred Securities, Distributions will continue to accrue in accordance with Condition 4 above from (and including) the redemption date to (but excluding) the date of actual payment of the Redemption Price.

8. Loss Absorbing Power

8.1 Exercise of Loss Absorbing Power and acknowledgment

The obligations of the Bank under the Preferred Securities are subject to, and may be limited, by the exercise of any Loss Absorbing Power by the Relevant Resolution Authority.

8.2 Payment of outstanding Amounts Due

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Loss Absorbing Power by the Relevant Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

8.3 Notice to Holders

Upon the exercise of any Loss Absorbing Power by the Relevant Resolution Authority with respect to the Preferred Securities, the Bank will make available a written notice to the Holders as soon as practicable regarding such exercise of the Loss Absorbing Power. No failure or delay by the Bank to deliver a notice to the Holders shall affect the validity or enforceability of the exercise of the Loss Absorbing Power.

8.4 Proration

If the Relevant Resolution Authority exercises the Loss Absorbing Power with respect to less than the total Amounts Due, any cancellation, write-off or conversion made in respect of the Preferred Securities pursuant to the Loss Absorbing Power will be made on a pro-rata basis.

8.5 No Event of Default

None of a cancellation of the Preferred Securities, a reduction in the Amount Due, the conversion thereof into another security or obligation of the Bank or another person, as a result of the exercise of the Loss Absorbing Power by the Relevant Resolution Authority with respect to the Bank or the exercise of the Loss Absorbing Power with respect to the Preferred Securities will be an event of default or otherwise constitute non-performance of a contractual obligation.

8.6 Definitions

In this Condition 8:

"**Amounts Due**" means the principal amount or other amounts due, additional amounts, if any, due on the Preferred Securities under Condition 14 (Taxation). References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Loss Absorbing Power by the Relevant Resolution Authority.

"**Loss Absorbing Power**" means any power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Spain, relating to (i) the transposition of the BRRD (including but not limited to, Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations) as amended or superseded from time to time, (ii) SRM Regulation and (iii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a Regulated Entity (or an affiliate of such Regulated Entity), including the Preferred Securities, can be reduced, cancelled, suspended, modified, or converted into shares, other securities, or other obligations of such Regulated Entity (or affiliate of such Regulated Entity).

Accordingly, the exercise of the Loss Absorbing Power by the Relevant Resolution Authority may include and result in any of the following, or some combination thereof:

(a) the reduction of all, or a portion of, the Amounts Due on a permanent basis;

(b) the conversion of all, or a portion of, the Amounts Due into shares, other securities or other obligations of the Bank or another person (and the issue to the Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Preferred Securities, in which case the Holder agrees to accept in lieu of its rights under the Preferred Securities any such shares, other securities or other obligations of the Bank or another person;

(c) the cancellation of the Preferred Securities or Amounts Due;

(d) the amendment or alteration of the maturity of the Preferred Securities or amendment of the amount of interest payable on the Preferred Securities, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(e) the amendment of the terms of the Preferred Securities.

"**Regulated Entity**" means any entity to which BRRD or any other Spanish piece of legislation relating to the Loss Absorbing Power, applies, which includes, certain credit institutions, investment firms, and certain of their parent or holding companies.

9. Substitution and Variation

9.1 Subject to the prior consent of the Competent Authority (and/or otherwise in accordance with the Applicable Banking Regulations then in force) and having given no less than 15 nor more than 60 calendar days' notice to the Holders in accordance with Condition 15 (which notice shall be irrevocable and specify the date for substitution or, as applicable, variation), if a Capital Event or Tax Event has occurred and is continuing, the Bank may, at any time, substitute all (but not some only) of the Preferred Securities or vary the terms of all (but not some only) of the Preferred Securities without the consent or approval of the Holders, so that they are substituted for, or varied to, become, or remain, Qualifying Preferred Securities. Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Holders can inspect or obtain copies of the new terms and conditions of the Preferred Securities. Such substitution or variation will be effected without any cost or charge to the Holders.

9.2 Holders shall, by virtue of subscribing and/or purchasing the Preferred Securities, be deemed to accept the substitution or variation of the terms of such Preferred Securities and to grant the Bank full power and authority to take any action and/or execute and deliver any document in the name and/or on behalf of the Holders which is necessary or convenient to complete the substitution or variation of the terms of the Preferred Securities.

9.3 The Bank will not give a notice of substitution or variation after a Trigger Event has occurred. If the Bank has given a notice of substitution or variation in accordance with these Conditions but prior to such substitution or variation a Trigger Event has occurred, the relevant substitution or variation notice shall be automatically rescinded and shall be of no force and effect. The Bank shall give notice thereof to the Holders in accordance with Condition 15 as soon as possible following any such automatic rescission of a substitution or variation notice.

10. Purchases of Preferred Securities

The Bank or any member of the Group, may purchase or otherwise acquire any of the outstanding Preferred Securities at any price in the open market or otherwise in accordance with Applicable Banking Regulations in force at the relevant time and subject to the prior consent of the Competent Authority, if required.

Any Preferred Securities so acquired by the Bank or any member of the Group may (subject to the approval of the Competent Authority and in accordance with Applicable Banking Regulations then in place) be held, resold or, at the option of the Bank or such member of the Group, cancelled.

11. Waiver of Set-off

No Holder may at any time exercise or claim any Waived Set-Off Rights against any right, claim, or liability the Bank has or may have or acquire against such Holder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or

in relation to any and all agreements or other instruments of any sort, whether or not relating to such Preferred Security) and each Holder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Bank in respect of, or arising under or in connection with the Preferred Securities is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Bank and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Bank and accordingly any such discharge shall be deemed not to have taken place.

For the avoidance of doubt, nothing in this Condition 11 is intended to provide, or shall be construed as acknowledging, any right of deduction, set-off, netting, compensation, retention or counterclaim or that any such right is or would be available to any Holder of any Preferred Security but for this Condition 11.

12. Undertakings

So long as any Preferred Security remains outstanding, the Bank will, save as otherwise permitted or required pursuant to an Extraordinary Resolution:

(a) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, on Trigger Conversion, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid;

(b) if any offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associates of the offeror) to acquire all or a majority of the issued Ordinary Shares, or if a scheme is proposed with regard to such acquisition (other than a Newco Scheme), give notice of such offer or scheme to the Holders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the registered office of the Bank and, where such an offer or scheme has been recommended by the Board of Directors of the Bank, or where such an offer has become or been declared unconditional in all respects or such scheme has become effective, use all reasonable endeavours to procure that a like offer or scheme is extended to the holders of any Ordinary Shares issued during the period of the offer or scheme arising out of any Trigger Conversion and/or to the Holders;

(c) in the event of a Newco Scheme, take (or shall procure that there is taken) all necessary action to ensure that such amendments are made to these Conditions immediately after completion of the Scheme of Arrangement as are necessary to ensure that the Preferred Securities may be converted into or exchanged for ordinary shares in Newco (or depositary or other receipts or certificates representing ordinary shares of Newco) mutatis mutandis in accordance with and subject to these Conditions and the ordinary shares of Newco are:

(i) admitted to the Relevant Stock Exchange; or

(ii) listed and/or admitted to trading on another Recognised Stock Exchange,

and the Holders irrevocably authorise the Bank to make such amendments to these Conditions;

(d) issue, allot and deliver Ordinary Shares upon Trigger Conversion subject to and as provided in Condition 6;

(e) use all reasonable endeavours to ensure that its issued and outstanding Ordinary Shares and any Ordinary Shares issued upon Trigger Conversion will be admitted to listing and trading on the Relevant Stock Exchange or will be listed and/or admitted to trading on another Recognised Stock Exchange;

(f) at all times keep in force the relevant resolutions needed for issue, free from pre-emptive rights, sufficient authorised but unissued Ordinary Shares to enable Trigger Conversion of the Preferred Securities, and to satisfy in full all rights that Holders may have hereunder; and

(g) where the provisions of Condition 6 require or provide for a determination by an Independent Financial Adviser or a role to be performed by a Settlement Shares Depository, use all reasonable endeavours promptly to appoint such person for such purpose.

13. Meetings of Holders

13.1 Convening meetings

The Bank may, at any time, and shall, if required in writing by Holders holding not less than 10 per cent. in aggregate Liquidation Preference of the Preferred Securities for the time being outstanding, convene a meeting of the Holders and if the Bank fails for a period of seven days to convene the meeting, the meeting may be convened by the relevant Holders.

13.2 Procedures for convening meetings

(a) At least 21 clear days' notice specifying the day, hour and place of the meeting, which need not be a physical place and instead may be by way of conference call, including by use of a videoconference platform, shall be given to the Holders in the manner provided in Condition 15. The notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting and, in the case of an Extraordinary Resolution only, shall either:

(i) specify the terms of the Extraordinary Resolution to be proposed; or

(ii) inform Holders that the terms of the Extraordinary Resolution are available free of charge from the Bank or an agent thereof, provided that, in the case of this (ii), such resolution is so available in its final form with effect on and from the date on which the notice convening such meeting is given as aforesaid.

The notice shall:

(i) include statements as to the manner in which Holders are entitled to attend and vote at the meeting; or

(ii) inform Holders that details of the voting arrangements are available free of charge from the Bank or an agent thereof, provided that, in the case of this (ii) the final form of such details are available with effect on and from the date on which the notice convening such meeting is given as aforesaid.

A copy of the notice shall be sent by post to the Bank (unless the meeting is convened by the Bank).

(b) Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if ten were substituted for 21 in Condition 13.2(a) and the notice shall state the relevant quorum. Subject to the foregoing it shall not be necessary to give any notice of an adjourned meeting.

13.3 Chairperson

The person (who may but need not be a Holder) nominated in writing by the Bank (the "**Chairperson**") shall be entitled to take the chair at each meeting but if no nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for holding the meeting, the Holders present shall choose one of their number to be Chairperson, failing which the Bank may appoint a Chairperson. The Chairperson of an adjourned meeting need not be the same person as was Chairperson of the meeting from which the adjournment took place.

13.4 Quorums

(a) At any meeting one or more Eligible Persons present and holding or representing in the aggregate not less than 5 per cent. in Liquidation Preference of the Preferred Securities for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business, and no business (other than the choosing of a Chairperson in accordance with Condition 13.3) shall be transacted at any meeting unless the required quorum

is present at the commencement of business. The quorum at any meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more Eligible Persons present and holding or representing in the aggregate not less than 50 per cent. in Liquidation Preference of the Preferred Securities for the time being outstanding provided that at any meeting the business of which includes any of the following matters (each of which shall only be capable of being effected after having been approved by Extraordinary Resolution):

(i) a reduction or cancellation of the Liquidation Preference of the Preferred Securities; or

(ii) without prejudice to the provisions of Condition 4 (including, without limitation, the right of the Bank to cancel the payment of any Distributions on the Preferred Securities), a reduction or cancellation of the amount payable or modification of the payment date in respect of any Distributions or variation of the method of calculating the Distribution Rate; or

(iii) a modification of the currency in which payments under the Preferred Securities are to be made; or

(iv) a modification of the majority required to pass an Extraordinary Resolution; or

(v) the sanctioning of any scheme or proposal described in Condition 13.7(c)(vi) below; or

(vi) alteration of this proviso or the proviso to Condition 13.4(b) below,

the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than two-thirds in Liquidation Preference of the Preferred Securities for the time being outstanding.

(b) If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairperson may decide) after the time appointed for any meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall, if convened by Holders or if the Bank was required by Holders to convene such meeting pursuant to Condition 13.1, be dissolved. In any other case it shall be adjourned to the same day of the next week (or if that day is not a Business Day the next following Business Day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall be adjourned for a period being not less than 14 clear days nor more than 42 clear days and at a place appointed by the Chairperson and approved by the Bank). If within 15 minutes (or a longer period not exceeding 30 minutes as the Chairperson may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairperson may either dissolve the meeting or adjourn it for a period, being not less than 14 clear days (but without any maximum number of clear days) and to a place as may be appointed by the Chairperson (either at or after the adjourned meeting) and approved by the Bank, and the provisions of this sentence shall apply to all further adjourned meetings.

(c) At any adjourned meeting one or more Eligible Persons present (whatever the Liquidation Preference of the Preferred Securities so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the required quorum been present, provided that at any adjourned meeting the business of which includes any of the matters specified in the proviso to Condition 13.4(a) the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than one-third in Liquidation Preference of the Preferred Securities for the time being outstanding.

13.5 Right to attend and vote

(a) The provisions governing the manner in which Holders may attend and vote at a meeting of the holders of Preferred Securities must be notified to Holders in accordance with Condition 15 and/or at the time of service of any notice convening a meeting.

(b) Any director or officer of the Bank and its lawyers and financial advisers may attend and speak at any meeting. Subject to this, but without prejudice to the proviso to the definition of "outstanding", no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Holders or join with others in requiring the convening of a meeting unless he is an Eligible Person.

(c) Subject as provided in Condition 13.6(b), at any meeting:

(i) on a show of hands every Eligible Person present shall have one vote; and

(ii) on a poll every Eligible Person present shall have one vote in respect of each Preferred Security.

13.6 Holding of meetings

(a) Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairperson shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as an Eligible Person.

(b) At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairperson or the Bank or by any Eligible Person present (whatever the Liquidation Preference of the Preferred Securities held by him), a declaration by the Chairperson that a resolution has been carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

(c) Subject to Condition 13.6(e) if at any meeting a poll is demanded, it shall be taken in the manner and, subject as provided below, either at once or after an adjournment as the Chairperson may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.

(d) The Chairperson may, with the consent of (and shall if directed by) any meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business, which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.

(e) Any poll demanded at any meeting on the election of a Chairperson or on any question of adjournment shall be taken at the meeting without adjournment.

13.7 Approval of the resolutions

(a) Any resolution passed at a meeting of the Holders duly convened and held shall be binding upon all the Holders whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing. Notice of the result of voting on any resolution duly considered by the Holders shall be published in accordance with Condition 15 by the Bank within 14 days of the result being known provided that non-publication shall not invalidate the resolution.

(b) The expression "**Extraordinary Resolution**" when used in this Condition 13 means a resolution passed at a meeting of the Holders duly convened and held in accordance with the provisions of this Condition 13 by a majority consisting of not less than 75 per cent. of the persons voting on the resolution upon a show of hands or, if a poll was duly demanded, by a majority consisting of not less than 75 per cent. of the votes given on the poll.

(c) A meeting of the Holders shall in addition to the powers set out above have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to the quorum contained in Conditions 13.4(a) and 13.4(c)), namely:

(i) power to approve any compromise or arrangement proposed to be made between the Bank and the Holders;

(ii) power to approve any abrogation, modification, compromise or arrangement in respect of the rights of the Holders against the Bank or against any of its property whether these rights arise under these Conditions or the Preferred Securities or otherwise;

(iii) power to agree to any modification of the provisions contained in these Conditions or the Preferred Securities, which is proposed by the Bank;

(iv) power to give any authority or approval which under the provisions of this Condition 13 or the Preferred Securities is required to be given by Extraordinary Resolution;

(v) power to appoint any persons (whether Holders or not) as a committee or committees to represent the interests of the Holders and to confer upon any committee or committees any powers or discretions which the Holders could themselves exercise by Extraordinary Resolution;

(vi) power to approve any scheme or proposal for the exchange or sale of the Preferred Securities for, or the conversion of the Preferred Securities into, or the cancellation of the Preferred Securities in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Bank or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as stated above and partly for or into or in consideration of cash; and

(vii) power to approve the substitution of any entity in place of the Bank (or any previous substitute) as the principal debtor in respect of the Preferred Securities.

(d) Subject to Condition 13.7(a), to be passed at a meeting of the Holders duly convened and held in accordance with the provisions of this Condition 13, a resolution (other than an Extraordinary Resolution) shall require a majority of the persons voting on the resolution upon a show of hands or, if a poll was duly demanded, a majority of the votes given on the poll.

13.8 Miscellaneous

(a) Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Bank and any minutes signed by the Chairperson of the meeting at which any resolution was passed or proceedings had transpired shall be conclusive evidence of the matters contained in them and, until the contrary is proved, every meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had transpired at the meeting to have been duly passed or had.

(b) For the purposes of calculating a period of clear days, no account shall be taken of the day on which a period commences or the day on which a period ends.

(c) Any modification or waiver of the Conditions in accordance with this Condition 13 will be effected in accordance with the Applicable Banking Regulations and conditional upon any prior approval from the Competent Authority, to the extent required thereunder.

14. Taxation

14.1 All payments of Distributions and other amounts payable in respect of the Preferred Securities by or on behalf of the Bank 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 unless such withholding or deduction is required by law. In the event that any such withholding or deduction is imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax in respect of payments of Distributions (but not any Liquidation Preference or other amount), the Bank shall (to the extent such payment can be made on the same basis as for payment of any Distribution in accordance with Condition 4) pay such additional

amounts as will result in Holders receiving such amounts as they would have received in respect of such Distributions had no such withholding or deduction been required.

14.2 The Bank shall not be required to pay any additional amounts in relation to any payment in respect of Preferred Securities:

(a) presented for payment by or on behalf of a Holder who is liable for such taxes, duties, assessments or governmental charges in respect of the Preferred Securities by reason of his having some connection with Spain other than:

(i) the mere holding of Preferred Securities; or

(ii) the receipt of any payment in respect of Preferred Securities; or

(b) where taxes are imposed by the Kingdom of Spain (or any political subdivision thereof or any authority or agency therein or thereof having power to tax) that are (i) any FTT, estate, inheritance, gift, sales, transfer, personal property or similar taxes or (ii) solely due to the appointment by any Holder, or any person through which such Holder holds such Preferred Security, of a custodian, collection agent, person or entity acting on its behalf or similar person in relation to such Preferred Security; or

(c) to, or to a third party on behalf of, a Holder who is an individual resident for tax purposes in Spain (or any political subdivision or any authority thereof or therein having power to tax); or

(d) to, or to a third party on behalf of, a Holder in respect of whom the Bank (or an agent acting on behalf of the Bank) has not received such information it may be required in order to comply with Spanish tax reporting requirements, as may be necessary to allow payments on such Preferred Securities to be made free and clear of withholding tax or deduction on account of any taxes imposed by Spain, including when the Bank (or an agent acting on behalf of the Bank) does not receive such information concerning such Holder'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.

Notwithstanding any other provision of these Conditions, any amounts to be paid by the Bank on the Preferred Securities will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended or replaced from time to time (the "**Code**"), or otherwise imposed pursuant to Sections 1471 to 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof ("**FATCA**") or any law implementing an intergovernmental approach to FATCA.

For the purposes of this Condition 14, the "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due, and is available for payment to Holders, notice to that effect is duly given to the Holders in accordance with Condition 15 below.

See "*Taxation*" for a fuller description of certain tax considerations relating to the Preferred Securities.

15. Notices

The Bank shall ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Preferred Securities are for the time being listed and/or admitted to trading.

So long as the Preferred Securities are listed and admitted to trading on AIAF, to the extent required by the applicable regulations, the Bank shall ensure that (i) the communication of all notices will be made public to the market through announcements of inside information (*comunicación de información privilegiada*) or of other relevant information (*comunicación de otra información relevante*), as the case may be, to be filed with the CNMV and to be published at the CNMV's official website at www.cnmv.es and (ii) all notices to the Holders will be published in the official bulletin of AIAF (*Boletín de Cotización de AIAF*).

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. If publication as provided above is not

practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Bank may approve.

In addition, so long as the Preferred Securities are represented by book-entries in Iberclear, all notices to Holders shall be made through Iberclear for on transmission to their respective accountholders.

16. Prescription

To the extent that Article 950 of the Spanish Commercial Code (*Código de Comercio*) applies to the Preferred Securities, claims relating to the Preferred Securities will be extinguished unless such claims are duly made within three years of the relevant payment date.

17. Governing Law and Jurisdiction

17.1 The Preferred Securities and any non-contractual obligations arising out of or in connection with the Preferred Securities shall be governed by, and construed in accordance with, Spanish law.

17.2 The Bank hereby irrevocably agrees for the benefit of the Holders that the courts of the city of Barcelona, Spain are to have jurisdiction to settle any disputes which may arise out of or in connection with the Preferred Securities (including a dispute relating to any non-contractual obligations arising out of or in connection with the Preferred Securities) and that accordingly any suit, action or proceedings arising out of or in connection with the Preferred Securities (together referred to as "**Proceedings**") may be brought in such courts. The Bank irrevocably waives any objection which it may have now or hereinafter to the laying of the venue of any Proceedings in the courts of the city of Barcelona, Spain. To the extent permitted by law, nothing contained in this Condition 17 shall limit any right to take Proceedings against the Bank in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other competent jurisdictions, whether concurrently or not.

USE AND ESTIMATED NET AMOUNT OF PROCEEDS

The estimated net amount of the proceeds of the issue of the Preferred Securities is €744,263,878.93. CaixaBank intends to use the net proceeds from the issue of the Preferred Securities for the general corporate and financing purposes of the Group and to further strengthen its capital base and capital adequacy ratios.

See "*Additional Information—Expenses related to the admission to trading*" for the estimated expenses related to the admission of the Preferred Securities.

TAXATION

SPANISH TAX CONSIDERATIONS

The following summary describes the main Spanish tax implications arising in connection with the acquisition and holding of the Preferred Securities by individuals or entities who are the beneficial owners of the Preferred Securities. The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Spain, and it is not intended to be, nor should it be construed to be, legal or tax advice, and does not address all the tax consequences applicable to all categories of investors, some of which (such as look through entities or holders of the Preferred Securities by reason of employment) may be subject to special rules.

All the tax consequences described in this section are based on the general assumption that the Preferred Securities are initially registered for clearance and settlement in Iberclear.

Prospective purchasers of the Preferred Securities should consult their own tax advisers as to the tax consequences, including those under the tax laws of the country of which they are resident, of purchasing, owning and disposing of the Preferred Securities.

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Prospectus and is subject to any change in law that may take effect after such date:

(a) of general application, Additional Provision One of Law 10/2014, as well as Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes, as amended by Royal Decree 1145/2011 of 29 July ("**Royal Decree 1065/2007**");

(b) for individuals resident for tax purposes in Spain who are PIT tax payers, Law 35/2006, of 28 November, on the PIT and on the partial amendment of the Corporate Income Tax Law, Non-Resident Income Tax Law and Wealth Tax Law, as amended (the "**PIT Law**"), and Royal Decree 439/2007, of 30 March, approving the PIT Regulations, as amended (the "**PIT Regulations**"), along with Law 19/1991, of 6 June, on Wealth Tax, as amended, and Law 29/1987, of 18 December, on Inheritance and Gift Tax, as amended;

(c) for legal entities resident for tax purposes in Spain which are Corporate Income Tax ("CIT") taxpayers, Law 27/2014, of 27 November, on CIT, as amended (the "**CIT Law**"), and Royal Decree 634/2015, of 10 July, promulgating the CIT Regulations, as amended (the "**CIT Regulations**"); and

(d) for individuals and entities who are not resident for tax purposes in Spain which are Non-Resident Income Tax ("**NRIT**") taxpayers, Royal Legislative Decree 5/2004, of 5 March, promulgating the Consolidated Text of the NRIT Law, as amended ("**NRIT Law**") and Royal Decree 1776/2004, of 30 July, promulgating the NRIT Regulations, as amended ("**NRIT Regulations**") along with Law 19/1991, of 6 June, on Wealth Tax as amended and Law 29/1987, of 18 December, on Inheritance and Gift Tax, as amended.

Taxation of the Preferred Securities

Indirect taxation

Whatever the nature and residence of the Holder, the acquisition and transfer of Preferred Securities 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, dated 24 September 1993 and exempt from Value Added Tax, in accordance with Law 37/1992, dated 28 December 1992 regulating such tax.

The Issuer understands that the Preferred Securities should be deemed as financial assets with an explicit yield for Spanish tax purposes, according to Article 91 of the PIT Regulations and Article 63 of the CIT Regulations.

Direct taxation

(a) Individuals with tax residency in Spain

Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)

Both interest periodically received and income derived from the transfer, redemption or repayment of the Preferred Securities constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the PIT Law, and must be included in each investor's savings income and taxed at the tax rate applicable from time to time, currently 19% for taxable income up to €6,000.00; 21% for taxable income between €6,000.01 and €50,000.00, 23% for taxable income between €50,000.01 and €200,000.00 and 26% for taxable income in excess of €200,000.00.

Income from the transfer of the Preferred Securities is computed as the difference between their transfer value and their acquisition or subscription value. Also, ancillary acquisition and disposal charges are taken into account, insofar as adequately evidenced, in calculating the income.

Negative income derived from the transfer of the Preferred Securities, in the event that the investor had acquired other homogeneous securities within the two months prior or subsequent to such transfer or exchange, shall be included in his or her PIT base as and when the remaining homogeneous securities are transferred.

When calculating the net income, expenses related to the management and deposit of the Preferred Securities will be deductible, excluding those pertaining to discretionary or individual portfolio management.

A (current) 19% withholding on account of PIT will be imposed by the Issuer on interest payments as well as on income derived from the redemption or repayment of the Preferred Securities, by individual investors subject to PIT.

However, income derived from the transfer of the Preferred Securities should not be subject to withholding on account of PIT provided that the Preferred Securities are:

(i) registered by way of book entries (*anotaciones en cuenta*); and

(ii) negotiated in a Spanish official secondary market *(mercado secundario oficial*), such as AIAF.

Notwithstanding the above, 19% withholding tax shall apply on the part of the transfer price that corresponds to the accrued interest when the transfer of the Preferred Securities takes place within the 30-day period prior to the moment in which such interest is due when the following requirements are fulfilled:

(i) the acquirer would be a non-resident or a CIT taxpayer;

(ii) the explicit yield derived from the Preferred Securities being transferred is exempt from withholding tax.

In any event, the individual holder may credit the withholding tax applied by the Issuer against his or her final PIT liability for the relevant tax year.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Preferred Securities that are individuals resident in Spain for tax purposes.

Wealth Tax (Impuesto sobre el Patrimonio)

Individuals with tax residency in Spain are subject to Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (*Comunidad Autónoma*). Therefore, they should take into account the value of the Preferred Securities which they hold as of 31 December in each year, the applicable rates ranging between 0.2% and 3.5%

although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Individuals with tax residency in Spain who acquire ownership or other rights over any Preferred Securities by inheritance, gift or legacy will be subject to inheritance and gift tax in accordance with the applicable Spanish regional or federal rules. The applicable rates range between 7.65% and 81.6%, although the final tax rate may vary depending on any applicable regional tax laws. Some tax benefits could reduce the effective tax rate.

(b) Spanish tax resident legal entities

Corporate Income Tax (Impuesto sobre Sociedades)

Both interest periodically received and income derived from the transfer, redemption or repayment of the Preferred Securities are subject to CIT at the current general flat tax rate of 25%.

However, this general rate will not be applicable to all corporate income tax payers and, for instance, it will not apply to banking institutions (which will be taxed at the rate of 30%). Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

No withholding on account of CIT will be imposed on interest payments or on income derived from the redemption or repayment of the Preferred Securities, by Spanish CIT taxpayers provided that certain requirements are met (including that the Iberclear Members that have the Preferred Securities registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, provide the Issuer, in a timely manner, with a duly executed and completed Payment Statement, as defined below). See "—Compliance with certain requirements in connection with income payments".

With regard to income derived from the transfer of the Preferred Securities, in accordance with Article 61.q of the CIT regulations, there is no obligation to withhold on income derived from the Preferred Securities obtained by Spanish CIT taxpayers (which include Spanish tax resident investment funds and Spanish tax resident pension funds) provided that the Preferred Securities are:

(i) registered by way of book entries (*anotaciones en cuenta*); and

(ii) negotiated in a Spanish official secondary market (*mercado secundario oficial*), such as AIAF.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Preferred Securities that are legal persons or entities resident in Spain for tax purposes.

Wealth Tax (Impuesto sobre el Patrimonio)

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the Preferred Securities are not subject to Spanish Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the Preferred Securities by inheritance, gift or legacy are not subject to the Inheritance and Gift Tax but generally must include the market value of the Preferred Securities in their taxable income for CIT purposes.

(c) Individuals and legal entities that are not tax resident in Spain

(i) Investors that are not resident in Spain for tax purposes, acting in respect of the Preferred Securities through a permanent establishment in Spain

Non-resident Income Tax (Impuesto sobre la Renta de no Residentes)

If the Preferred Securities form part of the assets affected to a permanent establishment in Spain of a person or legal entity that is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Preferred Securities are, generally, the same as those set forth above for Spanish CIT taxpayers. See "—*Spanish tax resident legal entities – Corporate Income Tax (Impuesto sobre Sociedades*)".

Ownership of the Preferred Securities by investors who are not resident in Spain for tax purposes will not in itself create the existence of a permanent establishment in Spain.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth under Spanish tax laws with respect to beneficial owners of the Preferred Securities that are individuals or legal entities not resident in Spain for tax purposes and that act with respect to the Preferred Securities through a permanent establishment in Spain.

(ii) Investors that are not resident in Spain for tax purposes, not acting in respect of the Preferred Securities through a permanent establishment in Spain

Non-resident Income Tax (Impuesto sobre la Renta de no Residentes)

Both interest payments periodically received under the Preferred Securities and income derived from the transfer, redemption or repayment of the Preferred Securities, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Preferred Securities, through a permanent establishment in Spain, are exempt from NRIT and therefore no withholding on account of NRIT will be levied on such income provided certain requirements are met.

In order to be eligible for the exemption from NRIT, certain requirements must be met (including that, in respect of interest payments from the Preferred Securities carried out by the Issuer, the Iberclear Members that have the Preferred Securities registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, provide the Issuer, in a timely manner, with a duly executed and completed Payment Statement, as defined below), as set forth in Article 44.4 of Royal Decree 1065/2007. See "—*Compliance with certain requirements in connection with income payments*".

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment of interest under the Preferred Securities, the Issuer will withhold Spanish withholding tax at the applicable rate (currently 19%) on such payment of income on the Preferred Securities and the Issuer will not pay additional amounts with respect to any such withholding tax.

A beneficial owner who is not resident in Spain for tax purposes and entitled to exemption from NRIT, but to whom payment was not exempt from Spanish withholding tax due to a failure on the delivery of a duly executed and completed Payment Statement to the Issuer, will receive a refund of the amount withheld, with no need for action on the beneficial owner's part, if the Issuer receives a duly executed and completed Payment Statement no later than the tenth calendar day of the month immediately following the relevant payment date.

In addition, beneficial owners of the Preferred Securities may apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the NRIT Law and its regulations.

Wealth Tax (Impuesto sobre el Patrimonio)

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to the 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 €700,000 would be subject to Wealth Tax during the tax year 2020, the applicable rates ranging between 0.2% and 3.5% although some reductions may apply.

However, non-Spanish resident individuals will be exempt from Wealth Tax in respect of the Preferred Securities which income is exempt from NRIT as described above.

Individuals that are not resident in Spain for tax purposes but who are resident in an EU or European Economic Area Member State may apply the rules approved by the autonomous region where the assets and rights with more value (i) are located, (ii) can be exercised or (iii) must be fulfilled.

Non-Spanish resident legal entities are not subject to Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals who do not have tax residency in Spain who acquire ownership or other rights over the Preferred Securities by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a double tax treaty in relation to inheritance and gift tax will be subject to the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to inheritance and gift tax in accordance with Spanish legislation.

However, if the deceased, heir or the donee are resident in an EU or EEA Member State, depending on the specific situation, the applicable rules will be those corresponding to the relevant autonomous regions according to the law. Moreover, the Spanish Supreme Court in its recent judgments dated 19 February 2018, 21 March 2018 and 22 March 2018 has declared that the application of state regulations when the deceased, heir or donee is resident outside of a Member State of the EU or the EEA violates Community law to the free movement of capital, so even in that case it would be appropriate to defend the application of regional regulations in the same cases as if the deceased, heir or donee was resident in a Member State of the EU or the EEA. The General Directorate for Taxation has recently ruled in accordance with those judgements (V3151-18 and V3193-18).

Non-Spanish resident legal entities which acquire ownership or other rights over the Preferred Securities by inheritance, gift or legacy are not subject to inheritance and gift tax. They will be subject to NRIT. If the legal entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double-tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

(d) Compliance with certain requirements in connection with income payments

As described under "*Spanish tax resident legal entities—Corporate Income Tax (Impuesto sobre Sociedades)", "—Individuals and legal entities that are not tax resident in Spain*", provided the conditions set forth in Law 10/2014 are met, income payments made by the Issuer in respect of the Preferred Securities for the benefit of Spanish CIT taxpayers, or for the benefit of non-Spanish tax resident investors will not be subject to Spanish withholding tax, provided that the Iberclear Members that have the Preferred Securities registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, if applicable, provide the Issuer, in a timely manner, with a duly executed and completed statement (a "**Payment Statement**") (which is attached as Annex I), in accordance with section 4 of Article 44 of Royal Decree 1065/2007, containing the following information:

(i) Identification of the Preferred Securities.

(ii) The date on which the relevant payment is made.

(iii) Total amount of the income paid by the Issuer.

(iv) Amount of the income corresponding to individual residents in Spain that are PIT taxpayers.

(v) Amount of the income that must be paid on a gross basis.

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment of income made by the Issuer under the Preferred Securities, such payment will be made net of Spanish withholding tax, currently at the rate of 19%. If this were to occur, affected beneficial owners will receive a refund of the amount withheld, with no need for action on their part, if the Iberclear Members submit a duly executed and completed Payment Statement to the Issuer no later than the tenth calendar day of the month immediately following the relevant payment date. In addition, beneficial owners may apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish NRIT Law.

Prospective investors should note that the Issuer does not accept any responsibility relating to the lack of delivery of a duly executed and completed Payment Statement by the Iberclear Members in connection with each payment of income under the Preferred Securities. Accordingly, the Issuer will not be liable for any damage or loss suffered by any beneficial owner who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because the Payment Statement was not duly delivered to the Issuer. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding tax.

(e) Conversion of the Preferred Securities into Ordinary Shares

(i) Individuals with tax residency in Spain

Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)

Income earned on the conversion of the Preferred Securities to Ordinary Shares, computed as the difference between the Conversion Price of the newly-issued Ordinary Shares received and the acquisition or subscription value of the Preferred Securities delivered in exchange, will be considered as a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the PIT Law.

Also, ancillary acquisition and disposal charges are taken into account, insofar as adequately evidenced, in calculating the income obtained.

Any income obtained in the conversion will not be subject to withholding tax.

The tax treatment will be the one referred to under "*Tax treatment of the Preferred Securities – Individuals with tax residency in Spain – Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)*".

(ii) Spanish tax resident legal entities

Subject to the applicable accounting regulations, income derived from the conversion of the Preferred Securities will be computed as the difference between the Conversion Price of the newly-issued Ordinary Shares received and the book value of the Preferred Securities delivered in exchange.

Such income will be subject to CIT at the general rate applicable from time to time (currently 25%) in accordance with the rules for this tax. Any income derived from the conversion will not be subject to withholding tax.

The tax treatment will be the one referred to under "*Tax treatment of the Preferred Securities – Spanish tax resident legal entities – Corporate Income Tax (Impuesto sobre Sociedades)*".

(iii) Individuals and legal entities that are not tax resident in Spain

(a) *Non-Spanish resident investors acting though a permanent establishment in Spain*

Non-Spanish resident investors operating through a permanent establishment in Spain are subject to the same tax treatment that applies to Spanish CIT taxpayers.

(b) *Non-Spanish resident investors not acting though a permanent establishment in Spain*

Income obtained by non-Spanish resident investors not acting though a permanent establishment in Spain on the conversion of the Preferred Securities to Ordinary Shares will be computed as the difference between the Conversion Price of the newly-issued Ordinary Shares received and the book value of the Preferred Securities delivered in exchange.

The tax treatment applicable to the income obtained will be the one described above under "*Taxes treatment of the Preferred Securities – Individuals and legal entities that are not tax resident in Spain*".

Taxation on ownership and transfer of the Ordinary Shares

Indirect Taxation

The subscription, acquisition and any subsequent transfer of the Ordinary Shares will be exempt from Transfer Tax, Stamp Duty and Value Added Tax, under the terms and with the exemption set out in Article 314 of the Securities Market Act. Additionally, no Stamp Duty will be levied on such subscription, acquisition and transfer.

Direct Taxation

(a) Individuals with tax residency in Spain

Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)

(i) Taxation on dividends

According to the PIT Law, the following, among others, shall be treated as gross capital income: income received by a Spanish holder in the form of dividends, shares in profits, consideration paid for attendance at shareholders' meetings, income from the creation or assignment of rights of use or enjoyment of the shares and any other income received in his capacity as shareholder.

Gross capital income shall be reduced by any administration and custody expenses (but not by those incurred in individualised portfolio management) and the net amount shall be included in the relevant Spanish holder's savings taxable base and taxed at the tax rate applicable from time to time, currently 19% for taxable income up to €6,000.00, 21% for taxable income between €6,000.01 to €50,000 and 23% for taxable income in excess of €50,000.00, 23% for taxable income between €50,000.01 and €200,000.00 and 26% for taxable income in excess of €200,000.00.

The payment of dividends or any other distribution will be generally subject to a withholding tax at the rate of 19%. Such withholding tax will be deductible from the final PIT liability, and if the amount of tax withheld is greater than the amount of the final PIT liability, the taxpayer will be entitled to a refund of the excess withheld in accordance with the PIT Law.

(ii) Taxation on capital gains

Gains or losses recorded by a Spanish holder, as a result of the transfer of listed shares which represent a participation in a company's equity, will qualify for the purposes of the PIT Law as capital gains or losses and will be subject to taxation according to the general rules applicable to capital gains. The amount of capital gains or losses shall be the difference between the shares' acquisition value (plus any fees or taxes incurred) and the transfer value, which is the listed value of the share as of the transfer date or, if higher, the agreed transfer price (less any fees or taxes incurred).

Capital gains arising from the transfer of shares, shall be included in such Spanish holder's savings taxable base corresponding to the period in which the transfer takes place, and any such gains will be taxed at the tax rate applicable from time to time, currently 19% for taxable income up to €6,000.00, 21% for taxable income between €6,000.01 to €50,000.00, 23% for taxable income between €50,000.01 and €200,000.00 and 26% for taxable income in excess of €200,000.00. Exceptionally, capital gains arising from the transfer of shares are not subject to withholding tax on account of PIT.

Losses arising from the transfer of shares admitted to trading on certain official stock exchanges will not be treated as capital losses if securities of the same kind have been acquired during the period between two months before and two months after the date of the transfer which originated the loss. In these cases, the capital losses will be included in the taxable base upon the transfer of the remaining shares of the taxpayer.

Wealth Tax (Impuesto sobre el Patrimonio)

Individuals with tax residency in Spain are subject to Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (*Comunidad Autónoma*). Therefore, they should take into account the value of the Ordinary Shares which they hold as of 31 December in each year, the applicable rates ranging between 0.2% and 3.5% although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals with tax residency in Spain who acquire ownership or other rights over any Ordinary Shares by inheritance, gift or legacy will be subject to inheritance and gift tax in accordance with the applicable Spanish regional or federal rules. The applicable rates range between 7.65% and 81.6%, although the final tax rate may vary depending on any applicable regional tax laws. Some tax benefits could reduce the effective tax rate.

(b) Legal entities with tax residency in Spain and non-Spanish resident investors acting through a permanent establishment in Spain to which the Ordinary Shares are attributable

Corporate Income Tax (Impuesto sobre Sociedades)

(i) *Taxation on dividends*

According to Section 10 of the CIT Law, dividends from the Issuer or a share of the Issuer's profits received by CIT taxpayers, or by NRIT taxpayers who operate, with respect to the Issuer's shares, through a permanent establishment in Spain, to which such shares are attributable, less any expenses inherent to holding the shares, shall be included in the CIT taxable base. The general CIT tax rate is currently 25% (30% in case of banking institutions). Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Dividends or profit distributions in respect of the shares obtained by Spanish CIT taxpayers that: (i) hold, directly or indirectly, at least 5% in the Issuer's share capital; and (ii) hold such participation without interruption for at least one year prior to the relevant distribution date or it commits to hold the participation for the time needed to complete such one-year holding period, will enjoy an exemption of 95% of the amount of the income obtained. The remaining 5% will be subject to Spanish CIT in accordance with the general rules.

In case the Issuer obtains dividends, profit distributions or income derived from transfer of shares in entities in an amount higher than 70% of the Issuer's income, this exemption shall only be applicable provided that certain additional requirements are fulfilled. Mainly, Spanish CIT taxpayers must have an indirect stake in those entities that complies with the requirements described in the previous paragraph. Certain exceptions to this rule apply if those entities comply with the requirements of Article 42 of the Spanish Commercial Code of 22 August 1885, as amended (the "**Spanish Commercial Code**"), for being part of the same group of companies of the Issuer, and prepare consolidated financial statements. Prospective investors

should consult their own tax advisers in order to determine whether those requirements are complied with by the relevant corporate Spanish Holders.

Should that be the case and provided that the minimum one-year holding period requirement is complied with on the distribution date, dividends will not be subject to withholding tax. Otherwise, dividends will be taxed at the applicable CIT tax rate of the taxpayer and a 19% withholding will apply. This CIT withholding will be credited against the taxpayer's annual CIT due, and if the amount of tax withheld is greater than the amount of the annual CIT due, the taxpayer will be entitled to a refund of the excess withheld.

(ii) *Taxation of capital gains*

The gain or loss arising on transfer of the shares or from any other change in net worth relating to the shares will be included in the tax base of CIT taxpayers, or of NRIT taxpayers who operate through a permanent establishment in Spain to which such shares are attributable, in the manner contemplated in Section 10 of the CIT Law, being taxed generally at a rate of 25% (30% in case of banking institutions). Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

CIT payers that: (i) hold, directly or indirectly, at least 5% in the Issuer's share capital; and (ii) hold such participation without interruption for at least one year prior to the relevant transfer date, capital gains will be enjoy an exemption of 95% of the amount of the income obtained. The remaining 5% will be subject to Spanish CIT in accordance with the general rules. Otherwise, capital gains will be taxed at the applicable tax rate of the taxpayer.

In case the Issuer obtains dividends, profit distributions or income derived from transfer of shares in entities in an amount higher than 70% of the Issuer's income, this exemption shall only be applicable provided that certain additional requirements are fulfilled. Mainly, Spanish CIT taxpayers must have an indirect stake in those entities that complies with the requirements described in the precedent paragraph. Certain exceptions to this rule apply if those entities comply with the requirements of Article 42 of the Spanish Commercial Code for being part of the same group of companies of the Issuer and prepare consolidated financial statements. Prospective investors should consult their own tax advisers in order to determine whether those requirements are complied with by the relevant corporate Spanish Holders.

Income deriving from share transfers is not subject to withholding on account of CIT.

Wealth Tax (Impuesto sobre el Patrimonio)

Spanish resident legal entities are not subject to Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

In the event of acquisition of shares free of charge by the CIT taxpayer, the income generated for the latter will likewise be taxed according to the CIT rules, the Inheritance and Gift Tax not being applicable.

(c) Non-Spanish resident investors not acting through a permanent establishment in Spain to which the Ordinary Shares are attributable

Non-Resident Income Tax (Impuesto sobre la Renta de No Residentes)

(i) *Taxation on dividends*

Under Spanish law, dividends paid by a Spanish resident company to a non-Spanish holder are subject to NRIT, and thus the Spanish resident company will withhold at the source on the gross amount of dividends, currently at a tax rate of 19%. However, certain corporate holders resident in an EU Member State (other than a tax haven jurisdiction for Spanish tax purposes) may be entitled to an exemption from NRIT dividend withholding tax to the extent that they are entitled to the benefits of the NRIT provisions that implement the regime of the Council Directive (EU) 2015/121, of 27 January 2015, amending Directive 2011/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different member states. Such exemption may be available to the extent that the recipient of the dividends has

held, directly or indirectly, at least 5% of the shares of the distributing entity, without interruption for at least one year prior to the distribution date, and provided that other requirements (including specific anti-abuse rules that need to be analysed on a case-by-case basis and procedural formalities, such as the supply of a government-issued tax residence certificate) are met. Holders claiming the applicability of such exemption that have not met a minimum one-year holding period as of a given dividend distribution date (but who could meet such requirement afterwards) should be aware that the NRIT Law requires the Issuer to withhold the applicable NRIT on such dividends, and that such holders will need to request a direct refund of such withholding tax from the Spanish tax authorities pursuant to the Spanish refund procedure described below under "Spanish Direct Refund from Spanish tax authorities".

In addition, holders resident in certain countries will be entitled to the benefits of a double taxation treaty, in effect between Spain and their country of tax residence. Such holders may benefit from a reduced tax rate or an exemption under an applicable treaty with Spain, subject to the satisfaction of any conditions specified in the relevant treaty, including providing evidence of the tax residence of the non-Spanish holder by means of a valid certificate of tax residence within the meaning of the relevant double taxation treaty duly issued by the tax authorities of the country of tax residence of the non-Spanish holder or, as the case may be, the equivalent document specified in the Spanish Order which further develops the applicable treaty.

According to the Order of the Ministry of Economy and Finance of 13 April 2000, upon distribution of a dividend, the Issuer or its paying agent will withhold an amount equal to the tax amount required to be withheld according to the general rules set forth above (e.g., applying the general withholding tax rate of 19%), transferring the resulting net amount to the depositary. For this purpose, the depositary is the financial institution with which the non-Spanish holder has entered into a contract of deposit or management with respect to shares in the Issuer held by such holders. If the depositary of the non-Spanish holder is resident, domiciled or represented in Spain and it provides timely evidence (e.g., a valid certificate of tax residence issued by the relevant tax authorities of the non-Spanish holder's country of residence stating that, for the records of such authorities, the non-Spanish holder is a resident of such country within the meaning of the relevant double taxation treaty, or as the case may be, the equivalent document regulated in the Order which further develops the applicable treaty) of the non-Spanish holder's right to obtain the treaty-reduced rate or the exemption, it will immediately receive the surplus amount withheld, which will be credited to the non-Spanish holder. For these purposes, the relevant certificate of residence must be provided before the tenth day following the end of the month in which the dividends were paid. The tax certificate is generally valid only for a period of one year from the date of issuance.

If this certificate of tax residence, or as the case may be, the equivalent document referred to above, is not provided within this time period or if the depositary of the non-Spanish holder is not resident, domiciled or represented in Spain, the non-Spanish holder may subsequently obtain a refund of the amount withheld in excess from the Spanish tax authorities, following the standard refund procedure established by the Royal Decree 1776/2004, promulgating the NRIT Regulations and an Order dated 17 December 2010, as amended.

(ii) *Taxation of capital gains*

Capital gains derived from the transfer or sale of the shares will be deemed income arising in Spain, and, therefore, are taxable in Spain at a general tax rate of 19%

Capital gains and losses will be calculated separately for each transaction. It is not possible to offset losses against capital gains. However, capital gains derived from the transfer of shares in the Issuer will be exempt from taxation in Spain in either of the following cases:

- Capital gains derived from the transfer of the shares on an official Spanish secondary stock market (such as the Barcelona, Madrid, Bilbao or Valencia stock exchanges) by any non-Spanish holder who is tax resident of a country that has entered into a double taxation treaty with Spain containing an "exchange of information" clause. This exemption is not applicable to capital gains obtained by a non-Spanish holder through a country or territory that is defined as a tax haven by Spanish regulations.

- Capital gains obtained directly by any non-Spanish holder resident of another EU Member State or indirectly through a permanent establishment of such non-Spanish holder in a EU Member State other than Spain, provided that:
    - the Issuer's assets do not mainly consist of, directly or indirectly, Spanish real estate;
    - during the preceding 12 months in case of individuals non-Spanish holder has not held a direct or indirect interest of at least 25% in the Issuer's capital or net equity;
    - in the case of non-resident legal entities, the transfer fulfils all the requirements to benefit from the exemption on dividends and capital gains established for Spanish resident entities, passed by the CIT Law and described in paragraph (a) under "*Legal entities with tax residency in Spain and non-Spanish resident investors acting through a permanent establishment in Spain to which the Ordinary Shares are attributable – Corporate Income Tax (Impuesto sobre Sociedades)";* and
    - the gain is not obtained through a country or territory defined as a tax haven under applicable Spanish regulations.
- Capital gains realised by non-Spanish holders who benefit from a double taxation treaty that provides for taxation only in such non-Spanish holder's country of residence.

Holders must submit a Spanish tax form (currently, Form 210) within the time periods set out in the applicable Spanish regulations to settle the corresponding tax obligations or qualify for an exemption. In order for the exemptions mentioned above to apply, a non-Spanish holder must provide a certificate of tax residence issued by the tax authority of its country of residence (which, if applicable, must state that, to the best knowledge of such authority, the non-Spanish holder is resident of such country within the meaning of the relevant double taxation treaty) or equivalent document meeting the requirements of the Order which further develops the applicable double taxation treaty, together with the Spanish tax form. The non-Spanish holder's tax representative in Spain and the depositary of the shares are also entitled to carry out such filing.

The certificate of tax residence mentioned above will be generally valid for a period of one year after its date of issuance.

Wealth Tax (Impuesto sobre el Patrimonio)

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to the 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 €700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2% and 3.5% although some reductions may apply.

Individuals that are not resident in Spain for tax purposes but who are resident in an EU or EEA Member State may apply the rules approved by the autonomous region where the assets and rights with more value (i) are located, (ii) can be exercised or (iii) must be fulfilled.

Non-Spanish resident legal entities are not subject to Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Unless otherwise provided under an applicable double taxation agreement in relation to Inheritance and Gift Tax, transfers of shares upon death and by gift to individuals not resident in Spain for tax purposes are subject to Spanish Inheritance and Gift Tax if the shares are located in Spain (as is the case with shares in the Issuer) or the rights attached to such shares are exercisable in Spain, regardless of the residence of the heir or the beneficiary. The taxpayer is the transferee. The applicable tax rate, after applying all relevant factors, ranges between 7.65% and 81.6% for individuals, although the final tax rates may vary depending on any applicable regional tax laws.

However, if the deceased, heir or the donee are resident in an EU or EEA Member State, depending on the specific situation, the applicable rules will be those corresponding to the relevant autonomous regions according to the law. Moreover, the Spanish Supreme Court in its recent judgments dated 19 February 2018, 21 March 2018 and 22 March 2018 has declared that the application of state regulations when the deceased, heir or donee is resident outside of a Member State of the EU or the EEA violates Community law to the free movement of capital, so even in that case it would be appropriate to defend the application of regional regulations in the same cases as if the deceased, heir or donee was resident in a Member State of the EU or the EEA. The General Directorate for Taxation has recently ruled in accordance with those judgements (V3151-18 and V3193-18).

Non-Spanish legal entities which acquire ownership or other rights over the Ordinary Shares by inheritance, gift or legacy are not subject to Inheritance and Gift Tax. They will be generally subject to Spanish NRIT as capital gains, without prejudice to the exemptions referred to above under "*—Taxation of capital gains*".

Spanish direct refund from Spanish tax authorities

Beneficial owners entitled to receive income payments in respect of the Preferred Securities or in respect of the Ordinary Shares free of Spanish withholding taxes or at the reduced withholding tax rate contained in any applicable double taxation treaty, but in respect of whom income payments have been made net of Spanish withholding tax at the general withholding tax rate, may apply directly to the Spanish tax authorities for any refund to which they may be entitled.

Beneficial owners may claim any excess amount withheld by the Issuer from the Spanish Treasury following the 1 February of the calendar year following the year in which the relevant payment date takes place, and within the first four years following the last day on which the Bank may pay any amount so withheld to the Spanish Treasury (which is generally the 20th calendar day of the month immediately following the relevant payment date), by filing with the Spanish tax authorities (i) the relevant Spanish tax form, (ii) proof of beneficial ownership, and (iii) a certificate of residence issued by the tax authorities of the country of tax residence of such beneficial owner, among other documents.

For further details, prospective Holders should consult their tax advisors.

THE PROPOSED FINANCIAL TRANSACTIONS TAX (THE EU FTT)

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common EU 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 Preferred Securities (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the EU 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 Preferred Securities 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) when the financial instrument which is subject to the dealings is issued in a participating Member State.

In the ECOFIN meeting of 17 June 2016, the EU FTT was discussed between the EU Member States. It has been reiterated in this meeting that participating Member States envisage introducing an FTT by the so-called enhanced cooperation process.

The proposed Directive defines how the EU FTT would be implemented in participating Member States. It involves a minimum 0.1% tax rate for transactions in all types of financial instruments, except for derivatives that would be subject to a minimum 0.01% tax rate.

On 3 December 2018, the finance ministers of France and Germany outlined a joint proposal for a limited FTT based on a system already in place in France. Under the new proposal, the tax obligation would apply only to transactions involving shares issued by domestic companies with a market capitalisation of over €1 billion.

However, the Commission's Proposal remains subject to negotiation between participating Member States and the scope of any such tax is uncertain. 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 the Preferred Securities are advised to seek their own professional advice in relation to the EU FTT.

The Spanish financial transactions tax

The Spanish Financial Transaction Tax ("**FTT**") Law was approved on 7 October 2020 and came into force on 16 January 2021.

Spanish FTT will charge a 0.2% rate on specific acquisitions of listed shares issued by Spanish companies whose market capitalization exceeds €1 billion, regardless of the jurisdiction of residence of the parties involved in the transaction. The tax basis is the price paid for the shares excluding expenses and fees.

FTT does not apply to the acquisition of bonds or debt securities even if they are linked to Spanish listed shares. However, the acquisition of shares upon conversion or exchange of the securities and any future acquisition of such shares would be subject to FTT (although the acquisition of shares in the primary market upon conversion or exchange should be exempt from Spanish FTT), in which case (if payable) will be borne by the relevant Holder. In that case, the tax basis would be the value included in the document where the securities were issued.

The entity obliged to make the relevant filings with the Tax Authorities is, as a general rule, the financial intermediary involved in the transaction which may recharge the cost to the purchaser or recipient of the shares. In case FTT is due, the Issuer will not compensate or indemnify holders of the Preferred Securities in relation to that tax.

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

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" 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 may be a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) 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 the Preferred Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Preferred Securities, 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 the Preferred Securities, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Preferred Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Preferred Securities, neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

Set out below is Annex I. Sections in English have been translated from the original Spanish and such translations constitute direct and accurate translations of the Spanish language text. In the event of any discrepancy between the Spanish language version of the certificate contained in Annex I and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.

The language of the Prospectus is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of this Prospectus.

ANNEX I

Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Don (nombre), con número de identificación fiscal [•][(1)], en nombre y representación de (entidad declarante), con número de identificación fiscal [•][(1)] y domicilio en [•] en calidad de (marcar la letra que proceda):

Mr. (name), with tax identification number [•][(1)], in the name and on behalf of (entity), with tax identification number [•][(1)] and address in [•] as (function – mark as applicable):

(a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.

(a) Management Entity of the Public Debt Market in book entry form.

(b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.

(b) Entity that manages the clearing and settlement system of securities resident in a foreign country.

(c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.

(c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.

(d) Agente de pagos designado por el emisor.

(d) Issuing and Paying Agent appointed by the issuer.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

Makes the following statement, according to its own records:

1 En relación con los apartados 3 y 4 del artículo 44:

1. In relation to paragraphs 3 and 4 of Article 44:

1.1 Identificación de los valores.....

1.1 Identification of the securities .....

1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados) .....

1.2 Income payment date (or refund if the securities are issued at discount or are segregated) .....

1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados) .....

1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated) .....

1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora .....

1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved .....

1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados). .....

1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated). .....

2 En relación con el apartado 5 del artículo 44.

2. In relation to paragraph 5 of Article 44.

2.1 Identificación de los valores.....

2.1 Identification of the securities .....

2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados) .....

2.2 Income payment date (or refund if the securities are issued at discount or are segregated)

2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados .....

2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated) .....

2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A. .....

2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A. .....

2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B. .....

2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B. .....

2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C. .....

2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C. .....

Lo que declaro en..... a..... de..... de .....

I declare the above in..... on the..... of..... of.....

(1) En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia

(1) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

SUBSCRIPTION AND SALE

Pursuant to the terms and conditions set forth in a subscription agreement dated 6 September 2021 (the "**Subscription Agreement**"), the Bank agreed to issue the Preferred Securities on the Closing Date, and the Joint Lead Managers agreed to procure subscribers, or (with the exception of CaixaBank) subscribe and pay for the Preferred Securities on the Closing Date at their issue price of 100% of the aggregate principal amount.

The Bank paid to the Joint Lead Managers a customary combined management and underwriting commission.

The Subscription Agreement provides that the Bank will indemnify each Joint Lead Manager against certain liabilities.

The Preferred Securities are newly issued securities for which there is currently no market. The Issuer will use all reasonable endeavours to procure that the Preferred Securities are admitted to listing on AIAF within 30 days of the Closing Date and to maintain such admission until none of the Preferred Securities is outstanding.

SELLING RESTRICTIONS

General

Each Joint Lead Manager severally (and not jointly) has represented, warranted and agreed that it will comply with all applicable laws and regulations in each country or jurisdiction in or form which it purchases, offers, sells or delivers Preferred Securities or possesses, distributes or publishes the Prospectus or any related offering material, in all cases at its own expense.

Other persons into whose hands this Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Preferred Securities or possess, distribute or publish this Prospectus or any related offering material, in all cases at their own expense.

United States of America

The Preferred Securities have not been and will not be registered under the Securities Act and have not been and may not be offered, sold or delivered 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. Capitalised terms used in this paragraph have the meanings given to them under Regulation S.

The Preferred Securities are subject to U.S. tax law requirements and have not been 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 regulations thereunder.

Each of the Joint Lead Managers severally (and not jointly) has agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered the Preferred Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the Offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Preferred Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Preferred Securities 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.

In addition, until 40 days after the commencement of the Offering, an offer or sale of Preferred Securities within the United States by any dealer that is not participating in the Offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager severally (and not jointly) has represented and agreed that:

(i) Financial promotion: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 —(the "**FSMA**"))

received by it in connection with the issue or sale of any Preferred Securities in circumstances in which section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and

(ii) General compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Preferred Securities in, from or otherwise involving the United Kingdom.

Spain

Each of the Joint Lead Managers severally (and not jointly) has represented and agreed that the Preferred Securities may not be offered or sold in Spain other than by institutions authorised under Securities Market Act, and related legislation, to provide investment services in Spain, and as agreed between the Issuer and the Joint Lead Managers, offers of the Preferred Securities in Spain shall only be directed specifically at or made to professional investors (*clientes profesionales*) as defined in Article 205 of the Securities Market Act or eligible counterparties (*contrapartes elegibles*) as defined in Articles 203 and 207 of the Securities Market Act.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Preferred Securities to any retail investor in the European Economic Area. For these purposes:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Preferred Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Preferred Securities.

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Preferred Securities to any retail investor in the United Kingdom. For these purposes:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(i) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Preferred Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Preferred Securities.

Singapore

Each Joint Lead Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Preferred Securities or caused the Preferred Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Preferred Securities or cause the Preferred Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Preferred Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Preferred Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Preferred Securities pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Republic of Italy

The offering of the Preferred Securities has not been registered pursuant to Italian securities legislation and, accordingly, each Joint Lead Manager has agreed that no Preferred Securities may be offered, sold or delivered, nor may copies of the Prospectus or of any other offering material relating to the Preferred Securities be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and/or Italian CONSOB regulations; or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Preferred Securities or distribution of copies of the Prospectus or any other document relating to the Preferred Securities in the Republic of Italy under (i) or (ii) above must:

(i) be 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. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the Banking Act); and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Italian Consolidated Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Hong Kong

Each Joint Lead Manager has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Preferred Securities (except for Preferred Securities which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the "**SFO**") other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Preferred Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Preferred Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO

Switzerland

The offering of the Preferred Securities in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**"). This Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Preferred Securities.

Prohibition of sales to consumers in Belgium

Each Joint Lead Manager has represented and agreed that an offering of Preferred Securities may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1, 2º of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Preferred Securities, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Preferred Securities, directly or indirectly, to any Belgian Consumer.

Canada

Each of the Joint Lead Managers has represented and agreed that the Preferred Securities may be sold only to purchasers in the Canadian provinces purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Preferred Securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the

securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia ("**Corporations Act**")) in relation to the Preferred Securities has been or will be lodged with the Australian Securities and Investments Commission (ASIC). Each of the Joint Lead Managers has represented and agreed that it:

(a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Preferred Securities in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any prospectus, information memorandum, advertisement or other offering material relating to the Preferred Securities in Australia,

unless (1) the aggregate consideration payable by each offeree or invitee is at least AUD 500,000 (or its equivalent in other currencies, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act, (2) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act, (3) such action complies with all applicable laws, regulations and directives and (4) such action does not require any document to be lodged with ASIC.

MARKET INFORMATION

Summary of Clearance and Settlement Procedures

Below is a brief summary of the Spanish clearance and settlement procedures applicable to book-entry securities such as the Preferred Securities and the Ordinary Shares of CaixaBank.

Notwithstanding this summary, it should be noted that the Spanish clearing, settlement and recording system of securities transactions is undergoing a significant reform to align it with the EU practices and standards and prepare it for the implementation of future integration projects.

Law 32/2011, of 4 October, which amended Law 24/1988, of 28 July, on the securities market ("**Law 32/2011**"), anticipated and set the master plan of the future Spanish clearing, and recording system providing for certain changes that are being implemented and that will modify the system and allow for the integration of the post-trading Spanish systems into the system TARGET2 Securities. Law 24/1988 was repealed by the restated text of the Securities Market Act but the amendments introduced by Law 32/2011 are duly reflected in this restated law.

In any case, it should be emphasised that, as of the date of this Prospectus, the procedures established for fixed-income securities remain practically the same.

Additionally, Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July on improving securities settlement in the EU and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 ("**Regulation 909/2014**") provides that the maximum settlement period as regards transactions in transferable securities which are executed on trading venues must be settled by no later than the second business day following the relevant transaction, subject to certain exemptions. In this regard, since October 2014 transactions affecting debt securities settled through Iberclear are generally settled two business days after they have been made.

In this regard, the Spanish clearing, settlement and recording system was adapted by Law 11/2015 and Royal Decree 878/2015 to the provisions set forth in Regulation 909/2014.

Following this reform, which implementation was completed by 18 September 2017, the Spanish clearing, settlement and registry procedures of securities transactions allows the connection of the post-trading Spanish systems to the European system TARGET2 Securities (the "**Reform**").

The Reform introduced three main changes that, in turn, involve a number of operating modifications. These changes include (i) a new recording system based on balances, (ii) the introduction of a central clearing counterparty (BME Clearing, S.A., "**BME Clearing**" or the "**CCP**"), and (iii) the integration of the current CADE (*Central de Anotaciones de Deuda Pública*) and SCLV (*Servicio de Compensación y Liquidación de Valores*) into a single platform managed by Iberclear which operates under the trade name of ARCO.

The Reform was implemented in two phases:

(i) The first phase was implemented on 27 April 2016 and set up the new clearance and settlement system for equity securities, including the creation of BME Clearing, a CCP for post-trade operations compatible with the TARGET2 Securities system (messages, account structure, definition of operations, etc.). From 3 October 2016, with respect to transactions carried out on 29 September 2016, the new settlement and registration platform (ARCO) operates under a "T+2 Settlement Standard" by which any transactions must be settled within two stock-exchange business days following the date on which the relevant transaction was completed.

(ii) The second phase was implemented in September 2017 upon Iberclear's connection to the TARGET2 Securities system. As a result, fixed-income securities were transferred to the new ARCO platform.

Since that date the settlement and registration system for both equity and fixed-income securities are unified.

Iberclear and BME Clearing

Iberclear is the Spanish central securities depository in charge of both the register of securities held in book-entry form, and the settlement of all trades from the Spanish Stock Exchanges, Latibex (the Latin American stock exchange denominated in Euro), the Book-Entry Public Debt Market, the Alternative Stock Market (BME

Growth), Alternative Fixed Income Market (MARF) and AIAF. Following the implementation of the Reform, transactions carried out on the AQS (*Sistema de Interconexión Bursátil or Mercado Continuo*) (see "*Market Information – Market Information in relation to the Ordinary Shares – AQS*") continue to be settled by Iberclear, as central securities depository, and are cleared by BME Clearing as central counterparty.

Iberclear and BME Clearing are owned by BME Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A., a holding company controlled by SIX Group, which holds a 100% interest in each of the Spanish official secondary markets and settlement systems.

The securities recording system of Iberclear is a two-tier level registry: the keeping of the central record corresponds to Iberclear and the keeping of the detail records correspond to the participating entities (*entidades participantes*) in Iberclear.

Access to become a participating entity is restricted to (i) credit institutions, (ii) investment services companies which are authorized to render custody and administration of financial instruments, (iii) the Bank of Spain, (iv) the General Administration and the General Social Security Treasury, (v) other duly authorized central securities depositories and central clearing counterparties and (vi) other public institutions and private entities when expressly authorized to become a participating entity in central securities depositories.

The central registry managed by Iberclear reflects (i) one or several proprietary accounts which show the balances of the participating entities' proprietary accounts; (ii) one or several general third-party accounts that will show the overall balances that the participating entities hold for third parties; (iii) individual accounts opened in the name of the owner, either individual or legal person; and (iv) individual special accounts of financial intermediaries which use the optional procedure of settlement of orders. Each participating entity, in turn, maintains the detail records of the owners of the securities or the shares held in their general third-party accounts.

According to the above, Spanish law considers the owner of the securities to be:

(i) the participating entity appearing in the records of Iberclear as holding the relevant securities in its own name;

(ii) the investor appearing in the records of the participating entity as holding the securities; or

(iii) the investor appearing in the records of Iberclear as holding securities in a segregated individual account.

BME Clearing is the CCP in charge of the clearing of transactions closed on the Spanish Stock Exchanges. BME Clearing interposes itself on its own account as seller in every purchase and as buyer in every sale. It calculates the buy and sell positions vis-à-vis the participants designated in such buy or sell instructions. The CCP then generates and send to Iberclear the relevant settlement instructions.

The settlement and book-entry registration platform managed by Iberclear, which operates under the trade name of ARCO (for both equity securities and fixed-income securities as from September 2017), receives the settlement instructions from BME Clearing and forwards them to the relevant participating entities involved in each transaction. ARCO operates under a T+2 settlement standard, by which any transactions must be settled within two business days following the date on which the transaction was completed.

To evidence title to securities, at the owner's request the relevant participating entity must issue a legitimation certificate (*certificado de legitimación*). If the owner is a participating entity or a person holding securities in a segregated individual account, Iberclear is in charge of the issuance of the certificate regarding the securities held in their name.

Market Information in relation to the Preferred Securities

Iberclear Settlement of securities traded in AIAF

Iberclear and the participating entities (*entidades participantes*) in Iberclear have the function of keeping the book-entry register of securities traded on AIAF.

Securities traded in AIAF are private fixed income securities, including corporate bonds (for example, medium term notes and mortgage bonds), represented either in a dematerialised form or by certificates.

In the AIAF settlement system, transactions may be settled spot, forward (settlement date more than five days after the relevant trade date), with a repurchase agreement on a fixed date and double or simultaneous transactions (two trades in opposite directions with different settlement dates).

The settlement system used for securities admitted for trading in AIAF is the Model 1 delivery versus payment system, as per the classification of the Bank for International Settlements: that is, it is a "transaction-to-transaction" cash and securities settlement system with simultaneity in its finality.

Transactions are settled on the stock-exchange business day agreed by participants at the moment of the trade.

The ARCO Platform

The ARCO platform offers both settlement in cycles and in real-time.

Night-time settlement cycle (Madrid time):

(a) Night-time settlement: from 20.00 p.m. to 03.00 a.m.

Night-time settlement cycle begins the day before, T-1, to the settlement date, T. The night-time settlement period is divided into two batch settlement cycles, each comprised of a number of sequences, one of which is partial settlement. The second cycle finalizes before 3:00, when a real-time settlement period opens until the morning maintenance window cycle commences.

Real-time settlement (Madrid time):

(a) Against payment trades: from 05:00 a.m. (T) to 4:00 p.m. (T);

(b) Free of payment trades: from 05:00 a.m. (T) to 6:00 p.m. (T).

The settlement of transactions that settle via real-time procedure will take place every 8 minutes.

Throughout real-time settlement, there will be five partial settlement windows with the following schedules (Madrid time):

- from 08.00 (T) to 08.30 (T)
- from 10:00 (T) to 10:15 (T)
- from 12:00 (T) to 12:15 (T)
- from 14:00 (T) to 14:15 (T)
- from 15:30 (T) to 16:00 (T)

During the period in which these windows are open, all the real-time settlement processes are available. These windows are applicable for partial settlement of instructions, since, in the case of settlement restrictions, partial settlement will be executed when it is detected that the securities positions is insufficient for settling the total.

Euroclear and Clearstream

Investors who do not have, directly or indirectly through their participating entities (custodians), a participating securities account with Iberclear or their participating entities may hold their investment in the Preferred Securities through bridge accounts maintained by each of Euroclear and Clearstream with participating entities in Iberclear.

Market Information in relation to the Ordinary Shares

The Ordinary Shares of CaixaBank are listed on the Spanish Stock Exchanges of Barcelona, Madrid, Bilbao and Valencia, which are regulated markets for the purposes of MiFID II, under the ticker symbol "CABK". Shares of listed Spanish companies are represented in book entry form.

The Spanish securities market for equity securities consists of the Spanish Stock Exchanges (as defined in the Conditions) and the Automated Quotation System ("**AQS**"). The AQS links the four Spanish Stock Exchanges,

providing those securities listed on it with a uniform continuous market that eliminates certain of the differences among the local exchanges. The Spanish securities markets are regulated by the CNMV.

AQS

The AQS was founded in 2 November 1995, substituting the computer assisted trading system known as *Sistema de Interconexión Bursátil or Mercado Continuo*, which had been in place since 1989. The principal feature of the system is the computerised matching of bid and offer orders at the time of placement. Each order is completed as soon as a matching order occurs, but can be modified or cancelled until completion. The activity of the market can be continuously monitored by investors and brokers. The AQS is operated and regulated by Sociedad de Bolsas, S.A.U. ("***Sociedad de Bolsas***"), a company owned by the companies that manage the Spanish Stock Exchanges. All trades on the AQS must be placed through a brokerage firm, a dealer firm or a credit entity that is a member of one of the Spanish Stock Exchanges.

In a pre-opening session held from 8:30 to 9:00 a.m. (Madrid time) each trading day, an opening price is established for each equity security traded on the AQS based on a real-time auction in which orders can be placed, modified or cancelled, but not completed. During this pre-opening session, the system continuously displays the price at which orders would be completed if trading were to begin at that moment. Market participants only receive information relating to the auction price (if applicable) and trading volume permitted at the current bid and offer price. If an auction price cannot be determined, the best bid and offer price and their respective associated trading volumes are disclosed instead. The auction terminates with a random period of 30 seconds in which share allocation takes place. Until the allocation process has finished, orders cannot be entered, modified or cancelled. In exceptional circumstances (including the admission of new securities to trade on the AQS) and subject to prior notice to the CNMV, Sociedad de Bolsas may establish an opening price disregarding the reference price (the previous trading day's closing price), alter the price range for permitted orders with respect to the reference price or modify the reference price.

The computerised trading hours, known as the open session, range from 9.00 a.m. to 5.30 p.m. (Madrid time). The AQS sets out two ranges of prices for each security named "static" and "dynamic" in order to monitor the volatility of the trading price of each security. During the open session, the trading price of a security is permitted to fluctuate up to a maximum so-called "*static*" range of the reference price (the price resulting from the closing auction of the immediately preceding trading day or the immediately preceding volatility auction in the current trading session), provided that the trading price for each trade of such security is not permitted to vary in excess of a maximum so-called "dynamic" range with respect to the trading price of the immediately preceding trade of the same security. If, during the trading session, there are matching bid and ask orders for a security within the computerised system which exceed any of the above "*static*" and/or "*dynamic*" ranges, trading on the security is automatically suspended and a new auction, or volatility auction, is held where a new reference price is set, and the "*static*" and "*dynamic*" ranges will apply over such new reference price. The "static" and "dynamic" ranges applicable to each specific security are set up and reviewed periodically by Sociedad de Bolsas. From 5:30 p.m. to 5:35 pm (Madrid time), known as the closing auction, orders can be placed, modified or cancelled, but no trades can be completed.

Between 9:00 p.m. and 5:30 p.m. (Madrid time), trades may occur in the Block System. The system will allow trading with the following minimum turnover, according to the Commission Delegated Regulation (EU) 2017/587 of 14.7.2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments and on transaction execution obligations in respect of certain shares on a trading venue or by a systematic internaliser.

Between 5:40 p.m. and 8:00 p.m. (Madrid time), trades may occur in the Special Operations Market. This is a market for operations that must fulfil certain cash and price requirements. The special operations market is open from 5:40 p.m. to 8:00 p.m. Operations involving the exercise or expiration of futures and options contracts are also entered on this market.

Information with respect to the computerised trades between 9:00 a.m. and 5:30 p.m. (Madrid time) is made public immediately, and information with respect to off-system trades is reported to the Sociedad de Bolsas by the end of the trading day and published in the Stock Exchange Official Gazette (*Boletín de Cotización*) and on the computer system by the beginning of the next trading day.

Euroclear and Clearstream, Luxembourg

Shares deposited with depositories for Euroclear Bank, S.A./N.V., as operator of the Euroclear System ("**Euroclea**r") and Clearstream Banking, Société Anonyme, Luxembourg ("**Clearstream**") and credited to the respective securities clearance account of purchasers in Euroclear or Clearstream against payment to Euroclear or Clearstream will be held in accordance with the Terms and Conditions Governing Use of Euroclear and the General Terms and Conditions of Clearstream, the Operating Procedures of the Euroclear System, as amended from time to time, the Management Regulations of Clearstream and the instructions to Participants of Clearstream, as amended from time to time, as applicable. Subject to compliance with such regulations and procedures, those persons on whose behalf accounts at Euroclear or Clearstream are maintained and to which shares have been credited ("**investors**") shall have the right to receive the number of shares equal to the number of shares credited in their accounts, upon compliance with the foregoing regulations and procedures of Euroclear or Clearstream.

With respect to the shares that are deposited with depositories for Euroclear or Clearstream, such shares will be initially recorded in the name of Euroclear or one of its nominees or in the name of Clearstream or one of its nominees, as the case may be. Thereafter, investors may withdraw shares credited to their respective accounts if they wish to do so, upon payment of the applicable fees, as described below, if any, and once the relevant recording in the book-entry registries kept by the members of Iberclear has occurred.

Under Spanish law, only the holder of the shares according to the registry kept by Iberclear is entitled to receive dividends and other distributions and to exercise voting, pre-emptive and other rights in respect of such shares. Euroclear, or its nominees, or Clearstream, or its nominees, will, respectively, be the sole record holder of the shares that are deposited with the depositories for Euroclear and Clearstream, respectively, until investors exercise their rights to withdraw such shares and record their ownership rights over them in the book-entry records kept by the members of Iberclear.

Cash dividends or cash distributions, as well as stock dividends or other distributions of securities, received in respect of the shares that are deposited with the depositories for Euroclear and Clearstream will be credited to the cash accounts maintained on behalf of the investors at Euroclear and Clearstream, as the case may be, after deduction of any applicable withholding taxes, in accordance with the applicable regulations and procedures of Euroclear and Clearstream. See "*Taxation*".

Each of Euroclear and Clearstream will endeavour to inform investors of any significant events of which they become aware affecting the shares recorded in the name of Euroclear, or its nominees, and Clearstream, or its nominees, and requiring action to be taken by investors. Each of Euroclear and Clearstream may, at its discretion, take such action as they shall deem appropriate in order to assist investors to direct the exercise of voting rights in respect of the shares. Such actions may include (i) acceptance of instructions from investors to execute or to arrange for the execution of proxies, powers of attorney or other similar certificates for delivery to the Bank, or its agent; or (ii) exercise by Euroclear or its nominees and Clearstream or its nominees of voting rights in accordance with the instructions provided by investors.

If the Bank offers or causes to be offered to Euroclear, or its nominees, and Clearstream, or its nominees, acting in their capacity as record holders of the shares that are deposited with the depositories for Euroclear and Clearstream, respectively, any rights to subscribe for additional shares or rights of any other nature, each of Euroclear and Clearstream will endeavour to inform investors of the terms of any such rights issue of which it has notice in accordance with the provisions of its regulations and procedures referred to above. Such rights will be exercised, insofar as practicable and permitted by applicable law, according to written instructions received from investors, or alternatively, such rights may be sold and, in such event, the net proceeds will be credited to the cash account maintained on behalf of the investor with Euroclear or Clearstream.

ADDITIONAL INFORMATION

Responsibility statement

The Issuer, acting through Mr. Javier Pano Riera (Chief Financial Officer of the Issuer) under a special power of attorney granted by the Board of Directors of the Issuer, accepts responsibility for the information contained in this Prospectus and declares, to the best of his knowledge, that the information contained in this Prospectus is in accordance with the facts and the Prospectus contains no omissions likely to affect its import.

Listing

This Prospectus has been approved by the CNMV in its capacity as competent authority under the Prospectus Regulation.

Application has been made for the Preferred Securities to be admitted to trading on AIAF, which is a regulated market for the purposes of MiFID II. The Issuer will use all reasonable endeavours to procure that the Preferred Securities are admitted to listing on AIAF within 30 days of the Closing Date and to maintain such admission until none of the Preferred Securities is outstanding.

The Preferred Securities may also be admitted to trading on any other secondary market as may be agreed by the Issuer.

Authorisation

The creation and issue of the Preferred Securities have been authorised by resolutions of the Board of Directors dated 29 July 2021 acting by delegation of a resolution of the General Shareholders' Meeting 14 May 2021.

Significant/Material change and trend information

Save as disclosed in this Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2020.

Save as disclosed in this Prospectus, there has been no significant change in the financial performance or position of the Group since 30 June 2021.

Independent auditors

The 2020 Consolidated Annual Financial Statements, the 2019 Consolidated Annual Financial Statements and the 2018 Consolidated Annual Financial Statements of the Issuer have been audited without qualification for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 by PricewaterhouseCoopers Auditores, S.L. with registered address at Paseo de la Castellana 259B, Torre PwC, 28046 Madrid, Spain, independent auditors who are members of the Official Registry of Auditors of Accounts (*Registro Oficial de Auditores de Cuentas*) ("**PwC**").

The Interim Consolidated Financial Statements have been subject to a limited review by PwC.

Third party information

Information included in this Prospectus (including in the documents incorporated by reference) sourced from a third party has been accurately reproduced and, so far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Documents on display

For so long as any of the Preferred Securities are outstanding, copies of the following documents will be available on CaixaBank's website (www.caixabank.com):

(a) the By-laws (*estatutos sociales*) of the Bank (with an English translation thereof);

(b) CaixaBank's condensed interim consolidated financial statements, management report and limited review report as of and for the six months ended 30 June 2021 ("**Interim Consolidated Financial Statements**"), with an English translation thereof;

(c) CaixaBank's audited consolidated financial statements prepared in accordance with IFRS-EU for the financial year ended 31 December 2020 (the "**2020 Consolidated Annual Financial Statements**") together with CaixaBank's management report in respect of the 2020 Consolidated Annual Financial Statements, with an English translation thereof;

(d) CaixaBank's audited consolidated financial statements prepared in accordance with IFRS-EU for the financial year ended 31 December 2019 (the "**2019 Consolidated Annual Financial Statements**") together with CaixaBank's management report in respect of the 2019 Consolidated Annual Financial Statements, with an English translation thereof;

(e) CaixaBank's audited consolidated financial statements prepared in accordance with IFRS-EU for the financial year ended 31 December 2018 (the "**2018 Consolidated Annual Financial Statements**") together with CaixaBank's management report in respect of the 2018 Consolidated Annual Financial Statements, with an English translation thereof; and

(f) this Prospectus.

For the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, the information contained on the corporate website of the Bank does not form part of this Prospectus.

The referred English translations are for information purposes only. In the event of a discrepancy, the original Spanish-language versions prevail.

Interests of natural and legal persons involved in the Offer of the Preferred Securities

Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Preferred Securities has an interest material to the offer.

Statement of the capacity in which the advisers have acted

In addition to the Joint Lead Managers, the following entities have provided advisory services in relation with the Offering of the Preferred Securities:

- Clifford Chance, S.L.P. has acted as legal adviser to the Issuer on Spanish and English laws; and
- Linklaters, S.L.P. has acted as legal adviser to the Joint Lead Managers on Spanish and English laws.

Paying agency

All payments under the Conditions will be carried out directly by the Issuer through Iberclear. The corporate address of Iberclear is Plaza de la Lealtad 1, 28014, Madrid, Spain.

Conversion calculation agency

The Issuer has appointed Conv-Ex Advisors Limited as the initial Conversion Calculation Agent. The Issuer may change the Conversion Calculation Agent at any time without prior notice to any Holder.

Yield

On the basis of the issue price of the Preferred Securities of 100% of their principal amount, the annual yield of the Preferred Securities for the period from (and including) the Closing Date to (but excluding) the First Reset Date is 3.675%. This yield is calculated on the Closing Date and is not an indication of future yield.

Clearing: ISIN and Common Code

The Preferred Securities will be admitted to listing on AIAF and have been accepted for clearance through Iberclear. The Preferred Securities bear the ISIN ES0840609038 and the common code 238461499.

Conversion of the Preferred Securities

In the event of the occurrence of a Trigger Event, the Preferred Securities are mandatorily and irrevocably convertible into newly issued ordinary shares in the capital of the CaixaBank, S.A. at the Conversion Price. As at the date of this Prospectus, CaixaBank's share capital is €8,060,647,033 divided into 8,060,647,033 shares. In the

event of conversion, and taking into account the Floor Price being €1.795, the maximum number of shares issued would be 417,827,298, which represents 5.18 per cent. of the current share capital. As of 30 June 2021, the net asset value per share[35] is € 4.28, which is above the Floor Price.

The Ordinary Shares are listed on the Spanish Stock Exchanges of Barcelona, Madrid, Bilbao and Valencia, which are regulated markets for the purposes of MiFID II, and are quoted on the AQS, under the symbol "CABK". The ISIN for the Ordinary Shares is ES0140609019. Information about the past and future performance of the Ordinary Shares and their volatility can be obtained free of charge from the respective websites of each of the relevant Spanish Stock Exchanges and from BME Market Data (www.bmemarketdata.es).

Stabilisation

In connection with the issue of the Preferred Securities, Barclays Bank Ireland PLC (the "**Stabilising Manager**") (or any person acting on behalf of the Stabilising Manager) may over-allot Preferred Securities or effect transactions with a view to supporting the market price of the Preferred Securities at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Preferred Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Preferred Securities and 60 days after the date of the allotment of the Preferred Securities. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with EU Regulation on Market Abuse and any other applicable laws and rules.

Other relationships

Certain Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Lead Managers 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 its affiliates. Certain Joint Lead Managers 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 Joint Lead Managers 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 Preferred Securities issued under the Prospectus. Any such short positions could adversely affect future trading prices of Preferred Securities issued under the Prospectus. The Joint Lead Managers 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.

Expenses related to the admission to trading

For informative purposes only, an approximate estimate of the expenses payable by the Issuer in relation to the admission to trading is as follows:

	Euro (estimated amount)
Type of expense	
Charges and fees of AIAF and Iberclear	39,000.00
CNMV fees (listing)	72,121.07
Other	5,625,000.00
Total	**5,736,121.07**

Ratings of the Preferred Securities

The Preferred Securities have been rated BB by S&P Global.

In accordance with S&P Global's definitions, a rating of "BB" indicates an obligation that is less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse

[35] Net asset value calculated as equity less minority interests divided by the number of fully diluted shares outstanding.

business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation.

S&P Global is a rating agency established in the EU and registered under the CRA Regulation. S&P Global appears on the latest update of the list of registered credit rating agencies (as of 7 May 2021) on the ESMA website.

SIGNATURES

In witness to their knowledge and approval of the contents of this Prospectus drawn up according to annexes 2, 15, 17 (section 2.2.2.) and 20 of the Commission Delegated Regulation (EU) 2019/980, it is hereby signed by Mr. Javier Pano Riera, Chief Financial Officer of the Bank, in Barcelona, on 15 September 2021.

REGISTERED OFFICE OF THE ISSUER

CaixaBank, S.A.
Calle Pintor Sorolla, 2-4
46002 Valencia
Spain

SOLE STRUCTURING ADVISOR AND LEAD MANAGER

Barclays Bank Ireland PLC
One Molesworth Street
Dublin 2
Ireland DO2RF29

JOINT LEAD MANAGERS

BNP Paribas
16 boulevard des Italiens
75009 Paris
France

CaixaBank, S.A.
Calle Pintor Sorolla, 2-4
46002 Valencia
Spain

Goldman Sachs Bank Europe SE
Marienturm,
Taunusanlage 9-10
60329 Frankfurt am Main
Germany

HSBC Continental Europe
38, avenue Kléber
75116 Paris
France

LEGAL ADVISERS

To the Issuer as to Spanish law and as to English law:

Clifford Chance, S.L.P.
Paseo de la Castellana 110
28046 Madrid
Spain

To the Joint Lead Managers as to Spanish law and as to English law:

Linklaters, S.L.P.
Calle Almagro, 40
28010 Madrid
Spain

AUDITORS TO THE ISSUER

Pricewaterhousecoopers Auditores, S.L.
Paseo de la Castellana 259B, Torre PwC,
28046 Madrid
Spain

CONVERSION CALCULATION AGENT

Conv-Ex Advisors Limited
30 Crown Place
London EC2A 4EB
United Kingdom