ANNUAL REPORT ON THE REMUNERATION OF THE MEMBERS OF THE CAIXABANK, S.A. BOARD OF DIRECTORS

Purpose of the report

This report, prepared on the proposal of the Appointments and Remuneration Committee, presents the remuneration policy adopted by CaixaBank, S.A. for members of the Company's Board of Directors, in adherence to the principles of transparency and information.

This report sets out the general principles applicable to directors' remuneration, the remuneration structure established in corporate documentation, the Company's remuneration policy for the year in course and a global summary of how the remuneration policy was applied in 2012, with a breakdown of individual directors' remuneration.

Pursuant to the provision of article 61 ter of Securities Market Law, this report shall be published and submitted to an advisory vote at the General Shareholders' Meeting, as a separate point on agenda.

General principles of the remuneration policy for directors

CaixaBank, S.A.'s remuneration policy has been developed in accordance with its by-laws and the Regulation of the Board of Directors.

Pursuant to article 4.3 b) of the Regulation, the Board of Directors, in plenary session, is responsible for approving, within the system called for in the by-laws, directors' remuneration.

According to article 14 of this Regulation, the Appointments and Remuneration Committee shall propose to the Board of Directors the system and amount of annual remuneration of directors, the individual remuneration of executive directors and the other conditions of their contracts.

Article 23 of the Board of Directors Regulation establishes the principles on which remuneration of the directors of CaixaBank, S.A. are set:

- The Board of Directors shall strive to ensure that remuneration is moderate and commensurate with market conditions.
- In particular, the Board of Directors shall adopt all measures within its means to ensure that remuneration of external directors, including any remuneration they receive for serving on Board committees, conforms to the following guidelines:
    - External directors must be remunerated according to their effective dedication; and
    - the amount of external Directors' remuneration must be calculated such that it offers incentives for dedication without undermining their independence.
- In addition, Directors may receive compensation in the form of Company shares or shares in another group company, options or other share-based instruments. When

the remuneration is keyed to shares of the Company or share-based instruments, it must be approved by the shareholders at their General Meeting.

Structure of the remuneration system

The remuneration of directors, as established in the corporate by-laws and the Regulation of the Board of Directors, is in line with the basic rules governing director remuneration set down in article 218 of the Corporate Enterprise Act.

In this regard, article 34 of the by-laws states that the Board of Directors will receive, as annual remuneration, a share of consolidated profit, net of general expenses, interest, tax and other amounts allocated to write-downs and depreciation and amortization, and after a 4% dividend has been paid out to shareholders.

Directors carrying out executive duties are entitled to receive remuneration for these duties, which may be either a fixed amount, a complementary variable amount, incentive schemes, and benefits, which may include pension plans and insurance and, where appropriate, social security payments. In the event of departure not caused by a breach of their functions, directors may be entitled to compensation.

Additionally, with prior approval by the shareholders at their General Meeting, directors may receive compensation in the form of Company shares or shares in another publicly traded group company, options or other share-based instruments.

2012 remuneration policy

The remuneration policy for 2012 is line with the aforementioned general principles of the remuneration policy for directors.

Specifically, at its meeting on January 26, 2012, the Board of Directors approved the proposal submitted by the Appointments and Remuneration Committee to maintain the remuneration agreed for 2012 for all Directors and Committee members in line with 2011, which was determined as follows:

(i) €90,000 p.a. to be paid to each member of the Board of Directors

(ii) €30,000 p.a. to be paid to each member of the Executive Committee, the Audit and Control Committee and the Appointments and Remuneration Committee

(iii) The remuneration indicated in points (i) and (ii) above is not conditional on attendance at meetings.

On July 26, 2012, and in response to the Ministry of Economy’s recommendation that all Ibex companies reduce director remuneration, the CaixaBank Board resolved to reduce remuneration for its members and members of the board committees by 10% effective August 1, 2012.

The Board also resolved in accordance with the proposal of the Appointments and Remuneration Committee, to maintain remuneration payable in 2012 to the Chairman of the Board of Directors at 2011 levels, consisting of an amount of €1,000,000 p.a. in addition to the remuneration paid to him as a member of the Board of Directors of the Company or any which he may receive for serving on any Board committee, in accordance with the afore-mentioned reduction in remuneration.

With respect to the 2012 variable remuneration policy for the Deputy Chairman and CEO, and with the objectives of (i) adjusting the amount of variable remuneration to the risks assumed by the Deputy Chairman and CEO in order to meet the objectives set and CaixaBank's global results; (ii) adjusting the amount of variable remuneration payable to the Deputy Chairman and CEO in the event that the risks assumed by CaixaBank materialize; (iii) deferring part of the variable remuneration payable to the Deputy Chairman and CEO over a period of three years; and (iv) encouraging the participation of the Deputy Chairman and the CEO in CaixaBank's capital, at the Ordinary Shareholders' Meeting held on April 19, 2012, shareholders resolved to modify the form in which the amount to be paid and the method of settling the afore-mentioned variable remuneration program was to be carried out, replacing the cash payment of part of the variable remuneration for the deferred and conditional delivery of shares, under the following terms and conditions:

Deferral: Payment of 50% of each component of variable remuneration (cash and shares) corresponding to 2012 shall be deferred over a period of three years and paid in three parts (before the end of February in 2014, 2015 and 2016). Deferred remuneration for the Deputy Chairman and CEO shall be increased to 60%.

Amount: The total maximum amount payable in shares to the Deputy Chairman, CEO and senior executives in 2013 and the three consecutive years, on the basis of 2012 variable remuneration, is estimated at €1,080,000, net of taxes and withholdings, assuming that this group of beneficiaries and the target bonus amount remain unchanged.

The maximum number of shares to be delivered, net of taxes and withholdings, shall be the ratio between this estimated maximum amount and the Company's share price at the close of February 15, 2013 or the previous trading day.

Adjustments to deferred variable remuneration: Where applicable, deferred payments shall be approved by the Company's Appointments and Remuneration Committee after ensuring that no breach of regulation has been incurred, regardless of whether it could lead to losses. Otherwise, the deferred remuneration shall be fully or partially adjusted.

Non-transfer agreement: Company shares received by the Deputy Chairman and CEO pursuant to this agreement may not be transferred within a year from the date they are received.

Ban on hedging transactions: Additionally, the Deputy Chairman and CEO may not carry out hedging operations that could act in detriment to the alignment of the risks contained in the current remuneration system, including any type of financial or derivative instrument.

Shares: The shares delivered shall be Company shares.

Other adjustments: If, after May 30, 2012, there is a change in the number of shares due to a decrease or increase in their nominal value or equivalent transaction, the number of shares delivered shall also be modified to maintain the percentage of share capital.

Delegation of powers: Delegate to the Board of Directors, with express power to delegate in turn to the Executive committee of the Board of Directors and the Appointments and Remuneration Committee or any Board member deemed appropriate, as broadly as required by law, the power to develop, formalize, execute and settle this agreement as necessary; adopting as many agreements as required and signing as many public or private documents as deemed necessary or expedient, to be duly carried out, as well as documents that amend, rectify, correct or complement this resolution, and, specifically, and merely for illustration purposes, to exercise the following capabilities:

(a) Implement and decide the terms and conditions of the share-based variable remuneration systems in all aspects not covered by the agreement.

(b) Draft, sign and submit all communications and complementary documentation as required or deemed to be expedient before any public or private entity in order to implement, execute and settle the share-based variable remuneration system, including as necessary, the corresponding prospectuses.

(c) Determine the specific number of shares corresponding to each beneficiary of the agreement, in compliance with the maximum established limits.

(d) Carry out any actions, declarations or other steps with any public or private body, entity or registry, domestic or foreign, to obtain authorization for, verify and execute the share-based variable remuneration system.

(e) Negotiate, agree and sign counterparty and settlement agreements with the financial entities they freely designate, under the terms and conditions deemed to be expedient.

(f) Draft and publish as many announcements as deemed necessary or expedient.

(g) Draft, sign, record as public deed and, if applicable, certify any type of document related to the share-based variable remuneration system.

(h) Adapt the system to any requirements or observations put forward by the supervisory authorities.

(i) And, in general, perform any acts and sign any documents necessary or expedient to ensure the validity, efficacy, implementation, development, execution and success of the share-based variable remuneration system and the adopted agreement.

On November 29, 2012 and based on a favorable report by the Appointments and Remuneration Committee, the Board of Directors resolved to approve the remuneration policy for employees considered Identified Staff for the purposes of Royal Decree 216/2008 of February 15, governing capital requirements for credit institutions, including the Deputy Chairman and CEO of CaixaBank, for whom the approved policy entails variable remuneration. In addition to other elements, such as risk metrics, ex-ante and ex-post adjustments of the variable amount, deferral of payment of the variable remuneration and indemnities for early retirement or redundancy.

Remuneration policy for employees falling under the group identified in Royal Decree 216/2008, of February 15, governing capital requirements for credit institutions, including the Deputy Chairman and CEO of CaixaBank

In accordance with Royal Decree RD 216/2008[1], the governing bodies of credit entities are required to establish the underlying principles of their entity's remuneration policy, and in particular with respect to those employees whose professional activities have a material impact on the risk profile (hereinafter, the Identified Staff). The governing bodies are also entrusted with ensuring application of these principles and to review them on a regular basis.

In addition, according to the Guidelines on Remuneration Practices and Policies published on December 10, 2010 (hereinafter, the **CEBS Guidelines**[2]), supervisors of credit entities are required to approve any exceptions or relevant modifications to their entity's remuneration policy, and to carefully oversee and consider the effects of such exceptions or changes.

In compliance with these regulations, the governing body of CaixaBank, S.A. (hereinafter, **CaixaBank**) approved the following remuneration policy for Identified Staff.

1. GENERAL GUIDELINES FOR THE REMUNERATION POLICY

The group of which “la Caixa” is parent (hereinafter, the **“la Caixa” Group**), in which CaixaBank is the vehicle bank indirectly carrying out the financial activity, is a leading financial group in the Spanish market, generating value for the company, its customers and its employees. To do so, the remuneration and benefits offered by the "la Caixa" Group must be sufficiently competitive to attract, retain and motivate the best talent in the labor market.

The primary remuneration guidelines applied in "la Caixa" and CaixaBank in respect of Identified Staff throughout the Group structure are as follows:

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[1] Royal Decree 216/2008 of February 15, 2008, governing capital requirements for financial entities, in the wording set out in Royal Decree 771/2011 of June 3, modifying the aforementioned text, and Royal Decree 2606/1996 of December 20, on deposit guarantee funds in credit entities

[2] On December 5, 2011, the Bank of Spain's Executive Committee agreed to adopt this Guideline, which sets out the criteria, practices and procedures for encouraging an appropriate assessment of remuneration-related risks.

Remuneration guidelines:

- The overall compensation policy is geared toward encouraging conducts and actions that ensure long-term value generation and sustainability of earnings over time. Consequently, the variable remuneration takes into account not only the achievement of targets but also the way in which these targets are met.

- The individual targets set for each employee are determined on the basis of the commitments employees assume and establish with their managers.

- The strategy behind the remuneration policy focuses on attracting and retaining the talent of its employees, offering them the possibility of taking part in a distinctive social and business endeavor, with the possibility of developing professionally and enjoying competitive total compensation conditions.

- As part of these overall compensation conditions, the remuneration policy seeks to ensure that fixed remuneration plus benefits are highly competitive, chiefly basing the group's ability to attract and retain talent on these two components of remuneration.

- In respect of benefits, the core element is a corporate retirement program offered to professionals. The terms of this program outperform those of other Spanish financial institutions, making it a key element of the remuneration offer.

- The fixed component and the benefits offered constitute the bulk of the remuneration packages offered. In general, variable remuneration tends to be more moderate, as it could potentially generate risk for the entity.

- The promotions system is based on an assessment of the skills, performance, commitment, and professional merits of employees over time.

- Remuneration of senior management is established within the general framework defined in this remuneration policy, and is approved by the governing bodies of “la Caixa” and CaixaBank.

2. GOVERNANCE

2.1. Functions of the Board of Directors

As set out in CaixaBank's by-laws, the Board of Directors is responsible for guiding and controlling the personnel policy and taking those decisions necessary for carrying out this policy. The Regulation of the Board of Directors entrusts the Board with setting (i) the Company's general policies and strategies; (ii) the remuneration and evaluation policy for senior executives; and (iii) the risk control and management policy, as well as periodic monitoring of the internal control and reporting systems.

CaixaBank's Regulation of the Board of Directors also reserves for that body the adoption of certain operating decisions, including remuneration of directors, within the system set out in the by-laws, and, in the case of executive directors, the additional consideration paid for their management duties and their other contract conditions.

Lastly, pursuant to Royal Decree 216/2008, CaixaBank's Board of Directors is responsible for establishing and safeguarding the application of the remuneration policy guidelines and for carrying out a periodic review of these precepts.

2.2. Duties of CaixaBank's Appointments and Remuneration Committee

CaixaBank's Regulation of the Board of Directors entrusts the Appointments and Remuneration Committee with providing information, advice and proposals in respect of the remuneration matters listed in the Regulation.

The committee's basic responsibilities are as follows:

- To propose to the Board of Directors (i) the system and amount of the annual remuneration of directors and senior executives; (ii) the individual remuneration of executive directors and further conditions of their contracts; and (ii) the basic conditions of senior executive contracts

- To analyze, formulate and periodically review the remuneration programs, weighing their adequacy and performance

In addition, in accordance with Royal Decree 216/2008, CaixaBank's Appointments and Remuneration Committee (hereinafter, the “**ARC**”) is entrusted with direct supervision of remuneration of executives carrying out risk management tasks and compliance functions, as well as with preparation of the necessary information so the Board of Directors can take sound decisions relating to this remuneration, including those with possible repercussions on risk and risk management in the entity.

CaixaBank's governing body is responsible for setting the compensation conditions applicable to its Identified Staff.

2.3. Duties of CaixaBank's Management Committee

Both Royal Decree 216/2008 and the CEBS Guidelines instruct institutions to provide for an active participation of control functions in the design of remuneration policies. In that regard, CaixaBank's Management Committee comprises representatives from the following business areas, inter alia:

- Risks
- Finance
- Audit, Internal Control and Regulatory Compliance
- Human Resources
- General Secretary and Secretary of the Board of Directors

In particular, CaixaBank's Management Committee is responsible for ensuring that the necessary information is obtained and prepared so that the ARC can efficiently carry out its duties.

CaixaBank's Human Resources Department (hereinafter, **HR**) promotes these actions within the Management Committee.

CaixaBank's Management Committee is not entrusted with obtaining, preparing and reviewing information on remuneration of its members or the policy applied to this group, with these tasks instead being carried out directly by the ARC.

3. CRITERIA FOR DETERMINING IDENTIFIED STAFF

CaixaBank's Human Resources Department, together with the Risk Department, proposes to the Management Committee and the Appointments and Remuneration Committee the functions to be considered included in the framework of the criteria set out in the present policy and in respect of the guidelines set by the Bank of Spain, including those relating to CaixaBank's Deputy Chairman and CEO.

4. COMPONENTS OF REMUNERATION

4.1. General aspects

The remuneration policy for Identified Staff is structured taking into account both the prevailing circumstances and the entity's results, and comprises:

- Fixed remuneration based on the level of responsibility and the career path of each employee, which constitutes a relevant part of total compensation
- Variable remuneration tied to the achievement of previously-established targets and prudent risk management
- Benefits

Fixed remuneration is of a sufficient amount, while variable remuneration generally accounts for a relatively reduced percentage of the fixed annual compensation.

In this regard, the CEBS Guidelines note that the higher the possible variable remuneration compared to the fixed remuneration, the stronger the incentive will be to deliver the needed performance, and the bigger the associated risks may become. In contrast, if the fixed component is too low compared to the variable remuneration, an institution may find it difficult to reduce or eliminate variable remuneration in a poor financial year.

Therefore, the CEBS Guidelines implicitly equate variable remuneration with an incentive to assume risk, and conclude that a low level of variable remuneration is a simple protection method preferable to incentives based on an inappropriate risk appetite.

Furthermore, the CEBS Guidelines set out that the risk appetite should take into account the category of employees included in Identified Staff, applying the principle of internal proportionality. As a result, the appropriate balance between the fixed and variable remuneration components may vary across the staff, depending on market conditions and the specific context in which the financial undertaking operates. Consequently, the remuneration policy must seek a reasonable and prudent balance between the fixed and variable components of total remuneration.

4.2. Fixed remuneration

As a general criteria, the system of professional classification and salary tables set out in the Collective Labor Agreement for Savings Banks and the particular employment agreements reached with workers' representatives are applied to CaixaBank employees.

Fixed remuneration is determined for each employee based on the position held, applying the salary table set out in the aforementioned Collective Labor Agreement and taking into account the professional level of the employee, employment agreements and the classification of the work center.

Central Services posts fall in a classification based on contribution levels, with salary bands established to allow internal equilibrium. Moreover, to ensure that the entity remains competitive vis-à-vis its peers, the salary bands are quantified on the basis of the entity's competitive position. This entails closely monitoring market trends in salaries and participating in several annual salary polls.

The remuneration policy applicable to senior executives is primarily based on a market approach taking into account specific salary polls.

4.3. Variable remuneration

Risk-adjusted variable remuneration for Identified Staff is based on the remuneration mix (a proportional balance between fixed and variable remuneration, as mentioned above) and on performance measurements.

Ex-ante and ex-post remuneration adjustments are applied in view of the performance measurements, as a risk alignment mechanism.

Both quantitative (financial) and qualitative (non-financial) criteria should be taken into account when assessing performance and evaluating individual results. In general, quantitative criteria are more frequently available at an institution-wide level, while qualitative factors are usually assessed at the individual level, where they are more relevant. However, qualitative criteria can also be relevant at an institution-wide level or business-unit level.

The appropriate mix of quantitative and qualitative criteria also depends on the tasks and responsibilities of each staff member. In all cases, the quantitative and qualitative criteria and the balance between them should be specified and clearly documented for each level and category of staff.

The indicators used for the ex-ante risk adjustment of variable remuneration accrued through the bonus programs or targets programs vary across the different categories of Identified Staff.

4.3.1. Ex-ante risk adjustment for executive directors and senior executives

Variable remuneration for executive directors and senior executives is determined in accordance with the following measurable parameters:

- 50% based on individual targets
- 50% based on company-wide targets, broken down as follows:

- 10%: net recurring earnings divided by regulatory capital
- 7.5%: ROA
- 10%: liquidity
- 10%: NPL ratio
- 5%: quality
- 7.5%: efficiency (measured in terms of the variation in CaixaBank consolidated operating expenses)

4.3.2. Deferred payment of variable remuneration

Professionals subject to deferred payment

For Identified Staff, variable remuneration is deferred when the total amount of variable remuneration accrued exceeds €100,000 or 30% of the employee's fixed remuneration. This deferment is also applied to non-Identified Staff professionals that earn bonuses equal to or above €200,000.

For senior executives, executive directors and regional executive directors, a portion of variable remuneration is always deferred, regardless of the amount thereof.

Deferment process

On the payment date scheduled in the targets program for each employee, the percentage of the variable remuneration accrued for the professional category in question is paid outright (hereinafter, **upfront payment date**). The percentage of variable remuneration retained is as follows:

- Executive Vice-Chairman and CEO: 60%

Providing that none of the situations foreseen in section 6.3.4 (ex-post risk adjustment) arise, the retained portion of variable remuneration is paid in three instalments, in the amounts and on the dates determined as follows:

- One-third of the risk-adjusted variable remuneration will be paid 12 months from the upfront payment date.
- One-third of the risk-adjusted variable remuneration will be paid 24 months from the upfront payment date.
- One-third of the risk-adjusted variable remuneration will be paid 36 months from the upfront payment date.

50% of the amount payable at each of these three dates shall be paid in cash. The remaining 50% is paid through shares, after the corresponding taxes (or withholdings or payments on account) have been settled.

Shares delivered as remuneration may not be sold for one year from the date transferred. During this one-year period, the employee owning the shares may exercise the shareholder rights carried by the instruments. The implementing regulations should foresee specific solutions for special cases not otherwise provided for (i.e., corporate transactions that affect ownership of the shares delivered).

The entity retains ownership of retained shares and cash payments. Deferred cash payments accrue interest on behalf of the employees, calculated by applying the corresponding interest rate to the first tranche of the account payable to the employee, for the net amount received. The employee is entitled to receive any returns on the deferred shares. These returns include any remuneration payable to shareholders or yields on the shares, including but not limited to gross dividends distributed, bonus shares assigned to the deferred shares, and, where applicable, gains on sales of rights to bonus shares or of preferential subscription rights, among others. The implementing regulations should ensure that the value of retained shares is not diluted. Any yields on deferred cash shall accrue interest as described above.

Shares shall be delivered exclusively to the employee in question. In cases of disability leave, early retirement, retirement, partial retirement or death, the Human Resources Department, in collaboration with the Risks Department, shall determine the procedure for settling any pending payments.

4.3.3. Ex-post risk adjustment

Cases affecting the right to variable remuneration

In accordance with the Royal Decree, the ex-post adjustments to variable remuneration accrued by Identified Staff should not allow deferred variable remuneration to be paid unless it is sustainable in accordance with the entity's overall situation, and unless the payment is justified in view of the results of the entity, the business unit, and the employee in question.

Accordingly, where proposed by the Human Resources Department, employees classified as Identified Staff must forfeit the right to collect deferred variable remuneration amounts, either in cash or through delivery of shares, in the following situations:

- In general, as established in Royal Decree 216/2008, where payment of these amounts is not sustainable in light of the entity's overall situation, or where payment is not justified in view of the results of the entity, the business unit, or the employee in question.
- For credit risk-takers, use of capital for credit risk in excess of pre-established risk tolerance (i.e., 25% excess in the case of credit risk-takers)
- Lawful dismissal
- Serious breach of regulations[3,4]
- Breach of regulations attributable to an employee that could put the solvency of a business line at risk, regardless of whether or not losses were incurred

4.3.4. Hirings and dismissals of Identified Staff

Incorporations, promotions or increases in job responsibility

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[3] Any infringement of the entity's internal regulations and processes (including regulation 204 regarding risk functions) identified by the Internal Audit Department (or other areas) is considered an act of non-compliance. HR should classify such a breach as a serious or very serious infringement warranting non-payment of the retained variable remuneration.

[4] The Human Resources Department shall determine whether an employee forfeits its right to collect the retained portion, based on the characteristics and circumstances of each particular case.

For the purposes of this section, the particular situations in which professionals are hired or promoted are taken into account, where they assume a post affected by risk-adjustment and where the level of risk-related duties equals or exceeds 710[5].

In these situations, the risk-adjustment system is activated from the date the professional adheres to the bonus program or the targets program for the new post, and is applied to the amount corresponding to that professional under the program.

In respect of any amounts that could correspond to the professional under the bonus program applicable to his or her previous position, the employee would only be subject to the rules set out herein in those cases in which those duties also fell into the affected categories.

Suspension and termination of the employment relationship

If the employment contract of professionals considered Identified Staff is suspended, payment of the variable remuneration shall be subject to the criteria set out herein.

Whenever an employment contract is terminated, the criteria defined herein in respect of ex-post risk adjustment shall be applied.

Depending on the nature of the termination, the Human Resources Department may propose alternate formulas for settling outstanding balances with the employee in respect of deferment of the bonus.

4.4. Benefits

General guidelines

The "la Caixa" Group's benefits system for all members of staff is a combined defined-contribution (for retirement) and defined-benefit (for disability and death) plan, instrumented through an employee pension plan.

In addition, the Group has a complementary defined contribution plan for retirement or a defined benefit plan for certain executives, where these commitments were assumed prior to a specific date. These additional commitments are externalized through group life insurance policies subscribed by the entity. These insurance contracts are specifically subject to the first additional provision of the consolidated text of the Pension Plans and Pension Funds Law, approved by Royal Legislative Decree 1/2002 of November 29 (hereinafter, **the Pension Plans and Pension Funds Law**) and the regulations on the externalization of pension commitments for employees and beneficiaries, approved by Royal Decree 1588/1999 of October 15.

The pension benefits foreseen for the executive team are applied objectively, when the employee reaches a specified executive level or when similar circumstances occur that warrant a review of their remuneration conditions. The amount of contributions or the degree of coverage of the benefits cannot be determined as part of the variable remuneration package, nor pegged to compliance with performance metrics.

Characteristics of contributions

5 Power to approve transactions for a maximum loss of €1.2 million.

Contributions to employee pension plans for retirement benefits are made after the employee has worked for the entity for thirteen months, and are continued for as long as the employee remains with the company, up to age 65.

For the first 108 months in which this contribution is made, the amount contributed is equivalent to 8.5% of the employee's monthly pensionable salary and, subsequently, to 7.5% of that pensionable salary. The contribution is made for each preceding calendar month, within the last two business days of that month, including, where applicable, the fraction corresponding to the first and last months of contribution in the case of termination or suspension of the employment relationship. Contributions for risk, disability and death benefits are effective as from the date the employee joins the entity and are accrued annually at an amount equal to the insurance premium.

When contributions to pension plans exceed the legal contribution limits, they are made through an excess policy.

In addition, employment contracts between the respective entities and senior executives establish complementary enhanced benefits, particularly in respect of retirement, instrumented through group life insurance policies, in accordance with prevailing legislation governing pension funds and pension plans.

4.5. Other benefits

In general, members of Identified Staff are eligible for the benefits policy established for "la Caixa" Group employees, which comprises competitive benefits and is based on achievement of group synergies (i.e., preferential financial conditions or healthcare)

4.6. Payments on contract termination

The entity assumes those indemnity commitments required under prevailing regulations, namely the payment of compensation only in those cases foreseen in the Employees Statute and implementing regulations. Accordingly, employees are not entitled to any compensation in the case of lawful dismissal.

Likewise, contracts should not contain clauses establishing any compensation in the case of non-compliance with the duties and functions assigned to the employee, and in any event, the policy for and decisions regarding such indemnities must respect the principle that in no case can such payments compensate poor results.

In respect of Identified Staff, compensation for early termination or early rescission of contracts is paid as the positive difference between any applicable compensation and the mathematical provisions made in the employee's favor in the policy through which the pension commitments are instrumented, of which the employee maintains ownership in the event of early rescission or termination.

5. APPLICATION, EVALUATION AND REVIEW OF THE REMUNERATION POLICY

5.1. Annual application and annual review

Each year, CaixaBank's governing body shall review the guidelines and procedures set out in this document, in order to incorporate any modifications, adaptations or implementing regulations deemed necessary.

In addition, on an annual basis the governing body will approve the remuneration plan for the year underway, along with the implementing regulations for that policy.

5.2. Evaluation

CaixaBank's Audit Department will perform an annual internal evaluation on the application of the remuneration policy, in order to verify compliance with the remuneration guidelines and procedures adopted by the governing body.

The different areas to be evaluated are as follows:

Areas	Aspects for review
1. Governance	1. Periodic supervision
	2. Appointments and Remuneration Committee
2. Group of application	1. Identified staff
3. General guidelines for the remuneration policy	1. General aspects
	2. Fixed/variable remuneration ratio
	3. Control functions
	4. Bonus program
	5. Capital base/liquidity
4. Risk adjustments	1. Risk management
	2. Metrics
	3. Ex-post adjustment
5. Deferral	1. Application to Identified Staff
	2. Amount and term of deferment
	3. Delivery of shares
6. New hires and contract rescission	1. Personal coverage
	2. Guaranteed variable remuneration
	3. Payments for early termination
	4. Pension plans
	5. Fraud
7. Public information for third parties	1. Information published in the annual report, relevant information for prudential management (IRP), and the Corporate Governance Report

6. EFFECTIVENESS OF THE REMUNERATION POLICY

The policies and procedures shall be in force for an indefinite period, without prejudice to any modifications, adaptations, updates or substitutions the CaixaBank governing body may resolve to make at any time.

Remuneration of the Board of Directors in 2012

In accordance with the proposal submitted by the Appointments and Remuneration Committee, at its January 26, 2012 meeting, the Board of Directors resolved to maintain 2012 fixed remuneration for directors in line with that paid in 2011, in respect of their supervisory and joint decision-making duties.

On July 26, 2012, and in response to the Ministry of Economy's recommendation that all Ibex companies reduce director remuneration, the CaixaBank Board resolved to reduce remuneration for its members and members of the board committees by 10% effective August 1, 2012. It also resolved to leave the Chairman's remuneration unchanged from 2011, irrespective of any current or potential remuneration received for being a member of the Board or Board committees, in accordance with the afore-mentioned reduction in remuneration.

On November 29, 2012 and based on a favorable report by the Appointments and Remuneration Committee, the Board of Directors resolved to approve the remuneration policy for employees considered Identified Staff for the purposes of Royal Decree 216/2008 of February 15, governing capital requirements for credit institutions, including the Deputy Chairman and CEO of CaixaBank, for whom the approved policy also entails variable remuneration.

In 2012, the aggregate remuneration paid to members of the Board of Directors of CaixaBank, S.A. in their capacity as directors was €5,421 thousand, along with €1,090 thousand for membership on the boards of other Group companies.

"Group companies" are those controlled by CaixaBank, S.A. Therefore, remuneration received by directors for membership on the boards of other companies – listed or otherwise – in which the Company owns a stake but does not exercise control has not been included.

Breakdown of individual remuneration paid to each director in 2012:

Board of Directors

(Thousands of euros)			Remuneration	
			2012	
Name	**Position**	**Type of director**	**From the entity**	**From Group companies**
Isidre Fainé Casas	Chairman	Proprietary	1,115	
Juan María Nin Génova	Deputy Chairman	Executive	2,592	90
Eva Aurín Pardo	Director	Proprietary	41	
María Teresa Bartolomé Gil	Director	Proprietary	45	
María Teresa Bassons Boncompte	Director	Proprietary	41	
Caja Navarra, represented by José Antonio Asiáin Ayala	Director	Proprietary	20	
CajaSol, represented by Guillermo Sierra Molina	Director	Proprietary	20	
Isabel Estapé Tous	Director	Independent	144	
Salvador Gabarró Serra	Director	Proprietary	115	
Susana Gallardo Torrededía	Director	Independent	126	
Javier Godó Muntañola	Director	Proprietary	115	90
Enrique Goñi Beltrán	Director	Proprietary	10	
Javier Ibarz Alegría	Director	Proprietary	55	
Immaculada Juan French	Director	Proprietary	45	90
David Li Kwok-po	Director	Other external	86	
María Dolors Llobet María	Director	Proprietary	115	100
Juan José López Burniol	Director	Proprietary	115	
Jordi Mercader Miró	Director	Proprietary	60	530
Alain Minc	Director	Independent	115	
Miquel Noguer Planas	Director	Proprietary	45	190

Antonio Pulido Gutiérrez	Director	Proprietary	10	
John S. Reed	Director	Independent	86	
Leopoldo Rodés Castañé	Director	Proprietary	86	
Juan Rosell Lastortras	Director	Other external	104	
Francesc Xavier Vives Torrents	Director	Independent	115	
Total			**5,421**	**1,090**

The remuneration of directors in 2012 shown in the breakdown above takes the following aspects into consideration:

. On June 30, 2011, Mr. Nin became Deputy Chairman and CEO of CaixaBank. He was re-elected to the same post on April 19, 2012.

. María Teresa Bartolomé Gil was appointed by co-option on January, 26 2012 and subsequently ratified and appointed at the General Meeting on April 19, 2012.

. Eva Aurín Pardo, María Teresa Bassons Boncompte and Javier Ibarz Alegría were appointed at the Extraordinary General Shareholders' Meeting held on June 26, 2012.

. María Teresa Bartolomé Gil, Immaculada Juan Franch, Jorge Mercader Miró and Miquel Noguer Planas tendered their resignations from the Board of Directors on May 22, 2012, effective June 26, 2012.

. Caja Navarra and Cajasol were appointed members of the Board of Directors of CaixaBank on September 20, 2012.

. Enrique Goñi Beltrán and Antonio Pulido Gutiérrez were appointed at the Extraordinary General Shareholders' Meeting held on June 26, 2012, subject to the filing of the merger with Banca Cívica and stood down on September 20, 2012.

. On July 26, 2012, the Board of Directors resolved to reduce the remuneration paid to its members and members of Board committees by 10% from August 1.

. Total remuneration includes fixed remuneration, payments in kind and total variable remuneration assigned to the directors. In application of Royal Decree 771/11, variable remuneration includes the variable remuneration already received by the Deputy chairman and CEO in cash or shares as part of the deferred variable remuneration (cash and shares) receivable on a straight-line basis over the next three years.

CaixaBank has a group third-party liability insurance policy to cover its Board members and executives. Premiums paid in this regard amounted to €780 thousand in 2012.

CaixaBank does not have any pension obligations with former or current members of the Board of Directors in their capacity as such.

Remuneration paid in 2012 to members of Board of Directors of CaixaBank in connection with their duties as representatives of the entity on the boards of listed companies and of other companies in which CaixaBank has a significant presence or representation and that are CaixaBank consolidated companies (excluding Group companies) amounted to €1,119 thousand, recognized in the companies' respective income statements.

Advisory role of the Appointments and Remuneration Committee

In all its decision-making processes, the Appointments and Remuneration Committee has been able to verify all significant data against corresponding market data or those of comparable companies, taking into account the size, characteristics and activities of the Company.

Barcelona, February 21, 2013

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